Cover

Satellite images enable the calculation of an index that measures plant growth and vegetation cover. This index can be used in weather insurance products.

Information on Swiss Re’s efforts to develop agricultural risk solutions can be found on pages 15–16 and 38–40 of this report.
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive statement</td>
<td>2</td>
</tr>
<tr>
<td>Who we are and what we do</td>
<td>4</td>
</tr>
<tr>
<td>Our approach to corporate responsibility</td>
<td>7</td>
</tr>
<tr>
<td>Creating sustainability solutions</td>
<td>12</td>
</tr>
<tr>
<td>Extending our risk intelligence</td>
<td>18</td>
</tr>
<tr>
<td>Reducing our environmental footprint</td>
<td>24</td>
</tr>
<tr>
<td>Being a good corporate citizen</td>
<td>30</td>
</tr>
<tr>
<td>Exploring and shaping the risk landscape</td>
<td>35</td>
</tr>
<tr>
<td>Being an employer of choice</td>
<td>42</td>
</tr>
<tr>
<td>Ensuring good governance</td>
<td>49</td>
</tr>
<tr>
<td>Independent assurance report on the Swiss Re Group consolidated CO₂ emissions</td>
<td>52</td>
</tr>
<tr>
<td>Memberships, awards and index listings</td>
<td>54</td>
</tr>
<tr>
<td>GRI content index with UN Global Compact “Communication on Progress” references</td>
<td>56</td>
</tr>
<tr>
<td>Other Swiss Re publications</td>
<td>58</td>
</tr>
</tbody>
</table>
Executive statement

Dear stakeholders

Swiss Re has a long-standing commitment to corporate responsibility. As we understand it, this means striving to contribute to long-term, sustainable value creation. In particular, we seek to use our risk expertise to help address key environmental and social challenges. Constructive cooperation with our stakeholders and partners – clients, investors, regulators, local communities and others – is essential to this effort. With the present Corporate Responsibility Report, we would like to show how we turned our commitment into action in 2009.

For our clients, we succeeded in developing a number of innovative risk transfer solutions that provide, or extend, insurance protection against earthquakes, windstorms and unusual weather patterns. Several of these solutions focused on emerging and developing countries, and involved tailor-made partnerships with governments and public-sector organisations. As a lead partner of the Economics of Climate Adaptation Working Group, Swiss Re also helped develop a framework that enables decision-makers to devise cost-effective climate adaptation measures.

Further refining our risk management, we introduced an overarching framework to manage environmental, social and ethical risks in our business transactions. The framework comprises detailed policies on sensitive sectors or issues and builds on our process for “Sensitive Business Risk” assessments, which are now compulsory under certain conditions.

As in previous years, contributing our risk expertise to international dialogue on key risk developments was a further priority. In 2008, our focus was on regulatory
reforms, climate change, country risk management and agricultural risk solutions. We shared our insights and positions through a number of channels, among them stakeholder conferences at our Centre for Global Dialogue and several new publications. Furthermore, Swiss Re representatives took part in major dialogue events such as the World Economic Forum and Climate Week New York.

We also continued our tradition of providing direct support to selected projects, in partnership with respected charitable organisations. In 2009, we funded several projects in emerging countries that aim to improve risk preparedness for natural disasters. Meanwhile, our ReSource Award for Sustainable Watershed Management was conferred for the seventh year in a row and went to a project in Afghanistan.

The way our efforts as a responsible company are perceived by our stakeholders and partners is important to us and provides us with valuable feedback. In this context, we take pride in the fact that we gained the position of insurance sector leader in the Dow Jones Sustainability Indexes for the second year in a row. We are committed to continuing our efforts in the future and making further progress in implementing the principles of the UN Global Compact, to which Swiss Re is a signatory.

We would like to conclude by briefly addressing one of our key stakeholder groups, our employees. It is their dedication and expertise that enabled Swiss Re to maintain its strong track record as a responsible company in a challenging environment. We would like to offer them our sincere thanks for this.

Zurich, June 2010

Walter B. Kielholz
Chairman of the Board of Directors

Stefan Lippe
Chief Executive Officer
Who we are and what we do

Swiss Re is a leading and highly diversified global (re)insurance company. We deliver both traditional and innovative offerings in Property & Casualty and Life & Health that meet our clients’ needs.

Swiss Re at a glance
Swiss Re has a strong reputation in innovative (re)insurance and risk management solutions. We provide wholesale (re)insurance products, insurance-based capital market instruments and supplementary risk management services to Property & Casualty and Life & Health clients and brokers around the globe.

We operate from over 60 office locations in more than 20 countries. As of 2009, our ten biggest markets, according to net premiums earned and fee income from policyholders, were the United States, the United Kingdom, Germany, France, Canada, Australia, Italy, Switzerland, Japan and the Netherlands. In the past year, they accounted for 81.2% of the Group’s total premiums and fee income.

Swiss Reinsurance Company Ltd, the Group’s parent company, is a joint stock company, listed on the SIX Swiss Exchange and domiciled in Zurich, Switzerland. The other companies of the Group are not listed.

Net premiums earned in 2009 by product line

Net premiums earned in 2009 by region

Our business segments

**Property & Casualty**
We provide traditional reinsurance as well as insurance for corporate clients. Combining global expertise and local knowledge, we provide clients with financially sound risk transfer solutions in all lines of business.

**Life & Health**
We are the leading provider of reinsurance to life insurance companies worldwide. With specialist knowledge of mortality and morbidity trends, we support clients with sustainable, pragmatic solutions. We also acquire closed life and health books of business, which we administer through Admin Re®.

**Asset Management**
We manage the assets Swiss Re generates through its business activities. Our Asset Management division sets the Group’s investment strategy, ensuring that assets match our reinsurance liabilities while generating optimal investment returns.

The business model of reinsurance
Reinsurance creates stability. By managing risks and covering losses, reinsurers protect investments and enable economic growth. As a leading global reinsurer, Swiss Re has the diversification and capacity to provide companies with innovative (re)insurance and capital market solutions.

In simplified terms, our business model works as follows:

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

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

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

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

Board of Directors
Chairman
Vice Chairman
Members of the Board of Directors

Executive Committee
Chief Executive Officer
Members of the Executive Committee

Client Markets
- Europe
- Americas
- Asia
- Insurance & Specialty
- Global Admin Re®

Products Underwriting
- Property & Specialty
- Casualty
- Life & Health

Asset Management

Finance

Risk Management

Key economic data
The table below provides a simplified overview of Swiss Re’s key economic data.

<table>
<thead>
<tr>
<th>CHF millions unless otherwise stated</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>239,877</td>
<td>240,604</td>
</tr>
<tr>
<td>Total investments</td>
<td>163,965</td>
<td>156,449</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>219,424</td>
<td>214,403</td>
</tr>
<tr>
<td>Total debt*</td>
<td>26,975</td>
<td>28,209</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>20,453</td>
<td>26,201</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>19,071</td>
<td>20,087</td>
</tr>
<tr>
<td>Total revenues</td>
<td>24,978</td>
<td>33,383</td>
</tr>
<tr>
<td>Premiums earned</td>
<td>25,501</td>
<td>24,606</td>
</tr>
<tr>
<td>Net investment income</td>
<td>7,881</td>
<td>6,953</td>
</tr>
<tr>
<td>Net realised investment gains/losses</td>
<td>-9,482</td>
<td>733</td>
</tr>
<tr>
<td>Total expenses</td>
<td>26,328</td>
<td>32,429</td>
</tr>
<tr>
<td>Claims and claim adjustment expenses</td>
<td>10,007</td>
<td>9,083</td>
</tr>
<tr>
<td>Life and health benefits</td>
<td>9,065</td>
<td>9,348</td>
</tr>
<tr>
<td>Income tax expense/benefit</td>
<td>-486</td>
<td>231</td>
</tr>
<tr>
<td>Current tax expense</td>
<td>560</td>
<td>734</td>
</tr>
<tr>
<td>Deferred tax expense/benefit</td>
<td>-1,046</td>
<td>-503</td>
</tr>
<tr>
<td>Net income</td>
<td>-864</td>
<td>723</td>
</tr>
<tr>
<td>Earnings per share in CHF (basic)</td>
<td>-2.61</td>
<td>1.49</td>
</tr>
<tr>
<td>Return on equity in %</td>
<td>-3.4</td>
<td>2.3</td>
</tr>
</tbody>
</table>

* expressed as total carrying value
Our approach to corporate responsibility

We are committed to being a responsible company. Our corporate responsibility framework defines how we aim to contribute to sustainable, long-term value creation.

At Swiss Re, we strive to act as a responsible company. Our commitment to corporate responsibility is fully integrated in our Group Code of Conduct, which is binding for all our employees across the globe.

We believe that three areas of our business are particularly important to fulfil this commitment: our corporate governance regime, our efforts to implement sustainability considerations in our business and our activities as a good corporate citizen. These three areas form the pillars of our corporate responsibility framework.

Swiss Re Group Code of Conduct:
“Swiss Re takes pride in being a law-abiding, ethical and socially responsible organisation that deals fairly and professionally with its stakeholders – our employees, shareholders, customers, government regulators and the general public.”
Our approach to corporate responsibility

Our corporate responsibility framework

Corporate responsibility
“Corporate responsibility” is Swiss Re’s overarching commitment to being accountable to all stakeholders in all operations and activities, with the aim of achieving sustainable development in the economic, social and environmental dimensions. Swiss Re’s corporate responsibility comprises three pillars, all of which are based on the company’s mission and core values.

Corporate governance
“Corporate governance” is the framework comprising Swiss Re’s organisation, structure, management and assurance functions. The Group’s governance should be transparent to its shareholders and other stakeholders.

Corporate sustainability
“Corporate sustainability” stands for Swiss Re’s commitment and activities to a) achieve ethical, socially and environmentally responsible business practices and to manage the corresponding risks and opportunities, b) minimise the direct impacts of operations on the environment and society and c) achieve sustainability in Swiss Re’s relationships with employees.

Corporate citizenship
With its “Corporate citizenship” activities (sponsoring programmes, matching gifts, donations and volunteering), Swiss Re supports the communities in which it operates and furthers its business objectives in relevant areas, thus strengthening the Swiss Re brand and its reputation.

Top-level responsibility
At the executive management level, two members of the Group’s Executive Committee share responsibility for the implementation of Swiss Re’s approach to corporate responsibility. The Chief Risk Officer oversees sustainability in the core business, while the Chief Operating Officer is in charge of internal environmental management, corporate citizenship and human resources.

At the level of the Board of Directors, part of the primary function of the Chairman’s and Governance Committee is to address the corporate governance issues affecting Swiss Re. The committee is also responsible for periodically monitoring the Group’s sustainability and citizenship activities.

Disclosure and accountability
As part of our commitment to corporate responsibility, we have reported on our performance in this respect for more than a decade. Starting with a “Corporate Environmental Report” in 1998, we have disclosed information related to corporate responsibility on a yearly basis. The range of topics covered in these reports has gradually increased. While early reports mainly emphasised environmental concerns, later editions began to widen their focus to social and governance issues. For the last three years, we have published a comprehensive “Corporate Responsibility Report” that is guided by best practices in corporate sustainability reporting.

Content definition and scope
The content and structure of this report reflect Swiss Re’s three-pillar corporate responsibility framework. Most of the main chapters highlight our activities in the areas of governance, sustainability and citizenship.

Corporate governance and corporate citizenship are covered in two individual chapters:
- “Ensuring good governance”
- “Being a good corporate citizen”

Our efforts to implement sustainability in our business are described in three chapters with different sub-themes. From a reinsurer’s point of view, many environmental and social developments have the potential to pose risks that need to be identified and addressed in core business processes. At the same time, finding solutions to key sustainability challenges may offer new opportunities. At Swiss Re, we strive to do...
Chapter overview

<table>
<thead>
<tr>
<th>Corporate governance</th>
<th>Corporate sustainability</th>
<th>Corporate citizenship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring good governance</td>
<td>Creating sustainability solutions</td>
<td>Extending our risk intelligence</td>
</tr>
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<td></td>
<td></td>
<td>Reducing our environmental footprint</td>
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<tr>
<td></td>
<td></td>
<td>Being a good corporate citizen</td>
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The report covers the whole Swiss Re Group, including all its subsidiaries, but its scope is limited to our own operations. While we do provide information on our sourcing and procurement policies, we do not report on the performance of our suppliers because the reinsurance business does not involve a typical supply chain as such.

Climate change

On a global scale, climate change is the biggest environmental challenge facing humanity. Swiss Re was one of the first organisations to realise its potential impact almost twenty years ago. It has since become an acknowledged thought leader on the topic and has developed several path-breaking initiatives, among them the Greenhouse Neutral Programme, the CO2e Reduce and Gain Programme and – in partnership with other organisations – the Economics of Climate Adaptation framework.

The Group’s strategy to tackle climate change rests on four pillars:
- Assess and manage risk: Swiss Re’s aim is to advance its knowledge about climate change risk, to quantify it and, where required, to integrate it into its underwriting and risk management framework.
- Seize business opportunities: In response to its clients’ needs, Swiss Re is committed to seizing climate change-related market opportunities and developing appropriate solutions for adapting to and mitigating climate change.
- Influence the business environment: Swiss Re’s aim is to raise awareness about climate change risks, actively disseminate its knowledge to all stakeholders and advocate a long-term, market-based policy framework.
- Lead by example: Swiss Re has been greenhouse neutral since October 2003 and is committed to reducing its emissions per employee by 30% by 2013.

A complete overview of Swiss Re’s activities related to climate change is available on our website at http://www.swissre.com/rethinking/climate/
Our approach to corporate responsibility

The present report succeeds the 2008 edition and covers the year of 2009. We plan to maintain our yearly publishing cycle and present our next Corporate Responsibility Report in spring 2011, covering the year of 2010. It will again assess progress made against our key goals (see next page).

Key corporate responsibility goals
In last year’s report, we stated our key corporate responsibility goals for 2009. Below is a summary of the progress we made against these goals.

Report on 2009 goals

- Continue to develop innovative risk transfer solutions for emerging markets, in cooperation with various public-sector organisations.
- Successfully completed several solutions providing cover against windstorm, earthquake and weather volatility risks, among them the USD 290 million MultiCat transaction for the Mexican government.

- Drive forward joint research efforts to understand the economics of adaptive measures to climate change, in order to enable pre-emptive risk management.
- Successfully completed joint Economics of Climate Adaptation study and published report presenting costing methodology in September 2009.

- Reappraise corporate responsibility priorities in our core business against background of the company's strategic review.
- Due to re-focusing on core reinsurance business, decided to terminate emissions trading business and sold third-party asset management subsidiary Conning.

- Continue and complete initiative to provide internal guidance on controversial issues.
- Successfully implemented Group framework to manage environmental, social and ethical risks, currently comprising policies with clear criteria and quality standards for eight sectors/issues.

- Carry forward Greenhouse Neutral Programme to cut specific CO₂ emissions and increase energy efficiency at our locations.
- Reached substantial decrease in CO₂ emissions from business travel and managed to raise energy efficiency across the Group by 3% over the year, resulting in further reduction of CO₂ emissions from power consumption and heating.

- Continue focus on risk awareness measures and humanitarian education projects in emerging markets, with heightened focus on climate adaptation.
- Supported follow-up risk awareness projects in Central America, underlining our long-term commitment to our partners, and signed two climate change adaptation projects in emerging markets set to start in 2010.
Corporate responsibility goals for 2010

Below we list our principal corporate responsibility goals for 2010. We will assess our progress made against these goals in the next CR Report.

- Continue to develop risk transfer solutions for emerging and developing countries, using the potential of public-private partnerships.

- Consolidate our framework to manage social, environmental and ethical risks, and help raise awareness of such risks in the (re)insurance industry.

- Actively promote Economics of Climate Adaptation methodology to help decision-makers devise cost-effective adaptation strategies to climate change.

- Enhance our local volunteering and charity programmes, thus offering our employees opportunities for active community involvement.

- Raise our CO₂ emission reduction goal from 30% to 45%, ie permanently reduce our emissions per employee by 45% against 2003 baseline by 2013; and continue to improve per-capita energy efficiency at our locations.
Creating sustainability solutions

We combine innovative approaches to develop solutions that address sustainability challenges. Climate change and insurance cover in emerging markets continue to be key areas of our efforts.

Our core business is to provide financial protection against risk – an essential contribution to economic and social progress. Over the last few years, we have put a special focus on developing innovative solutions that help address social and environmental challenges. At present, many of these innovations include one or more of the following elements:

- **Insurance-linked securities or “cat bonds”:** we have been a leader in the development of these products, which allow large risks to be transferred to the capital markets.
- **Weather insurance products:** we have been a pioneer in offering financial protection against a range of weather-related risks, including index-based solutions.
- **Public-sector clients:** in addition to direct insurers and corporate clients, we seek to offer risk transfer solutions to governments and various public-sector organisations.
- **Emerging and developing countries:** we strive to develop solutions that help extend insurance cover to people in these markets.
- **Climate change adaptation:** while cutting CO₂ emissions will remain essential, we regard as indispensable the development of instruments that facilitate adaptation to climate change.

Based on this approach, we have built a solid track record of concrete transactions. For example, the USD 290 million MultiCat transaction with the Mexican government (see page 15) was the latest of several successful collaborations with the World Bank in the last few years. All these transactions have helped improve insurance cover in emerging and developing countries.

**Economics of Climate Adaptation**

Many national and local economies are already vulnerable to severe climate events, in the form of floods, droughts, heat waves and tropical storms. Losses wrought by such events reached record levels in the first decade of the 21st century. Yet, they are expected to continue rising as a result of climate change, even over the next twenty years.

We firmly believe that adaptation to climate change will be unavoidable. But climate change adaptation is challenging. On a local level, much uncertainty remains about the likely effects of climate change, and a bewildering array of possible measures is available to decision-makers who are tasked with devising a coherent adaptation strategy.
In view of these challenges, we assumed a leading role in the Economics of Climate Adaptation (ECA) Working Group and helped develop a framework that gives local and national decision-makers the means to understand the impact of climate change on their economies and to identify the most cost-effective adaptation measures. The working group presented this framework in a report published in September 2009 (see next page). Prior to publication, we held a two-day conference at the Centre for Global Dialogue to discuss the findings with a broad cross-section of stakeholders.

38
See Exploring and shaping the risk landscape

Application of the framework in eight test locations around the globe produced some striking insights.

- First, enough information is available to support rational decision-making on climate change adaptation, even in developing countries where data is scarce.
- Second, under a scenario of severe climate change, today’s economic losses could rise by up to 200% in some locations by 2030.
- Third, even in this scenario 40 – 68% of the expected loss could be averted through adaptation measures whose economic benefits outweigh their costs.
- Fourth, taking the right adaptation measures would thus also strengthen economic development, especially in developing countries.

We see the ECA framework as a practical contribution to shaping efficient, resilience-building adaptation to climate change in the next twenty years. It is vital to recognise, however, that if the global output of CO₂ emissions is not reduced substantially, climate change beyond 2030 could be so disruptive that the resulting losses cannot be averted. Climate change adaptation is therefore no substitute for climate change mitigation.

The insurance-linked securities sector
We continued to be a leader in the insurance-linked securities (ILS) sector. ILS are capital market instruments, typically bonds, 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. In general, 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.

Insurance-linked securities are particularly well-suited to provide protection against peak risks – events that happen infrequently but tend to lead to high losses, such as earthquakes or windstorms, for which reinsurers require significant capacity. ILS are used for both risk and capital management purposes in the Property & Casualty and the Life & Health business. For reinsurers they are attractive because they free scarce capital; for insurers and
In general, ILS fared well during the recent financial crisis, keeping their promise of low correlation to other asset classes. As a result of the financial turmoil of 2007 and 2008, new issuance was relatively low in 2008, but rebounded in 2009, driven by more attractive spreads during the second half of the year. In total, we sponsored non-life ILS worth USD 435 million during 2009. Additionally, our registered broker-dealer subsidiaries underwrote and distributed to institutional investors USD 1315 million of non-life ILS for Swiss Re clients, including the pioneering MultiCat transaction with the Mexican government. In fact, we were the leading ILS underwriter in 2009.

Natural disasters insurance facility for Central America and the Caribbean
Following the devastating hurricane season of 2005, we started discussions with the Inter-American Development Bank (IADB) on the possibility of developing a parametric insurance facility to help soften the economic impact of natural catastrophes on countries in Central America. The defining characteristic of parametric products is that they use an objective measure, such as earthquake strength, to determine whether payouts are due. Our discussions led to the establishment of a new disaster insurance facility. It is a groundbreaking mechanism that includes the creation of special insurance vehicles, so-called sovereign captives. Under this arrangement, each country will transfer risk to its own captive, which then buys coverage in the insurance and capital markets.

In 2009, we were awarded the mandate from the IADB to structure and implement this new solution for two Central American pilot countries, covering both earthquake and hurricane risks. We have since provided assistance in setting up the captives; designed a novel parametric trigger capturing the three risks of hurricane wind, hurricane rainfall and mudslide; and intermediated the risk transfer to reinsurance and capital markets. Once this pilot solution is implemented, we aim to apply the facility beyond Central America and to additional perils.

Non-life ILS underwritten by Swiss Re

<table>
<thead>
<tr>
<th>Year</th>
<th>USD millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1000</td>
</tr>
<tr>
<td>2007</td>
<td>1000</td>
</tr>
<tr>
<td>2008</td>
<td>1000</td>
</tr>
<tr>
<td>2009</td>
<td>1000</td>
</tr>
</tbody>
</table>

- as a sponsor
- as an arranger for clients

Creating sustainability solutions

Shaping climate-resilient development: a framework for decision-making
This report presents the complete decision-making methodology developed by the Economics of Climate Adaptation (ECA) Working Group as well as eight case studies from around the world. It was published in September 2009.

Our partners in the ECA Working Group are the ClimateWorks Foundation, the European Commission, the Global Environment Facility, McKinsey & Company, the Rockefeller Foundation, Standard Chartered Bank and the United Nations Environment Programme.

The report is available at www.swissre.com/rethinking/climate/
MultiCat transaction with the Mexican government

In 2009, we were selected by the World Bank as co-lead manager and joint bookrunner of the MultiCat Mexico transaction. This is an insurance-linked security that provides the Mexican government with protection of up to USD 290 million from the capital markets against earthquake and hurricane risks.

The MultiCat programme has been developed by the World Bank’s International Bank of Reconstruction and Development (IBRD) as a “cat bond” issuance platform for member countries. MultiCat Mexico was the first transaction completed under the new programme. It is highly innovative in that it covers multiple risks – earthquakes and hurricanes both on the Pacific and the Atlantic side of the country.

The World Bank and other organisations recognise that effective risk transfer solutions can have significant benefits for developing and emerging countries, which are often strongly exposed to natural catastrophes. In the event of a disaster, the government of the affected country usually has to absorb a large part of the financial costs and is frequently forced to borrow money, reallocate budget positions or raise taxes. Transferring catastrophe risks to the capital markets helps ease the pressure on public finances and ensures that rapid funding is available for relief efforts after a disaster.

37 See Exploring and shaping the risk landscape

Innovative weather insurance solutions

We continued to develop, or support, innovative weather insurance products to provide financial protection against weather conditions that would threaten agricultural production and livelihoods. In developing and emerging countries, especially, such products can make an important contribution to promoting economic and social development.

38, 40 See Exploring and shaping the risk landscape

Agricultural insurance cover in Beijing province

We entered into an agreement with the Beijing Municipal Government to provide a reinsurance cover for its agricultural insurance scheme. Around 80% of inhabitants in China continue to live in the countryside and earn their livelihood from agriculture. Moreover, many parts of the country are heavily exposed to a range of natural catastrophes. Whilst the current level of insurance protection remains low
compared to OECD standards, the central government is fostering the rural population’s access to financial instruments through various measures.

For example, the Beijing municipality supports extending financial protection to 400,000 farmers against various perils including flood, hail, wind, rainstorm and epidemic livestock diseases. As part of this deal, the national reinsurer China Re and Swiss Re will cover those losses that lie between 160% and 300% of the annual premium – losses lower than 160% will be borne by the direct insurer(s), those higher than 300% by a special government fund.

By taking over a substantial part of the risk from the Beijing Municipal Government, our cover will strengthen the insurance scheme and help promote agricultural development in the province.

Index-based livestock insurance programme in Kenya

In Northern Kenya, we have been involved in a pioneering index-based insurance programme recently launched to provide small livestock farmers with financial protection against the risk of livestock mortality due to droughts. The programme uses a vegetation index based on satellite images (the “Normalised Difference Vegetation Index” or NDVI, which measures the chlorophyll levels of the vegetation) to identify local droughts that may result in shortfalls of cattle feed and thus lead to livestock mortality risk. It is the first time such a mechanism is used for an insurance product in a developing country. The livestock farmers are paid an indemnity in case the current index falls below the guaranteed level calculated at a resolution of three by three kilometres. In the pilot programme, Kenya-based UAP insures the livestock farmers with support from Swiss Re, while an international donor fund supports the product through premium subsidies.

Weather insurance for an agricultural input supplier in India

Weather index products have tangible benefits for agricultural input providers who sell their products to farmers as forward contracts and want to cover their sales risk. Such companies also provide an effective distribution channel to reach the farmers. In a recent transaction, an agrochemical company in India bought a weather cover reinsured by Swiss Re that will pay out in case of weather conditions which raise the risk of diseases forming on the specified crop. The company would use the weather insurance payout to purchase a pesticide and give this to the farmers free of charge. Thus the weather cover bought by the agrochemical company indirectly benefits the farmers and, by protecting them against weather risks, ensures that they can continue to purchase agricultural inputs in years with adverse weather.

First public-private longevity transaction

In many countries around the world, rising life expectancy and declining fertility pose a growing challenge to retirement financing. The shortfall in funding that may result when people live longer than expected is called longevity risk. It is a risk increasingly faced by individuals, pension funds, employers, insurers and governments.

We believe it is vital to embrace longevity risk and to develop new risk transfer solutions for it. In 2009, we completed a pioneering longevity transaction with the Royal County of Berkshire Pension Fund (RBPF) in the United Kingdom. While we have concluded longevity transactions in the past, this was the first such deal we completed with a pension fund.
The contract covers 11,000 existing pensions and offers protection against the associated longevity risk through a straightforward insurance policy. The total amount of pensioner liabilities covered in this way is approximately CHF 1.7 billion. Both premiums and claims are index-linked to account for future inflation.

**Direct real estate investments**

Sustainability criteria play an essential role in our portfolio of direct real-estate investments. This comprises residential and commercial buildings mainly in Switzerland (77%) and Germany (18%) and has a total value of more than CHF 2.1 billion. In addition, we own office buildings for our own use.

The Energy Mission Statement of Swiss Re, Zurich, lays down strict sustainability guidelines for all real-estate projects in Switzerland: new buildings always need to conform to the MINERGIE® standard, a Swiss quality label specifying high levels of energy efficiency and superior user comfort. For renovations of old buildings we apply the standard whenever this is feasible from an architectural, technical and financial point of view. By the end of 2009, we had developed buildings with a total floor space of more than 200,000 m² in accordance with the MINERGIE® standard, part of which we had sold on successfully.

We also make regular use of other related standards, such as MINERGIE®-ECO® (adding demands on health aspects and building materials) and “Gutes Innenraum-Klima’ (‘good interior climate’). In addition, we started to apply the MINERGIE®-P-ECO® standard in 2009; this specifies the characteristics of a ‘passive house’ – a house that uses “passive” sources for most of its heat generation and consumes even less energy than a MINERGIE®-certified building.

A special highlight of 2009 was the “Swiss Re Next” competition for a replacement building at our Zurich headquarters. In the project definition, we clearly stated that the new building should set a leading example of top-class sustainable construction. Targets for resource use, both in the construction and the operation phase, were set in accordance with the Swiss SIA guidelines for construction to meet the requirements of a 2000 Watt society. The winning project by Basle architects Diener & Diener perfectly combines these sustainability demands with aesthetic, practical and economic qualities.

**Sustainability portfolio**

Over the last few years, we built up a portfolio of investments in alternative energy, water, resource efficiency (waste and materials), carbon & emissions and sustainable agriculture & forestry. In 2008, the portfolio was merged with the existing infrastructure portfolio, in response to the increasing need for low-carbon infrastructure financing (e.g. in wind and solar power) and the growing relevance of sustainability criteria in infrastructure.

We retained the portfolio through the recent financial crisis but made some divestments and reduced our commitments during 2009. At the end of the year, the total value of the sustainability-related part of the portfolio was CHF 487 million.

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**Sustainability portfolio (excluding traditional infrastructure)**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investments (at market value)</strong></td>
<td>122</td>
<td>286</td>
<td>256</td>
<td>240</td>
</tr>
<tr>
<td><strong>Unfunded commitments</strong></td>
<td>254</td>
<td>330</td>
<td>439</td>
<td>427</td>
</tr>
<tr>
<td><strong>Total portfolio</strong></td>
<td>376</td>
<td>616</td>
<td>695</td>
<td>487</td>
</tr>
</tbody>
</table>
Extending our risk intelligence

We apply tailor-made tools to extend the scope of our risk management. This helps us address sustainability-related and emerging risks in our core business.

We have comprehensive risk management processes in place to identify, assess and control the Group’s risk exposures. The main categories of our risk landscape comprise core quantified risks (insurance, financial market and credit) as well as operational risks that arise as a result of doing business (see 2009 Annual Report, page 75 – 76). We have also developed tailor-made tools to address further types of risk that are becoming increasingly relevant today: environmental, social and ethical risks on the one hand, and emerging risks on the other hand. Broadening our risk intelligence in this way is not only an expression of our commitment to being a responsible company; it also makes good business sense because it helps us avoid potential underwriting losses and protect our reputation.

Our framework to manage environmental, social and ethical risks

In 2002, Swiss Re introduced a “Sensitive Business Risks” (SBR) process. This new risk management tool was designed to support our underwriters, client managers and asset managers in upholding the principles laid down in our Group Code of Conduct. Its central feature is that it encourages our business practitioners to request internal expert advice when they have concerns about the environmental, social or ethical implications of a particular business transaction. Once the case is submitted to the SBR process, a task force of sustainability and other experts will examine it and issue a recommendation within 48 hours.

Promoted through frequent trainings in its initial stages, the SBR process established itself as a trusted risk management tool. The number of submitted transactions grew from less than a dozen in the first year to 96 in 2008, although they decreased slightly in 2009 as a result of lower business volumes during the global economic crisis.
The submitted transactions and the discussions around them offered us valuable new insights into how to implement environmental, social and ethical criteria in our business transactions in a transparent and consistent manner. Building on these experiences, we began to develop an overarching framework to address such risks more systematically. The new framework was formally introduced in 2009; at present, it comprises policies on eight sectors and issues: defence industry, oil and gas, mining, dams, animal testing, forestry and logging, nuclear weapons proliferation, and human rights and environmental protection. Each policy contains pre-defined criteria and qualitative standards. If these criteria apply to a transaction, a mandatory SBR process must be triggered. At the same time, our employees can continue to seek recommendations for transactions currently not covered by the policies.

Since 2005, Swiss Re has been practising a country exclusion policy for business with, or related to, countries that have a particularly poor human rights situation (“severe, systematic and persistent human rights violations”) in the country and possible association with the regime and its commercial affiliates. This practice has now been incorporated into the new framework. At present, the excluded countries are Myanmar, North Korea, Somalia (all since 2005), Sudan (since 2006) and Iran (since 2007). In addition to our country exclusion policy, the criteria of the new framework may also lead to the exclusion of a particular company, project or commercial activity from our book of business. All criteria and standards of the framework are reviewed periodically to ensure that they remain up-to-date and relevant.

Rollout of our framework to manage environmental, social and ethical risks involved communication to all client-facing staff and training for those business practitioners who need to apply the framework in their daily work. We held 25 web-based workshops, which reached over 400 employees, and delivered recorded e-learning sessions to 740 employees. In total, more than 1 100 of our employees were formally introduced to the requirements of the new framework.

Interaction with clients
Once our framework to manage environmental, social and ethical risks was implemented, our client managers and underwriters started to build this into client relationships. The clear criteria and qualitative standards of the framework enable us to exert a positive influence on clients’ environmental and social performance. In fact, we have received some favourable reactions from clients. One of the challenges faced by companies that are serious about implementing sustainability principles is competition from firms that are less...
Newmont Mining: an example of positive client feedback

One client that has given us positive feedback on the introduction of our framework is the Newmont Mining Corporation. Domiciled near Denver in the USA, Newmont is primarily a gold producer with a presence on all five continents. In an industry that faces some notable environmental and social challenges, Newmont in 2007 became the first gold producer to be listed on the Dow Jones Sustainability World Index (DJSI-World). Recently the company was ranked 16th in the 11th annual 100 Best Corporate Citizens List compiled by Corporate Responsibility (CR) Magazine.

Dave Baker, Newmont’s Chief Sustainability Officer, says:

“Swiss Re’s risk framework fully aligns with Newmont’s goal to make a lasting and positive contribution toward sustainable development through leadership in environmental stewardship, social responsibility and the protection of the health and well-being of our people. Swiss Re’s framework to manage environmental, social and ethical risks in client relationships provides valuable support for our sustainability efforts around the globe.”

committed or that operate from countries with less stringent regulations. While good sustainability performance does have business benefits, such as improvements in product innovation and reputation, it may also lead to higher production costs that cannot always be recovered in a competitive marketplace.

To our knowledge, we are the first large global reinsurer that has introduced such a wide-ranging framework to address sustainability and ethical issues throughout its core business. While in the banking sector the Equator Principles help create a level playing field for companies involved in project finance, no comparable industry initiative presently exists in reinsurance. This is one reason why several of our clients are telling us they welcome the fact that a leading reinsurer has introduced a framework of environmental and social standards; they say that it helps them advance their own sustainability initiatives.

Managing emerging risks

The risk landscape is shifting ever more rapidly today. Key drivers include new economic, technological, socio-political, regulatory and environmental developments as well as growing interdependencies that can lead to an increasing accumulation of risk. In addition, there is a changing business environment to consider: liability and regulatory regimes continue to evolve, stakeholder expectations are strengthening and risk perceptions are shifting.

These trends may also give rise to what we call emerging risks – newly developing or changing risks that are difficult to quantify and may have a major impact on our business. Investigating these risks (and the opportunities that may be associated with them) in a pre-emptive way is an important part of Swiss Re’s integrated approach to risk management. The key is to reduce the uncertainty emanating from emerging risks and thus help to reduce the volatility of business results. While risks today are assessed largely based on loss experience, a faster pace of change requires a more forward-looking approach. This involves the use of scenarios to estimate future exposures.

Our SONAR framework

We have steadily built up a Group-wide emerging risk approach called SONAR (“systematic observation of notions associated with risk”), which comprises four stages: identification, assessment, implementation and monitoring/control. Clear management responsibilities are given to two governing bodies – the SONAR roundtable and the SONAR review board. The assessment methodologies
we apply as part of SONAR can vary in depth and scope. In general, thinking about risks by using scenarios is becoming increasingly important. These scenarios can be understood as rigorous thought experiments to investigate possible future situations.

At the identification stage of the SONAR process some 140 notions were raised during 2009, drawing on all main areas of the shifting risk landscape. We also assessed a number of potential emerging risks, for example carbon nanotubes (see below) and space weather / solar flares. The latter are large explosions in the sun’s atmosphere. If directed towards the earth, they can lead to geomagnetically induced currents on its surface. Although the frequency of strong solar flares is low, their potential impact, particularly in North America, can be significant and cause large-scale power blackouts, telecommunications disruptions or radio signal blackouts.

Carbon nanotubes – an emerging risk?

Nanotechnology is an umbrella term for a wide range of technologies relating to materials with dimensions of 100 nanometres (1 nanometre = 1 billionth of a metre or one millionth of a millimetre) or less. Among the most prominent nanomaterials are carbon nanotubes (CNTs), cylindrical structures resembling a rolled-up piece of nano-scale “chicken wire” composed of carbon atoms. CNTs have about 100 times the tensile strength of steel at one sixth of its weight. These extraordinary properties make CNTs potentially useful for many applications in electronics, optics, construction and others.

Particular types of multi-wall carbon nanotubes (MWCNTs) have a long, fibrous structure and a needle-like shape similar to asbestos. There is a risk therefore that, if released to the air and inhaled, they may have similar effects as asbestos. Early “proof of principle” studies, though not perfect, have led to some regulatory action and precautionary measures.

Given the present uncertainty surrounding MWCNTs, the insurance industry needs to consider a number of possible pre-emptive risk mitigation steps, eg: raising clients’ awareness, mapping their risk exposure, analysing CNTs’ whole life-cycle and developing appropriate underwriting measures. Currently, the risks related to certain types of MWCNTs are a moving target and need to be monitored closely. Major developments can be expected over the next decade.

Carbon nanotubes were also the subject of a CRO Risk Briefing published in 2009. It is available at www.croforum.org/publication/carbon_nano_tubes/
Extending our risk intelligence

**Strategic risk initiatives**
In cooperation with external partners, we actively contribute to four strategic initiatives dealing with emerging risks. In this way we want to raise awareness of selected emerging risks and support the business community in prioritising, communicating and managing them:

**WEF – Global Risk Network (GRN)**
The GRN was founded by the World Economic Forum to address concerns that the global community was not responding adequately to a changing risk landscape.

**Chief Risk Officer Emerging Risk Initiative (CRO ERI)**
The CRO ERI was launched in 2005 as part of the CRO Forum to raise awareness of major emerging risks relevant to the insurance industry and society as a whole.
www.croforum.org/eri.html

**International Risk Governance Council (IRGC)**
The IRGC is an independent organisation whose purpose is to foster the understanding and management of global risks that suffer from weak governance.
www.irgc.org/-Risk-Governance-Deficits-and,124-.html

**iNTegRisk**
iNTegRisk is a large-scale, integrated EU research project that aims to improve the management of emerging risks related to new technologies in European industry.
www.integrisk.eu-vri.eu/

Key outcomes of our cooperation with these strategic partner organisations in 2009 included the three reports shown below.

**UN Principles for Responsible Investment**
Our efforts to integrate sustainability-related considerations in our daily business also apply to our asset management operations. In 2007, Swiss Re signed the UN Principles for Responsible Investment (PRI). When we began to implement the PRI, we put the initial focus on our actively managed portfolio of listed equities. We developed an overarching policy to formalise the use of environmental, social and governance (ESG) criteria in equity analysis and began to incorporate practical guidelines in 2008. As a result of the financial turmoil in that year, however, the Group decided to change its investment process and significantly reduced its portfolio of listed equities managed in-house.

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The “Global Risks 2009” report published by the GRN highlighted a set of economic risks arising from the financial crisis and warned of the danger of policies which do not address the root causes of the crisis.
www.weforum.org/pdf/globalrisk/globalrisks09/

The CRO ERI published a position paper on “Environmental Liabilities & Biodiversity Losses” to raise awareness of changing environmental liability regimes. The paper aims to present a structured approach to these issues and highlight possible solutions.
www.croforum.org/publication/environmental_liabilities/

In a report on “Risk Governance Deficits”, the IRGC identified and described important deficits in risk governance structures and processes, in an effort to help decision-makers in government and industry to understand both the causes and the impact of such shortcomings.
Even though Swiss Re has moved towards an investment process where the management of certain assets is outsourced, our commitment to the PRI remains intact. The capability to implement the PRI in the investment process is therefore an essential pre-condition in our process to select suitable asset managers for outsourcing assignments. Consequently, appointed asset managers are responsible for security selection within the defined investment universe; however, Swiss Re still defines certain overall constraints and disqualifies certain countries and companies, according to our framework to manage environmental, social and ethical risks. This approach has been implemented in the recent outsourcing of CHF 22 billion in credit and securitised portfolios to global asset managers BlackRock, who is a PRI signatory itself.

Research partnerships
When we identify risk developments with serious potential consequences for our business, we sometimes perceive a need to complement our own expertise with external research. In these instances, the Group engages in research projects with selected academic institutions and other partners.

During 2009, Swiss Re supported a number of climate-related research collaborations. Involving academic partners from Switzerland and other countries, these projects aim to quantify impacts on specific extreme weather events.
Reducing our environmental footprint

We continued our well-established Greenhouse Neutral and CO\textsubscript{You2} Reduce and Gain programmes and rolled out several minimum standards for our procurement activities.

As a financial services provider, Swiss Re does not cause large environmental impacts through its own operations. Yet we consider it an essential part of being a responsible company to minimise our direct environmental footprint. Reducing CO\textsubscript{2} emissions, optimising energy efficiency and applying responsible purchasing policies are priorities in this effort.

Environmental considerations are an integral part of the global management system run by our Logistics division. Quality standards are defined centrally and apply to all locations across the Group. This management system includes a global reporting process that ensures continuous monitoring and the planning of improvement measures. In 2009, we migrated our internal environmental reporting to a state-of-the-art, web-based platform; this has further increased the accessibility and reliability of key data.

At a number of our large, Group-owned locations, the logistics departments – which are responsible for environmental management – have been certified according to ISO 14001. At the end of 2009, 46% of our employees were working at locations with an ISO 14001-certified Logistics department.

Our Greenhouse Neutral Programme

Reducing our own CO\textsubscript{2} emissions is one of four elements in our climate change strategy (see page 9). In 2003, we launched our ambitious Greenhouse Neutral Programme. Originally it combined two commitments: to reduce our per-capita CO\textsubscript{2} emissions by 15% until 2013 and to fully compensate the remaining emissions by purchasing high-quality emissions reduction credits. To our knowledge, we were the first large financial services provider to have made such a pledge.

To ensure reliable reporting on the programme’s progress, we calculate our emissions according to the guidelines of the Greenhouse Gas Protocol, the most widely-used emissions accounting tool (www.ghgprotocol.org). PricewaterhouseCoopers (PwC) performs an assurance engagement to verify our calculations. We publish the verified CO\textsubscript{2} data on a yearly basis in our Annual Report and Corporate Responsibility Report. The Assurance Report from PwC is included on page 52 – 53.

We met our original 15% reduction goal in 2007, chiefly due to a large-scale switch to renewable energy at many of our locations and ongoing improvements in energy...
Reducing our environmental footprint

**CO₂ emissions per employee (FTE)**, Swiss Re Group

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2008</th>
<th>2009</th>
<th>Change from base year 2003 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>kg/FTE</td>
<td>kg/FTE</td>
<td>kg/FTE</td>
<td></td>
</tr>
<tr>
<td>Power</td>
<td>3.794</td>
<td>1.637</td>
<td><strong>1.556</strong></td>
<td>-59.0</td>
</tr>
<tr>
<td>Heating</td>
<td>7.05</td>
<td>5.13</td>
<td><strong>4.97</strong></td>
<td>-29.5</td>
</tr>
<tr>
<td>Business travel</td>
<td>2.123</td>
<td>2.355</td>
<td><strong>1.363</strong></td>
<td>-35.8</td>
</tr>
<tr>
<td>Total</td>
<td>6.622</td>
<td>4.505</td>
<td><strong>3.416</strong></td>
<td>-48.4</td>
</tr>
</tbody>
</table>

1 Figures are calculated on the basis of full-time equivalents (FTE).
2 The 2008 figures for power and heating have been adjusted to reflect a restatement of data at our UK locations.

![Graph showing CO₂ emissions per employee for 2003, 2008, and 2009.]

Underlying environmental data, Swiss Re Group

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>kWh/FTE</td>
<td>6 886</td>
<td><strong>6 674</strong></td>
</tr>
<tr>
<td>Heating</td>
<td>kWh/FTE</td>
<td>2 547</td>
<td><strong>2 475</strong></td>
</tr>
<tr>
<td>Business travel</td>
<td>km/FTE</td>
<td>13 688</td>
<td><strong>8 321</strong></td>
</tr>
</tbody>
</table>

efficiency. We then decided to double our reduction goal to 30% per employee. By the end of 2009, we had achieved a total reduction in our per-capita CO₂ emissions of 48.4% – however, this figure is likely to have been distorted by the strong decrease in business travel we recorded during the year.

As our data analysis suggests, the strong decrease in business travel in 2009 was at least partly due to the difficult economic conditions that prevailed during this period. Coinciding with these external circumstances, however, we have taken internal measures to curb unnecessary business travel. For one, we have continuously expanded our videoconferencing facilities, which now total around 140 across the Group. Recently, we also introduced clear travel budget limits while all travel data are now centrally collected and fed into our new environmental reporting platform, thereby improving accessibility and accuracy.

**Compensation of our remaining CO₂ emissions**

We compensated our remaining emissions for the whole period between 2003 and 2008 by buying and retiring high-quality voluntary emission reduction certificates (VERs) for a total of 290 000 tonnes of CO₂e. To cover our 2009 emissions, we bought and retired VERs for a further 48 000 tonnes of CO₂e.

When buying voluntary emission reduction certificates, we take care to ensure they are of a high quality: the compensation projects generating the VERs must meet a set of stringent criteria that we have defined.
Reducing our environmental footprint

Renewable energy
The most effective measure we have taken to reduce our CO₂ emissions since 2003 is to use electricity from renewable sources. We started this drive in 2005 at four of our locations (Munich, Paris, Rome and Zurich). By the end of 2009, a total of 22 locations in Asia, Europe, North America and Oceania had switched to using renewable energy, fully or partially (see table on next page). Our goal is to use 100% renewable energy at all locations where this is possible, by 2013 at the latest. In selecting power from renewable sources, we apply a minimum

In 2009, for example, part of the VERs we bought and retired came from the Mare Manastr wind farm in Turkey, which meets the sustainability criteria of the Gold Standard for Premium Quality Carbon Credits (www.cdmgoldstandard.org). Consisting of 49 wind turbines, the plant delivers around 40 MW of electricity to the national grid and helps create local employment. The project has also been designed to provide funding for local initiatives, such as road improvements and the building of a kindergarten.
Swiss Re locations using renewable energy

<table>
<thead>
<tr>
<th>Location</th>
<th>% of location's total use of energy in 2007</th>
<th>% of location's total use of energy in 2008</th>
<th>% of location's total use of energy in 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armonk, New York</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Kansas City, Fort Wayne</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>seven further locations in the US(^1)</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>London</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>four further locations in the UK(^2)</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Munich</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Paris</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Rome</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Sydney</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Tokyo</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Zurich</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

\(^1\) Avon, Barrington, Calabasas, Chicago, Dallas, Manchester, Southfield

\(^2\) Folkestone, Hitchin, Norwich, Stevenage

standard that clearly defines a number of requirements. At our Zurich headquarters, for example, we only buy “naturmade star” electricity, which meets tough ecological quality criteria.

Reducing energy consumption

Complementing our policy of using renewable energy, we have set an additional target for reducing the actual amount of power consumed per employee. Compared with the baseline year of 2003, we want to reduce per-capita energy intensity by 20% across the Group, measured in kWh per employee (FTE). Thanks to ongoing measures to improve energy efficiency as well as concentrating back-office tasks in fewer locations, we were well on track towards reaching this goal at the end of 2009. Compared with 2003, we had managed to lower energy intensity by 25% (and by 3% over the year).

Group purchasing guidelines and minimal standards

As a financial services provider, we do not have a proper supply chain in the way an industrial company does. But we still need to purchase a range of goods and services for our business operations. For these sourcing and procurement activities, we use globally applicable Group guidelines. They define criteria which help us select goods and services that offer best value for money, meet high quality standards, have low environmental impacts and observe social standards in their supply chain. Environmental criteria must be considered in purchasing decisions with regard to materials and ingredients, production methods, recycling and waste.

We give preference to suppliers that have an environmental policy or a certified environmental management system such as ISO 14001 or EMAS and comply with international social standards. In particular, our guidelines formally prohibit the use of subcontractors without our express permission and any use whatsoever of underage or forced labour.

For individual product groups we have recently developed a number of minimal standards that further specify our requirements: besides electricity (see above),

<table>
<thead>
<tr>
<th>Additional environmental data, Swiss Re Group</th>
<th>2008</th>
<th>2009</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>kg/FTE</td>
<td>60.0(^1)</td>
<td>44.0</td>
</tr>
<tr>
<td>Water</td>
<td>m³/FTE</td>
<td>25.1(^1)</td>
<td>21.9</td>
</tr>
<tr>
<td>Waste</td>
<td>kg/FTE</td>
<td>234.0</td>
<td>281.0</td>
</tr>
</tbody>
</table>

\(^1\) The 2008 figures for paper and water have been slightly adjusted due to better data quality.
they cover copy paper, office supplies, cleaning services and cleaning agents, flowers, furniture and building materials. Each standard lists objectives, ecological aspects, ecological minimum standards, exceptions, controlling and labels. The minimal standards were being implemented throughout 2009.

Copy paper use has been one of our priorities. By the end of 2009, we had rolled out our minimal standard governing purchase of paper at most of our locations worldwide. As a result, many of them now use 100% recycled copy paper only. In addition to specifying environmental criteria for the kind of paper we buy, we have also taken concrete steps to reduce the actual amount of paper used. By installing more multifunctional printers and promoting electronic data management and archiving, we managed to bring down paper consumption per employee by 26.7% in 2009.

The CO₂red Reduce and Gain Programme
Our CO₂red Reduce and Gain Programme is an innovative extension of our climate change strategy – specifically, our efforts to reduce CO₂ emissions. It gives 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. When we launched the programme in 2007, it was the first global corporate initiative of its kind.

The programme is open to all employees who have been with Swiss Re for a specified period of time (currently at least one year). Grants cover 50% of the investment sum up to a maximum of CHF 5000 or an equivalent amount adjusted to the local cost of living. Some measures are eligible in all locations while others vary, in order to maximise the programme’s effectiveness.

In the three years up to the end of 2009 we granted 2023 subsidies totalling over CHF 4 million. The most popular investments have been public transportation, household appliances and hybrid cars. Furthermore, a significant number of subsidies were granted to investments such as groundwater heat pumps and solar collectors.
Partner initiatives
Beyond our efforts to reduce our own environmental footprint, we support selected external initiatives that aim to promote concrete action on behalf of the business community or improve available information for effective environmental management.

The Swiss Climate Foundation
In cooperation with a number of partner companies, we set up the Swiss Climate Foundation (www.swiss-climate-foundation.ch) in response to the introduction of the Swiss CO₂ law, which provides the basis for the CO₂ levy on heating fuels in Switzerland. This measure is not a tax but an environmental market mechanism that imposes a charge on the use of heating fuels: it then reimburses the money raised, to private companies proportionate to their total salary expenses. For financial service providers, who use relatively small amounts of heating fuels but employ a large number of people, this has resulted in a substantial "net reimbursement".

The partner companies of the foundation agreed to collect these funds and use them to support various climate-friendly projects undertaken by small and medium-sized companies in Switzerland. In 2009, four projects were selected for financial support, among them "CO₂ monitor", a platform designed to introduce climate programmes for employees at small and medium-sized enterprises. The foundation was also able to gain six new partner companies.

In addition to financing the foundation by paying in its net levy reimbursement, Swiss Re has been sponsoring its managing director post since its inception in 2008.

International green electricity survey
Recently, we also took part in the production of a report on the green electricity market, with partner organisations PricewaterhouseCoopers, WWF and the "Verein für umweltgerechte Energie" (Association for Environmentally Sound Energy, VUE). At present, private and corporate consumers suffer from a lack of reliable information about electricity from renewable sources. This market has become highly complex in recent years and has spawned a multitude of mostly national labels. Analysing almost twenty renewable electricity labels and the structure of thirty national markets, the report aims to make a first step in providing guidance to consumers of renewable electricity and to create a basis for sound procurement decisions. It also makes a number of recommendations on how to improve the transparency of this market.

www.pwc.ch/user_content/editor/files/publ_adv/pwc_green_electricity_making_a_difference.pdf
Being a good corporate citizen

Playing an active role in society beyond our core business is important to us. We support selected humanitarian and development projects, while promoting volunteering and charitable work at our business locations.

To us, being a good corporate citizen is an essential part of what it means to be a responsible company. Beyond the value we create through our core business products and services, we see ourselves as a member of society and want to behave as any good citizen would do. In practical terms, this means three things: we support global humanitarian and development programmes, assist local volunteering and charities, and sponsor renowned cultural institutions in the places where we do business. In this report, we focus on the first two categories; information on sponsoring arts and culture can be found on our website at www.swissre.com/corporate_responsibility/spons_culture.html

Global humanitarian and development programmes

In our core reinsurance business, we offer financial protection against risk. We are aware, however, that insurance cannot always provide a solution. In poorer communities, in particular, strengthening risk prevention is often of vital importance, and when a disaster occurs somewhere, swift, hands-on assistance is indispensable. This is why we support development efforts aimed at improving risk preparedness and provide humanitarian aid when required. Using the expertise from our core business, we concentrate on risks related to natural catastrophes, climate change and water.

Follow-up project in Guatemala

In 2008, we were the main sponsor of a project by the Vivamos Mejor Foundation (www.vivamosmejor.ch) to help improve risk preparedness and prevention in the Department of Solalá (Atitlán region) in Guatemala. In view of the project’s success, we decided to support a follow-up project in the same area. In their struggle to overcome chronic poverty and under-development, the villages in this part of Guatemala face the additional threat of frequent natural disasters. If they can be assisted in strengthening risk preparedness and prevention, they will stand a markedly better chance of improving living conditions.
Managed in close cooperation with the local authorities and population, the Vivamos Mejor project focuses on four key goals: identification of chief risks and vulnerabilities in easy-to-use maps; analysis of the most urgent needs with regard to risk prevention measures; setting up and strengthening warning systems to design comprehensive emergency plans; establishing and training of local risk committees and subcommittees at community and department level. In a first phase, 15 communities are benefiting from the project; over a period of three years, efforts will be extended to a total of thirty communities with approximately 14 000 inhabitants.

Follow-up project in Honduras
In Honduras, we supported a further follow-up project to help improve disaster prevention, this one in collaboration with the Swiss Red Cross, SRC (www.redcross.ch). People living in some rural parts of Honduras are struggling with a similar dual challenge of poverty and frequent natural disasters as in Guatemala. An initial SRC project focused on helping thirteen communities in San Esteban to reduce their vulnerability to disasters and was successfully completed in autumn 2009. The people living in these communities have testified that the project’s combination of prevention, preparedness and coordination has brought tangible benefits in the most recent emergency.

The follow-up project benefits 28 communities in the neighbouring municipality of Dulce Nombre de Culmi. In each of these communities, emergency assistance committees will be set up and receive proper training, while the local authorities and population will be involved in analysing and mapping risk zones. On this basis, prevention will be strengthened through environmental measures such as reforestation and protection of water
resources, and by helping the communities to better understand the impact of different types of land use. Furthermore, the project aims to strengthen the capacity of 18 government-run health centres to deal effectively with natural disasters.

**Swiss-South African Cooperation Initiative**

In South Africa, unemployment among young people, especially from disadvantaged backgrounds, is a major challenge. Official statistics put the unemployment rate for people aged between 16 and 35 at over 50%. Since 2001, Swiss Re has been a sponsor of the Swiss-South African Cooperation Initiative, SSACI (www.s saci.org.za), which provides financial and technical support to a wide range of vocational training activities.

The principal goal of these programmes is to prepare youths for skilled employment in commerce and industry after they have left school. As of July 2009, almost 5000 had been enrolled for training in 50 projects, with a pass rate of over 90% and a long-term employment rate after training of over 70% – in real jobs, paying a decent wage. The programme also assisted 358 new enterprises and provided business development services for 458 existing enterprises, helping create 1120 new jobs.

**Local volunteering and charity programmes**

Swiss Re has business locations around the world. We are keen to be a good citizen in these local settings as well, by actively contributing to life in the communities. We do so primarily by encouraging – and supporting – our employees to volunteer for good causes and by supporting local charities.

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**International ReSource Award**

For the seventh time, we presented our International ReSource Award for Sustainable Watershed Management. By recognising successful projects that demonstrate workable, practical solutions, we want to draw attention to the social, ecological and economic importance of protecting vulnerable watersheds in developing countries.

The 2009 award went to a project in hilly Bamyan province in Afghanistan, initiated by Swiss NGO Helvetas. Degradation of higher lying watersheds in the area has led to an increase in floods that reduce soil fertility and threaten people’s livelihoods in the valleys downstream. The project aims to restore these vital watersheds through a combination of measures such as structural remedies, re-vegetation and institutional arrangements. People in the affected communities are directly involved, to ensure that relevant skills and know-how can be built up.

www.swissre.com/corporate_responsibility/resource_award.html
In Singapore, our employees’ choice for Charity of the Year was Habitat for Humanity (www.habitat.org). This is a non-denominational charity that takes action against poor housing and homelessness around the world and strives to provide decent housing in partnership with families in need. When our employees were offered the opportunity to help build houses across the Singapore Straits in Batam, Indonesia, their response was so enthusiastic that they had to depart in two separate groups on two different days.

Both teams of about 20 people put up with challenging conditions and carried out tough, physical tasks such as demolishing old houses, digging sceptic tanks and fitting wires. This did not dampen their enthusiasm, though – quite on the contrary. As one volunteer summed up the day: “The best experience for me was not only to accomplish some social work but also to mingle with people from the office I never happened to have contacts with before. Great fun! Would do the same again.”

Charity of the Year – global set-up, local approach
First launched in 2008, Charity of the Year (COTY) is a Group-wide initiative through which we support local activities in the same participatory manner. Once a year, it gives our employees the possibility to propose charities they would like to support, and then vote on the resulting shortlist. The selected charity receives financial support from Swiss Re and provides our employees with opportunities to engage in volunteering and fundraising activities.

In Australia, for example, our employees chose the Pathways Foundation (www.pathwaysfoundation.com.au) as their Charity of the Year in 2009. This organisation is dedicated to helping young people make the fundamental emotional shift from childhood to becoming a young adult.

The founders of the programme believe modern societies do not always offer enough emotional assistance for this crucial transition phase. This can have potentially serious consequences such as anti-social behaviour as well as lack of motivation and direction.

Our Australian staff have fully embraced their Charity of the Year. In addition to Swiss Re’s financial contribution, they have participated in Pathways events as volunteer helpers and arranged food drives for its camps. Pathways has also been invited to hold lunchtime parenting seminars in the office.
Volunteering initiatives in North America

At Swiss Re’s US locations, our employees got involved in a number of charitable activities with their customary zeal. In Armonk, NY, a one-hundred strong Swiss Re team took part in a charitable “Go the Distance” walk and family fun day held by the Maria Fareri Children’s Hospital at the nearby Westchester Medical Center (www.worldclassmedicine.com/home__mfcf.cfm). Maria Fareri is the only all-specialty children’s hospital in the Hudson Valley region and offers advanced, life-saving care to critically ill children.

In Overland Park, KS, many of our employees once again took part in the annual Community Day. They provided hands-on support to three local organisations that rely heavily on volunteer support: the City Union Mission (www.cityunionmission.org), the Front Porch Alliance (www.frontporchalliance.org) and the Kansas City Zoo (www.kansascityzoo.org).

Carmel, NY, was the site of a further notable effort. Members of our graduates@swissre programme and Swiss Re interns partnered with the local Clearpool Education Center (www.clearpool.org) in our first-ever “Graduates Give Back” event. A programme of the Green Chimneys organisation (www.greenchimneys.org), with which Swiss Re has had close partnership ties for many years, the Clearpool facility provides a rural learning environment ideally suited to disadvantaged inner-city students who have special educational and social needs. Our graduates and interns carried out a range of maintenance and repair jobs, while also trying to serve as role models.

In Toronto, Swiss Re Canada held its second Community Day. Our partner was the Daily Bread Food Bank (www.dailyybread.ca), a charitable organisation that runs neighbourhood food banks and meal programmes in the Greater Toronto Area. Our employees put in much-needed voluntary work at the food bank’s distribution centre, boxing more than 3400 kilogrammes of non-perishable foodstuffs during the day.
Exploring and shaping the risk landscape

We engage in dialogue with our stakeholders to understand the shifting risk landscape and promote viable responses to important risk developments.

Reinsurance creates economic and social value by offering adequately priced cover against major risks. The ability to do so requires a thorough understanding of the ever changing risk landscape. At Swiss Re, we invest substantial resources to explore developments that influence the global risk landscape – such as market, regulatory, technological, socio-economic and environmental trends. Engaging in regular dialogue with key stakeholders is an essential part of this effort.

In turn, our extensive knowledge of key risks is regarded as a highly valuable asset by various organisations. We are often asked to share our views on important risk developments. This gives us a chance to help society and business form adequate responses and develop effective risk transfer instruments.

Issue management: “Top Topics”
With Group Issue Management (GIM), we have a formal approach to communicating on topics that are strategically relevant to us, our clients and society at large. Our so-called “Top Topics” comprise those priority areas which we seek to shape through our thought leadership. We share the cutting-edge knowledge and solutions generated by our risk experts with a wider audience, both through our publications and our dialogue with relevant stakeholders,
which we identify for each of the topics. Our clients are a key audience. So are policymakers and regulators: it is within the Top Topic framework that Swiss Re strives to contribute its expertise towards developing public policy. Our Top Topics cover issues from regulatory developments and new risk management techniques to areas of potential business development.

The GIM process involves risk and product experts from across the organisation as well as specialists dealing with the various stakeholder groups. External views are gathered through a range of stakeholder dialogues and expert networks. The Centre for Global Dialogue plays a key role in managing these platforms.

Currently, the Group manages a total of nine Top Topics:
- Agricultural risk solutions
- Climate change
- Country risk management
- Insurance-linked securities
- Liability dynamics
- Longevity risks
- Natural catastrophes
- Regulatory reforms
- Solvency II

Our priorities in 2009 were regulatory reform projects, which have risen to prominence in the aftermath of the financial crisis, and climate change in light of the UN summit in Copenhagen. We placed a strong emphasis on contributing our expertise to collaborative projects undertaken with partners from within and outside our industry.

Regulatory reforms: Solvency II and systemic risk regulation

Approved by the European Union in March 2009, the new framework directive “Solvency II” represents an important milestone on the road to a more comprehensive insurance regulation system that is both economic and risk-based — in other words, a system that reflects current market prices and encompasses all the risks faced by the (re)insurance industry. Since drafting of the new legislation began, Swiss Re has been sharing its risk management expertise with the European Commission, in particular through the Chief Risk Officer (CRO) Forum. Throughout 2009, we continued to provide input to the drafting of the implementation measures. At the same time, we supported clients in preparing for the new regulatory regime through publications and client events (see our Focus report “Solvency II Standard Formula: Consideration of non-life reinsurance”). Much of this effort was coordinated through the CRO Forum.

In light of the financial crisis, international institutions and regulators in the US and in Europe have started to work on new systems of regulatory oversight whose purpose will be to identify and reduce the threat of systemic risks. There have been discussions, for example under the auspices of the G20 in November 2009, about whether the insurance and reinsurance industry is systemically relevant and whether or not it should therefore be regulated according to similar guidelines and criteria as banks. For different reasons, the (re)insurance industry has been making the case that its business model is fundamentally different from that of a bank and that the core business of insurance poses no systemic threat. Swiss Re played an active role in this regulatory debate by contributing to publications of the Pan-European Insurance Forum (PEIF), the Chief Risk Officer Forum and the Geneva Association, as well as by engaging extensively in a dialogue with regulatory bodies, such as the International Association of Insurance Supervisors.

Solvency II Standard Formula: Consideration of non-life reinsurance
Climate change – facilitating adaptation

Even if CO₂ emissions could be reduced immediately, the amount of CO₂ that has already accumulated in the atmosphere means that the climate will continue to change in the coming decades. While cutting emissions remains essential (“climate change mitigation”), we also need to learn how to deal with the effects of climate change by making societies more resilient (“climate change adaptation”). The seminal report “Shaping climate-resilient development,” which we produced in 2009 as a leading partner of the Economics of Climate Adaptation Working Group, presents a methodology to help national and local decision-makers design cost-effective adaptation strategies.

12, 14

See Creating sustainability solutions

We discussed the findings of the report with key stakeholders at a two-day conference at our Centre for Global Dialogue (see next page).

In December, we represented the Swiss Insurance Association at the UN Climate Change Summit in Copenhagen as part of the official Swiss Delegation. In the run-up to the conference, members of our senior management signed the Copenhagen Communiqué and a statement of 181 institutional investors, both of which called for a robust agreement to succeed the Kyoto Protocol. The failure in Copenhagen to reach a legally binding agreement on emission reduction targets has heightened awareness that societies must learn to adapt to the effects of global warming and changing weather patterns.

Country risk management and agricultural risk solutions

We continued our efforts to promote more effective country risk management practices. Alongside creating new risk transfer solutions for government entities, we helped to move forward discussions on holistic risk management practices through active participation in global forums (eg World Economic Forum meetings, IMF/World Bank Annual Meetings, International Risk Governance Council).
Economics of Climate Adaptation Summit
Before the report of the Economics of Climate Adaptation (ECA) Working Group was published, we organised a conference at the Centre for Global Dialogue to discuss its findings with a broad cross-section of relevant stakeholders. After Rajendra Pachauri, chairman of the Intergovernmental Panel on Climate Change (IPCC), delivered a keynote speech emphasising the importance and urgency of climate change adaptation, discussions at the conference focused on its practical implementation. ECA representatives first explained their analytical approach and the practical tools developed within the framework. Participants then had a chance to examine three case studies before discussing best practices in implementing adaptation measures. The second day of the conference was devoted to the role of the private sector, particularly in providing risk transfer instruments and investments in water infrastructure. Finally, participants used their freshly gained insights to identify concrete actions required to make climate change adaptation happen.

12, 14
See Creating sustainability solutions

Considering the large investments needed in the agricultural sector to ensure food security, we also continued our efforts to promote new risk transfer solutions addressing weather-related volatility, particularly in emerging markets. Following our study on China in 2008, we focused our market research on Brazil in 2009 and published a corresponding Focus report (“Betting the farm? Agricultural risks in Brazil”).

15
See Creating sustainability solutions

The Swiss Re Centre for Global Dialogue
The Swiss Re Centre for Global Dialogue in Rüschlikon just outside of Zurich plays an essential role in our risk communication efforts, providing a platform for dialogue with experts, clients and other stakeholders. Expertise events aim to develop knowledge on important risk topics and are held in different formats, including select expert hearings, larger expert forums and public stakeholder conferences. These different formats reflect different stages in the process of building expertise: from early exploration with the help of external inputs to setting the agenda and shaping solutions for major risk topics. Marketing events are designed for Swiss Re’s clients. They take different formats, too, but always emphasise the key objective of translating expertise into tangible business solutions.

Furthermore, the Swiss Re Centre for Global Dialogue manages a number of networks that bring together external stakeholders such as clients, industry bodies, policymakers and government officials, with the Group’s internal representatives. A key network is the Advisory Panel: comprised of 13 distinguished members, it serves to generate strategic insights into the economic, political, regulatory and societal environment for Swiss Re’s executive management.

European Wind Turbine Committee
Wind energy is the largest source of renewable energy in Europe and covers about 4% of total power consumption. The strong recent growth of the sector has gone hand-in-hand with rapid advances in wind turbine technology and the choice of increasingly challenging locations. This has created new risks for the (re)insurance industry. In view of the relative lack of a track record of these risks, a need has grown for frank and open dialogue between (re)insurers and other players in the industry.
In autumn 2009, a number of (re)insurers from across Europe met at the Swiss Re Centre for Global Dialogue to initiate the European Wind Turbine Committee. The objective of this new committee is to discuss the engineering challenges in products, underwriting and claims with relation to wind turbines. Gaining an accurate understanding of the associated risks will enable Swiss Re and other (re)insurers to support further growth of the wind turbine industry by offering adequately priced coverage.
Exploring and shaping the risk landscape

International agriculture insurance conference
Given the growing and shifting worldwide demand for agricultural products, we believe that providing effective solutions for the risks that exist along the agricultural value chain is becoming ever more important. In order to identify and discuss some of the attendant challenges, we held a two-day conference at our Centre for Global Dialogue in autumn 2009. The event also provided a forum to present and discuss the findings of our newly published Focus Report on agricultural insurance in Brazil (see page 38).

Over two days, some 80 clients, scientists, regulators and industry experts exchanged views on the conference’s central question: how to reach the farmer with an appealing insurance product at an affordable price? A key insight emerging from the final panel discussion was that available solutions need to be customised to farmers’ needs and local realities; index-based products, for example, have to accurately reflect the correlation between crop yields and key weather variables to gain acceptance among farmers.

15
See Creating sustainability solutions

5th Chief Risk Officer Assembly
In co-operation with the Geneva Association (www.genevaassociation.org) and the CRO Forum (www.croforum.org), we organised the 5th Chief Risk Officer Assembly at the Centre for Global Dialogue. Under the heading of “Navigating the storm – risk management during an economic crisis”, the event brought together over 100 Chief Risk Officers, senior (re)insurance professionals, academics and regulators to take an in-depth look at the challenges posed by the exceptionally turbulent recent times.

One of the key lessons from the conference was that organisations must move towards holistic risk management, taking equal account of both quantitative and qualitative aspects of business steering. The interlinked and highly complex nature of the global risk landscape is increasingly forcing companies to “think the unthinkable”, as they work towards risk management concepts that will protect them more effectively against both known and emerging risks. Chief Risk Officers – a job description which had barely existed a few years ago – were said to be of growing importance at all stages of business management.

Contributions to high-level dialogue
Members of our senior management were invited to contribute Swiss Re’s risk expertise to a number of high-level dialogue events during 2009. Among the most important were the World Economic Forum Annual Meeting in Davos, the Climate Week in New York City and the Annual Meeting of the Clinton Global Initiative.

- We had a strong presence at the World Economic Forum Annual Meeting 2009 in Davos. Several Swiss Re executives, led by our former CEO Jacques Aigrain, participated in several public and private meetings. Notable engagements included a public plenary session on the expectations of the UN summit in Copenhagen later that year and an open forum on the issue of climate justice, which looked at the discrepancy between those countries that cause the bulk of global CO₂ emissions and those that are most vulnerable to the effects of climate change.

- Swiss Re was the founding sponsor of Climate Week NYC, which took place in New York City in September 2009. Gathering hundreds of government and business leaders from around the world, this week-long series of high-level meetings, panel discussions, cultural events and public engagements provided a platform to urge action on climate change in the run-up to the UN Summit in Copenhagen. Pierre Ozendo, Swiss Re’s Head of Client Markets America, was one of the speakers at the opening ceremony, along with UN Secretary-General Ban Ki-Moon and other prominent leaders. Our involvement provided an effective opportunity to stress the importance of a comprehensive climate agreement and highlight the role of the insurance industry in helping society manage and adapt to climate risks.
We are a founding sponsor of the Clinton Global Initiative, CGI (www.clintonglobalinitiative.org) and have been one of its members for five years. The CGI aims to tackle pressing global issues, such as climate change, through a commitment to practical action. At the 2009 Annual Meeting, we were represented by Walter Bell, Chairman of Swiss Re America Holding Corporation. He presented our 2009 commitment, which builds on the Horn of Africa Risk Transfer for Adaptation (HARITA) project, our successful 2008 commitment. Developed in partnership with Oxfam America (www.oxfamamerica.org) and the International Research Institute for Climate and Society at Columbia University (http://portal.iri.columbia.edu), HARITA aims to build climate resiliency in rural Ethiopia through a holistic risk management package that combines risk reduction measures and drought insurance for vulnerable farmers. Our 2009 commitment extends the scope of the pilot project to include a further crop and five more villages in the region.
Being an employer of choice

Our goal is to attract a broad range of talented people from around the world. We provide continuous opportunities to develop in a diverse organisation that offers a wide range of experiences and challenges.

Swiss Re is committed to helping both current and future clients find solutions to optimise capital, manage new areas of risk and to support operational excellence. To be successful, we must have an excellent understanding of risk and transform this knowledge into sound business opportunities. It is only through the knowledge, skills and passion of our employees that we can bring competitive solutions to our clients.

The financial crisis of 2008 and 2009 highlighted the critical importance of having the right people with the capabilities to understand risk not only in the context of the Property & Casualty and Life & Health business, but also complex financial risks. Our employees strive to deliver expertise and offer our clients solutions that best meet their evolving risk needs. Having a diverse staff with specialised knowledge in the industries, countries and economies of our clients is key to achieving this.
The diversity of our staff is thus an essential factor, as it drives client responsiveness and innovation. Our goal is to attract a broad range of people from around the world who can offer us experience and knowledge from their respective fields. This variety of cultural, personal and educational backgrounds is vital for a successful collaborative environment. We currently employ more than 10,000 people from approximately 80 nations worldwide and have operations in more than 20 countries.

A responsible approach to redundancies
It is important to note that business requirements are constantly changing, even more so in a severe economic crisis. Necessary market alignments and a truly global strategy sometimes make functional shifts and personnel adjustments inevitable – including redundancies. Last year, Swiss Re streamlined its operations and continued with several transformation projects, which unfortunately resulted in a number of redundancies. However, these were only considered once we established that there was no reasonable re-deployment alternative (or normal attrition/retirement).

In order to remain competitive, we need to continue enhancing our operating model and make cost consciousness part of our culture, but we aim to do this keeping the personal situation of our employees in mind. In total, Swiss Re reduced its workforce by about 8% in 2009 (including the sale of PRO/Conning). This was not done lightly; our managers put in significant time and effort to identify the affected roles and ensure transparent, sensitive communications. In all cases, around the globe, we ensured that the employees affected by redundancy were offered more than what is legally required. Each of them received a competitive severance package, was offered outplacement services and guaranteed fulfilment of active educational agreements.

Our overall goal in handling redundancies is that all affected staff are treated in an equitable manner, taking into account local law and competitive practices. Acting fairly and equitably is part of our Corporate Principles.
Hiring practices
Although Swiss Re went through significant downsizing in 2009, we continued to hire new staff. Much of the restructuring we carried out in 2009 had the objective of centralising functional activities, which led to smaller locations being reduced in size, but lower-cost countries and some larger locations taking in new work.

Affected employees were made aware of similar opportunities elsewhere and, where possible, given the choice to relocate. A number of employees moved to our shared service centre in Bratislava, which grew significantly in size over the year.

When we hire new employees, we not only look at their current abilities, but also at their potential fit for our future employment needs. In a knowledge-based environment, it is becoming more important than ever to attract and retain talented employees. We want each of our employees to be passionate about personal development – their own and that of their colleagues. Therefore, we provide the platform and processes for our employees to meet their career objectives. By aligning personal goals with the company’s business needs, we create a development culture that enables employees to reach their full potential.

Although we recently experienced a challenging period in our company’s history, there continue to be many factors that attract talented individuals to Swiss Re. Recent graduates and experienced professionals are just as much attracted by the intellectually stimulating work involved in dealing with a wide range of current and future challenges in our world – from globalisation through climate change to topics such as longevity. We also offer competitive compensation and benefits. But today’s employees want more from the company for which they work. They want their employer to support sustainable development and act as a good corporate citizen. We strive to meet these expectations, based on our long-standing commitment to corporate responsibility.

It fills us with pride that the average length of service in our core functions remains high. This ensures that our employees have the depth of knowledge and experience needed to understand and meet the needs of our clients.

### Employee data

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total headcount regular employees</td>
<td>11,560</td>
<td>10,552</td>
</tr>
<tr>
<td>Full-time</td>
<td>10,457</td>
<td>9,534</td>
</tr>
<tr>
<td>Part-time</td>
<td>1,013</td>
<td>1,018</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>290</td>
<td>190</td>
</tr>
<tr>
<td>Turnover rate*</td>
<td>13.5%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Voluntary</td>
<td>7.3%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Involuntary*</td>
<td>6.2%</td>
<td>13.3%</td>
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</table>

*Including sale of Primo/Conning

### Average length of service

in years, as of 31 December 2009

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims</td>
<td>9.8</td>
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<tr>
<td>Client Management</td>
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</tr>
<tr>
<td>Risk Management</td>
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</tr>
<tr>
<td>Underwriting</td>
<td>9.5</td>
</tr>
<tr>
<td>Overall</td>
<td>8.9</td>
</tr>
</tbody>
</table>
Diversity and equal opportunities

Being able to work at a global company that provides interaction opportunities across many countries is another key reason why people join Swiss Re. Naturally, diversity and expertise can only be of any practical use in a collaborative environment. This is why we actively encourage staff to expand their global network of contacts and increase their exposure to other business areas within Swiss Re. Currently, there are 115 people on either long-term or short-term international assignments across various countries. In addition, we offer opportunities for cross-functional or global work through training, expert networks or project teams.

To be part of a cross-disciplinary team that develops cutting-edge products is a challenge our staff are eager to accept. This drives innovation and allows us to develop solutions that go beyond standard ways of thinking. We have recently introduced an on-line networking tool called OurSpace which allows groups of people who are interested in the same topics to exchange ideas, opinions, information etc. across the globe.

Like many companies, we pay close attention to the evolving demographics of our workforce. Our Human Resources experts are trained to look for trends and, when necessary, develop solutions to ensure we continue to maintain an effective and balanced workforce.

Our most obvious gap with regard to diversity is among women in the top management layers of our company. Due to a variety of reasons, there was a decline in the number of women at the Executive and Managing Director levels in 2009 compared to the previous year. At the same time, however, the number of women at the Director level continued to increase.

The developments observed in 2009 will result in concrete actions for 2010, for example, the hiring of a full-time dedicated Head of Global Diversity and setting ambitious goals for our development programmes for Managing Directors and Directors.

In order to promote diversity, offering our employees the flexibility to manage their personal lives while still meeting Swiss Re’s business objectives is becoming more relevant every year. We have a global philosophy that, where possible, we want to provide this flexibility. For example, we offer teleworking opportunities that are used by 2% of our employees. Nearly 10% of our workforce have part-time roles or reduced full-time arrangements. Working parents, employees taking care of their own parents as well as students are just a few examples of people benefiting from this flexibility.

Technological advances have made it easier to retain senior employees who live outside of a manageable commuting area. For instance, David Bassi, Managing Director of our Casualty Centre, lives in New Hampshire in the US, yet holds a top global role. He balances his international and domestic travel with time in his home office, utilising technology to stay fully connected to his global team.

<table>
<thead>
<tr>
<th>Share of women on management levels</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Committee/Executive Board Member</td>
<td>4.8%</td>
<td>4.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Managing Director</td>
<td>11.7%</td>
<td>13.4%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Director/Senior Vice President</td>
<td>19.9%</td>
<td>20.0%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Total workforce</td>
<td>46.4%</td>
<td>46.4%</td>
<td>47.7%</td>
</tr>
</tbody>
</table>
Finally, Swiss Re’s Code of Conduct clearly states that discrimination in the workplace against any employee or job applicant based on the person’s age, (dis)ability, origin, gender, religion or sexual orientation (or any other characteristic protected by local law) is not tolerated under any circumstances.

We encourage our employees to report violations of the Group Code of Conduct, laws, rules or regulations, explicitly stating that reporting in good faith is treated with discretion. Swiss Re also prohibits any form of retaliatory action against any employee who, in good faith, reports any misconduct that they become aware of first-hand or from any source they reasonably believe to be credible in the course of their employment or otherwise connected to their employment.

Development and training opportunities
Because of our strong belief in personal development, we offer technical, professional and leadership skills training internally, through our long-established Swiss Re Academy. In 2009, more than 9100 of our employees attended training, equivalent to 85% of the company’s workforce. The Swiss Re Academy also continues its strong legacy of providing industry-leading technical training and learning opportunities to clients and external partners. In fact, our clients expressed their overall satisfaction with these offerings by rating them with 4.5 out of a possible 5 points.

In 2009, 25% of our training offerings were traditional classroom courses and 75% were digital training modules, either through webinars or eLearning courses. We have been expanding digitised learning opportunities at the Swiss Re Academy, thereby reducing the need to travel and days away from the office. Courses requiring classroom time were adjusted to offer a “blend” of digitised and classroom time. The participation figures suggest that this approach supports the way people learn in a globalised environment: in total, we supported 165,242 learning hours, which equals 18.2 hours of learning per employee.

The scores we have received for our training offers are in line with the Corporate University benchmark for “overall performance”, “instructor performance” and “content and delivery”. The largest difference between the benchmark and the Swiss Re data lies in satisfaction with overall performance. Swiss Re has had a score of 82% while the benchmark is 78%. In particular, 77% of respondents stated that they had gained significant new knowledge or skills from the course and 73% said that the training had been a worthwhile investment. Compared to external benchmarks, we continue to exceed the average of 70% for both requirements.

The top management roles at Swiss Re require proven leadership skills as well as strong technical knowledge and effective working habits. We have therefore created tightly focused programmes to develop candidates for positions at the Director and Managing Director levels. We select about 70 employees around the globe into these programmes on an annual basis and prepare them with structured and accelerated development offerings for more senior roles within Swiss Re.

The selected employees are invited to formal training, are stretched by challenging assignments and job rotations and are given opportunities to engage in an active dialogue process with Swiss Re’s senior management. In 2009, nine of twelve new Managing Director appointments were internal candidates. Four had participated in the Group Management Development Pool programme, while approximately 40% of open Director positions were filled by employees who had participated in the Leadership Development Programme.

Our “Early Joiners” programmes
We continue to recruit talented young employees through our graduates@swissre programme as well as our programmes for trainees and apprentices. 50 graduates joined us for the 2009 generation programme, with 60% coming from European universities and the other 40% from the Americas.
Our graduates programme offers an excellent opportunity to discover the world from Swiss Re’s perspective and the prospect of working in an organisation that cultivates diversity. On average, the programme contains 35 days of class-based technical industry training. Besides attending the common blocks of training that cover Swiss Re’s core business, each graduate has the flexibility to select in-depth training that is best suited to his/her specific work environment.

The Junior Power programme is a professional development programme for young people (aged 15 to 25 years) in Zurich and Munich. Nearly 100 apprentices and trainees join the programme each year and are trained in a range of vocations, in turn contributing new perspectives to the company and challenging existing practices. Many of these young adults stay with us after training, ensuring that we have the expertise required in the future. 30% of all apprentices and trainees that have completed the programme since its start in 1982 are still working with Swiss Re.
“Swiss Re Junior Power has given me a great deal of relief in my role as a single father. Thanks to the competence of the Junior Power team and the framework of the programme, my son could enjoy an excellent professional education. With this apprenticeship he is ideally equipped for the world of work. A fantastic opportunity! Great programme!”

Compensation and benefits

To attract, motivate and retain the talent necessary for our success, we aim to provide remuneration that is competitive in a peer group comparison. We take a holistic view of rewards, including direct financial compensation, such as base salary, annual performance incentive (API) and equity-related plans, as well as other tangible and intangible benefits, including health coverage, retirement plans and development opportunities.

Swiss Re is performance-oriented. While the percentage of the variable portion of the total compensation increases as an individual progresses in the organisation, most employees have a variable part of their compensation correlated with the company’s success. Therefore, the goals of each employee are aligned with the company-wide strategic targets. This helps sharpen the focus on performance and encourages teamwork and collaboration.

All employees are encouraged to have both mid-year and annual performance reviews with their line managers. This approach has clearly been successful at Swiss Re, as nearly all eligible employees received a year-end performance review in 2009. Moreover, managers across the Group are strongly encouraged not to wait for these annual events but to share feedback with employees as an ongoing process that should always be at the top of the list of their responsibilities.

The incentive component in our compensation offers is designed to correspond with the risk adjusted multi-year dynamics of our business. A significant portion of senior management’s compensation is tied to the Group’s long-term performance. Our employees participate in a voluntary stock participation plan that combines regular savings with the purchase of shares, which is incentivised by a contribution from the company.

We also ask each employee to devote one of their personal goals to a collaborative work environment under the Group-wide theme of “Play as One to Win”. This further ties personal accomplishments to Swiss Re’s overall goals and enhances collaboration efforts at all levels of the firm.

Health benefits form an important part of overall compensation packages. We consider ensuring the mental and physical health of our employees to be of the utmost importance. Our employee benefit arrangements are designed to protect employees and eligible family members against the financial consequences of important risks, such as accidents, sickness, disability and death. Additionally, we strive to allow employees to accumulate retirement benefits and/or long-term savings to supplement any state provisions.

It is Swiss Re’s aim to build a positive environment for employee engagement within the organisation. We have dedicated Employee Relations professionals who can provide independent coaching and consulting on difficult personal or professional situations.

We also provide a global Employee Assistance Programme whose primary focus is to provide help with a range of legal, financial as well as emotional issues (illness, anxiety, stress etc). Work-life balance continues to be an important focus area, and by offering assistance, benefits, policies and programmes we hope to help our employees achieve a better balance between the demands of their jobs and their private lives.
Ensuring good governance

The quality of corporate governance is measured by the effectiveness of its implementation: good governance means good results, not just good rules.

Corporate governance is the framework comprising a company’s organisation, structure, management and assurance functions; it forms one of the three pillars in Swiss Re’s corporate responsibility framework.

**Legal requirements and best practice**

Swiss Reinsurance Company Ltd, the parent company of Swiss Re Group, is listed in the main segment of the SIX Swiss Exchange. Its corporate governance is therefore assessed under the Swiss Code of Best Practice for Corporate Governance (Swiss Code), issued by economiesuisse in July 2002, and its 2007 appendix concerning recommendations on the process for setting compensation. Swiss Re fully adheres to the principles set out in the Swiss Code and is also compliant with the SIX Directive on Information relating to Corporate Governance (including its Annex), issued by SIX Swiss Exchange, effective since 1 July 2002 and most recently amended with effect from 1 July 2009 (SIX Directive). Moreover, Swiss Re conforms with the provisions on corporate governance, risk management and internal control systems, issued by the Swiss Financial Market Supervisory Authority (FINMA) on 1 January 2009. Finally, Swiss Re’s corporate governance complies with the applicable local rules and regulations of all the jurisdictions in which it conducts business.

In the Corporate Responsibility Report, we highlight some key elements of Swiss Re’s governance, concerning board independence, board and committee structure, shareholder rights and our Group Code of Conduct. Comprehensive information following the structure of the SIX Directive is presented in the 2009 Annual Report, page 84 – 115.

**Independence of the Board of Directors**

Swiss Re maintains a dual Board structure, with the Board of Directors responsible for oversight and the Executive Committee responsible for managing operations.

Our Corporate Bylaws require a majority of the Board of Directors to be independent. To be considered independent, a director may not be, and may not have been in the past three years, employed as an executive officer of the Group. In addition, he or she must not have a material relationship with any part of the Group – directly or as a partner, director or shareholder of an organisation that has a material relationship with the Group. Based on Swiss Re’s independence criteria, all directors qualified as independent in 2009.
Board and committee structure
The Board of Directors has delegated certain responsibilities, including the preparation and execution of its resolutions, to five committees: Chairman’s and Governance Committee, Audit Committee, Compensation Committee, Finance and Risk Committee and Investment Committee.

Swiss Re’s Corporate Bylaws stipulate that all members of the Audit Committee and the Compensation Committee must be non-executive and independent. In addition, in the case of the Audit Committee, no member may accept any consulting, advisory or other compensatory fee from the company. All members must have a thorough understanding of finance, and at least one member must have the attributes qualifying him/her as an Audit Committee Financial Expert, as determined by the Board.

The responsibilities of these two committees are as follows:

Audit Committee
The Audit Committee assists the Board in fulfilling its oversight responsibilities as they relate to the integrity of the Group’s financial statements and exercises supervision of legal, regulatory and compliance related matters. It reviews the annual financial accounts of the parent company and the Group and approves interim accounts. The committee also reviews the Group’s accounting principles and practices, the adequacy of the financial reporting process and the efficacy of the system of internal controls. Furthermore, it evaluates the external auditor, approves the audit plans of Group Internal Audit and the external auditor, and discusses their findings with them.

Compensation Committee
The Compensation Committee proposes to the Board compensation principles for the Group and determines the establishment of compensation plans, thereby ensuring that plans do not encourage inappropriate risk taking. The committee also defines, or proposes as appropriate, individual compensation at the board and management level as well as overall variable compensation pools for the Group and executive management. Furthermore, it reviews the effectiveness of performance management processes and ensures compliance with compensation related disclosure requirements.

By requiring the Audit Committee and Compensation Committee to consist solely of independent and non-executive directors, Swiss Re is in conformity with international best corporate governance standards.

Shareholders’ participation and voting rights
All shares issued by Swiss Reinsurance Company Ltd are fully paid-in registered shares. Each share carries one vote. There are no categories of shares with a higher or limited voting power, privileged dividend entitlement or any other preferential rights, nor are there any other securities representing a part of the company’s share capital.

There are no shareholders’ voting rights restrictions, no statutory group clauses and thus no rules on making exceptions.

In line with legal provisions, any shareholder with voting rights may have his/her shares represented at any General Meeting by another person authorised in writing or by corporate bodies, independent proxies or proxies for deposited shares. Such representatives need not be shareholders.

Shareholders with voting power whose combined holdings represent shares with a nominal value of at least CHF 100,000 may, no later than 45 days before the date of the General Meeting, demand that matters be included in the agenda. Such demands must be in writing and must specify the items and the proposals to be submitted.
Swiss Re has not taken any defence measures against takeover attempts. The Board of Directors is of the opinion that the best protection is a fair valuation of the shares. It believes in the efficiency of a free market rather than relying on defence measures that normally have a long-term negative effect on the share price development.

**Group Code of Conduct**

The Group Code of Conduct (the "Code") is an integral part of our corporate governance. It outlines the basic legal and ethical compliance principles and policies applied by Swiss Re on a global basis. The Code also offers practical guidance and examples for deciding the appropriate course of action and solving ethical dilemmas. It further sets out how the Group’s employees should react when they observe a possible breach of the principles laid down in the Code. All employees are expected to comply with both the letter and spirit of the Code and the Group’s corporate governance principles, and to respect and obey the spirit and letter of applicable laws and regulations wherever we do business.

An updated version of the Code was introduced in 2008, effective from 1 July 2008. The new Code of Conduct continues to cover five main areas: Swiss Re’s business ethics, moral behaviour, corporate records and communication, market practice and information integrity. Several parts of the Code have been expanded, including the sections on conflicts of interests, gifts and entertainment, and bribery and corruption. Swiss Re’s commitment to sustainability is included in the Code as a core element of the Group’s business ethics. The Code thus creates a direct connection between corporate governance and corporate sustainability.
Independent assurance report on the Swiss Re Group consolidated CO₂ emissions

To the Internal Environmental Management of Swiss Reinsurance Company Ltd, Zurich

We have performed assurance procedures to provide assurance on consolidated CO₂ emissions of Swiss Reinsurance Company Ltd (“Swiss Re”).

Subject matter
Data and information disclosed with the CO₂ emission reporting of Swiss Re and its consolidated subsidiaries for the period of October 1, 2008 till September 30, 2009 on the following aspects:
- The management and reporting processes with respect to the consolidated CO₂ emissions as well as the control environment in relation to the data aggregation of these key figures; and
- The consolidated CO₂ emissions 2009 of the table entitled “CO₂ emissions per employee, Swiss Re Group” on page 25 in the 2009 Corporate Responsibility (CR) Report; and
- The retirement of 48 000 tons of CO₂e (CO₂ equivalents) described on page 25 in the 2009 CR Report.

Criteria
- “Internal Environmental Performance Indicators for the Financial Industry” published by the Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e.V. (VIU); and

Responsibility and methodology
The accuracy and completeness of sustainability indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with Swiss Re’s internal guidelines, definitions and procedures on the reporting of its CO₂ emissions.

The Internal Environmental Management of Swiss Re is responsible for both the subject matter and the criteria. Our responsibility is to provide a conclusion on the subject matter based on our assurance procedures in accordance with the International Standard on Assurance Engagements (ISAE) 3000.
Main assurance procedures
Our assurance procedures included the following work:

- **Evaluation of the CO₂ emissions reporting**
  Reviewing the CO₂ emissions reporting using a sample of seven locations in Australia, Germany, Hong Kong, Switzerland, UK and US;

- **Interviews**
  Interviewing the responsible staff for CO₂ emission data collection and reporting at the head office; and

- **Assessment of the key figures**
  Performing tests on a sample basis of evidence supporting selected CO₂ emission data (energy consumption, air travel) concerning completeness, accuracy, adequacy and consistency; and

- **Review of the documentation and analysis of relevant policies and basic principles**
  Reviewing the relevant documentation on a sample basis, including group IEM policies, management and reporting structures, documentation and systems used to collect, analyse and aggregate reported CO₂ emission data; and

- **Assessment of the processes and data consolidation**
  Reviewing the appropriateness of the management and reporting processes for CO₂ emissions reporting and assessing the consolidation process of data at the Group level; and

- **Retirement of CO₂e**
  Check the retirement of 48,000 tons CO₂e verified emission reductions (VER), verified accordingly to the Voluntary Carbon Standard.

Conclusions
In our opinion:

- The internal reporting system to collect and consolidate CO₂ emissions data is functioning as designed and provides an appropriate basis for its disclosure.

Based on our work described in this report and the assessment of criteria, nothing has come to our attention that causes us to believe that the data and information mentioned in the subject matter and disclosed in the CR Report does not give a fair picture of Swiss Re’s CO₂ emissions performance.

Zurich, 25 May 2010

PricewaterhouseCoopers AG

Dr. Thomas Scheiwiller        Dawn Kink
Memberships, awards and index listings

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

**Memberships**

**Carbon Disclosure Project**
The Carbon Disclosure Project (CDP) is an independent not-for-profit organisation which holds the largest database of corporate climate change information in the world. The data is obtained from responses to CDP’s annual Information Requests, issued on behalf of institutional investors, purchasing organisations and government bodies.

www.cdpproject.net

**Catalyst**
Founded in 1962, Catalyst is the leading nonprofit membership organisation working globally with businesses and the professions to build inclusive workplaces and expand opportunities for women and business.

www.catalyst.org

**Chief Risk Officer Forum**
The Chief Risk Officer Forum (“CRO Forum”) is comprised of the Chief Risk Officers of major insurance companies and financial conglomerates. It was formed in 2004 to work on key relevant risk issues for advanced practitioners.

www.croforum.org

**ClimateWise**
ClimateWise is the collaborative insurance initiative through which members aim to work together to respond to the myriad risks and opportunities of climate change.

www.climatewise.org.uk

**Clinton Global Initiative**
A non-partisan initiative of the William J. Clinton Foundation, the Clinton Global Initiative (CGI) moves beyond discussion, fostering a sense of shared responsibility to address major global problems. Gathering world leaders from a variety of backgrounds, CGI facilitates cross-sector partnerships that, in turn, create and carry out projects of their own choosing.

www.clintonglobalinitiative.org

**Davos Climate Alliance**
The Davos Climate Alliance is an Initiative of the World Economic Forum to promote sound measures and best practice aimed at mitigating carbon related risks.

www.davosclimatealliance.org

**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 voluntary union of Swiss corporations who wish to support projects cutting CO₂ emissions. The funds used for this purpose come from the reimbursement of the CO₂ levy paid in by the member companies.

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
Stiftung Risiko-Dialog
(“Risk Dialogue Foundation”)
The Risk Dialogue Foundation brings together different stakeholder groups in order to discuss risks of today’s society. Its aim is to increase societal competence in the judgement and handling of risks.
www.risiko-dialog.ch

The Climate Group
The Climate Group is an independent, non-profit organisation that aims to help set the world economy on the path to a low-carbon, prosperous future through a coalition of governments and the world’s most influential businesses committed to tackling climate change.
www.theclimatetgroup.org

The Earth Institute, Columbia University, Corporate Circle
Through the Corporate Circle, the Earth Institute seeks to engage corporations dedicated to sustainable development in ongoing, mutually beneficial relationships that further shared objectives. These partnerships allow corporations to take advantage of the latest information, tools and networks in the field.
www.earthinstitute.columbia.edu

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

The Sustainability Forum Zürich
The Sustainability Forum Zürich (TSF) is an independent, non-profit, non-partisan association that seeks to contribute to sustainable business in the dynamics of globalisation. It provides its members and partners with a dialogue platform that enables the exchange of the most cutting-edge knowledge, experiences and opinions on challenges relevant to the financial markets.
www.sustainability-zurich.org

UNEP Finance Initiative
UNEP FI is a global partnership between UNEP and the financial sector. Over 170 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

World Economic Forum Global Risk Network
The Global Risk Network of the World Economic Forum seeks to identify and assess key current and emerging risks to global business and the world economy that are systemic in nature. It strives to study global risks, assess their likely effects on different markets and industries, and advance thinking about mitigation possibilities.
www.weforum.org

Recent awards
Ethisphere World’s Most Ethical Companies in 2009
Swiss Re was included in this list of 100 companies that “truly go beyond making statements about doing business ethically and translate those words into action.”

Insurance sector leader in Covalence EthicalQuote Ranking
Swiss Re came out as the top (re)insurer in this reputation index analysing large amounts of public information on companies’ ethical performance.

Global Reactions Award 2009 for “Best ILS Advisor”
This award honoured Swiss Re for taking “bold new approaches to solving the needs to manage increasing risk complexity”.

Trading Risk “Manager of the Year” 2009 for ILS transactions
Swiss Re received this award for innovative ILS transactions that “have broadened the sector’s toolkit and will spur further growth of the ILS market”.

City of London
Clean City Award 2009 – Gold
Swiss Re received this award from the City of London Corporation for demonstrating good practice in responsible waste management.

Energy Risk Awards: Weather House of the Year 2008
Swiss Re was praised for consistently delivering innovative, client-focused solutions in a fast growing market characterised by a diverse and granular range of client needs.

Energy Risk: Deal of the Year 2008
With this award we were recognised for a catastrophe bond that was the first-ever to offer cover against earthquakes in Central America and also provided a model for use by charities.
GRI content index

with UN Global Compact “Communication on Progress” references

This content index refers to the Global Reporting Initiative (GRI) G3 Guidelines for Sustainability Reporting. The guidelines form a voluntary framework setting out principles and indicators that companies can use to measure and report their economic, environmental and social performance.

References to the UN Global Compact principles addressed as part of our Communication on Progress (COP) are integrated in the GRI content index, in line with UN recommendations.

<table>
<thead>
<tr>
<th>Strategy and analysis</th>
<th>Page</th>
<th>UN Global Compact principle</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Chairman’s and CEO’s statement</td>
<td>2 – 3</td>
<td>Statement of continuing support</td>
</tr>
<tr>
<td>1.2 Key impacts, risks and opportunities</td>
<td>8 – 9, 12, 18 – 19</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisational profile</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Name of the organisation</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2.2 Brands, products and services</td>
<td>4 – 5</td>
<td></td>
</tr>
<tr>
<td>2.3 Operational structure</td>
<td>6, AR 208 – 212</td>
<td></td>
</tr>
<tr>
<td>2.4 Headquarter location</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2.5 Countries of operation</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2.6 Nature of ownership</td>
<td>4, AR 86 – 91</td>
<td></td>
</tr>
<tr>
<td>2.7 Markets served</td>
<td>4, AR 201 – 207</td>
<td></td>
</tr>
<tr>
<td>2.8 Scale of the organisation</td>
<td>6, 44, AR 46 – 64</td>
<td></td>
</tr>
<tr>
<td>2.9 Significant organisational changes</td>
<td>10, 43 – 44, AR 36 – 37, 86 – 91</td>
<td></td>
</tr>
<tr>
<td>2.10 Awards received</td>
<td>55</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Report parameters</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Reporting period</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>3.2 Most recent previous report</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>3.3 Reporting cycle</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>3.5 Content definition</td>
<td>8 – 9</td>
<td></td>
</tr>
<tr>
<td>3.6 Boundary of the report</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>3.7 Limitations on the report’s scope</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>3.8 Reporting on other entities</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>3.9 Data measurement techniques</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>3.12 GRI content index</td>
<td>56 – 57</td>
<td></td>
</tr>
<tr>
<td>3.13 External assurance</td>
<td>52 – 53</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance, commitments and engagement</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Governance structure</td>
<td>49 – 50, AR 92 – 106</td>
<td></td>
</tr>
<tr>
<td>4.2 Independence of chairman</td>
<td>49, AR 92 – 93</td>
<td></td>
</tr>
<tr>
<td>4.3 Independence of board members</td>
<td>49 – 50, AR 92 – 101</td>
<td></td>
</tr>
</tbody>
</table>
4.4 Shareholder and employee representation 50 – 51, AR 110 – 111
4.5 Executive compensation AR 117 – 132
4.6 Conflicts of interests 49 – 50, AR 92 – 101
4.8 Mission statements and Code of Conduct 51
4.9 Governance procedures on CR 8
4.10 Evaluation of board performance AR 85, 99
4.11 Precautionary approach principle 8 – 9, 18, 20 – 22
4.12 Externally developed charters and principles 2, 22 – 23
4.13 Memberships 54 – 55
4.14 List of stakeholder groups 36 – 36
4.15 Stakeholder identification 35 – 36
4.16 Approaches to stakeholder engagement 35 – 36
4.17 Topics raised by stakeholders 35 – 36

Product and service impact

FS1 Environmental and social policies in business lines 8 – 9, 12, 18 1, 2, 7 – 9
FS2 Screening of environmental and social risks 18 – 20 1, 2, 7 – 9
FS4 Environmental and social training for staff 19 1, 2, 7 – 9
FS5 Interactions with clients/investees/business partners 19 – 20 1, 2, 7 – 9
FS7 Products with specific social benefit 12 – 17
FS8 Products with specific environmental benefit 12 – 17 7 – 9
FS11 Environmental and social screening in asset management 22 – 23 1, 2, 7 – 9

Economic dimension

EC1 Direct economic value generated 6, AR 137 – 143, 183 – 184
EC2 Implications of climate change 9, 12 – 14 7
EC3 Benefit plan obligations AR 188 – 194
EC9 Indirect economic impacts 5, 12 – 16

Environmental dimension

EN1 Materials used by weight or volume 27 8
EN2 Recycled materials used 28 8 and 9
EN4 Indirect energy consumption 25 8
EN5 Energy conservation and efficiency 27 8 and 9
EN6 Initiatives to use renewable energy 26 – 27 8 and 9
EN7 Initiatives to reduce indirect energy consumption 27 8 and 9
EN8 Total water withdrawal 27 8
EN16 Greenhouse gas emissions 25 8
EN17 Indirect greenhouse gas emissions 25 8
EN18 Initiatives to reduce greenhouse gas emissions 24 – 26, 28 – 29 7, 8 and 9
EN22 Total weight of waste 27 8
EN29 Environmental impact of transport 25 8

Labour practices and decent work

LA1 Breakdown of workforce 43 – 44
LA2 Employee turnover 44 6
LA8 Training on serious diseases 48 1
LA12 Performance review 48
LA13 Workforce diversity 45 1 and 6

Human rights

HR2 Supplier screening on human rights 27 1 – 6
HR6 Child labour 19, 27 1, 2 and 5
HR7 Forced or compulsory labour 27 1, 2 and 4

Society

FS14 Access to financial services for disadvantaged people 12 – 16
SO5 Public policy positions 35 – 38 1 – 10
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 to emerging risks, from natural perils to economic trends and strategic issues in our industry. This is a selection of our most recent publications.

The effects of climate change: An increase in coastal flood damage in Northern Europe

Climate change is affecting storm surges in Europe. Based on the findings of scientific research, Swiss Re forecasts a significant increase in coastal damage in the long term. Governments and insurers will have additional risk to manage as a result.

Betting the farm?

Agricultural risks in Brazil

Brazil is one of the world’s largest agricultural producers. This study evaluates both the farmers’ risk perception and their risk management strategies, and provides a set of specific measures to develop a more robust agricultural insurance framework in the country.

Solvency II Standard Formula: Consideration of non-life reinsurance

Under Solvency II, insurers have a choice of which methods they use to assess risk and capital. Insurers who opt for the Standard Formula should be aware of its limitations. This study shows how the Standard Formula deals with non-proportional reinsurance.

Country risk management: Making societies more resilient

This Focus report explains how integrated risk management approaches can help countries identify and prepare for risks. A country risk officer could act as a focal point in managing a prioritised risk landscape.
Swiss Re’s publications can be downloaded or ordered at www.swissre.com/publications

Setting up sustainable agricultural insurance: the example of China
Agricultural insurance plays an important role in stabilising farmers’ income and stimulating investment in agriculture in developing markets. This Focus report provides an overview of the issues involved in setting up a robust agricultural insurance market in China.

An insurance recipe for the Chinese food and agricultural industry
As a licensed reinsurer in China, we can combine international experience with an understanding of the local issues. This longer technical publication aims to offer evidence-based recommendations for the Chinese agricultural insurance sector and policymakers.

Disaster risk financing: Reducing the burden on public budgets
The rising impact of natural catastrophes is driving up the cost of disaster relief and reconstruction for the public sector. New forms of private-public partnership can make societies more resilient by absorbing the financial impact of large catastrophes.

Emission allowances and business interruption insurance in the EU
This publication argues that current business interruption insurance systems are flexible and robust enough to successfully address the implications of the EU Emissions Trading Directive.

Our energy future: An economic, geopolitical and risk
This publication addresses the economic, geopolitical and risk perspectives of our current and future energy security. It consists of contributions from, and interviews with, leading energy and industry experts, financial services specialists, economists and political scientists.

Insuring environmental damage in the European Union
This Swiss Re publication provides an overview of the revised environmental liability regime in the EU and examines the problems and opportunities this creates from an insurance viewpoint.

Insights: The economic justification for imposing restraints on carbon emissions
This insights publication clarifies why government intervention is needed to impose restraints on carbon emissions and why an international policy is necessary. It argues that a cap-and-trade policy is likely to be the most successful way of reducing carbon emissions.

Swiss Re 2009 Corporate Responsibility Report 59
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Cover

Satellite images enable the calculation of an index that measures plant growth and vegetation cover. This index can be used in weather insurance products.

Information on Swiss Re’s efforts to develop agricultural risk solutions can be found on pages 15–16 and 38–40 of this report.

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Committed to sustainable value creation

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