

# Case Study Swiss Re – ESG in der Unternehmenspraxis eines globalen Rückversicherers

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München, 28. Februar 2020

# Swiss Re auf einen Blick

## Swiss Re is a leading and highly diversified global re/insurer, founded in Zurich (Switzerland) in 1863

- The financial strength<sup>1</sup> of the Swiss Re Group is currently rated: Standard & Poor's: AA- (stable); Moody's Aa3 (stable); A.M. Best: A+ (stable)
- Swiss Re Group's Swiss Solvency Test Ratio for 2019 is 251%
- AAA sustainability rating from MSCI (May 2018)

### Reinsurance

Offers traditional reinsurance products, insurance-based capital market instruments and risk management services globally through two segments – Property & Casualty and Life & Health

### Corporate Solutions

The commercial insurance arm of the Group and provides risk transfer solutions to large and mid-sized corporations around the world

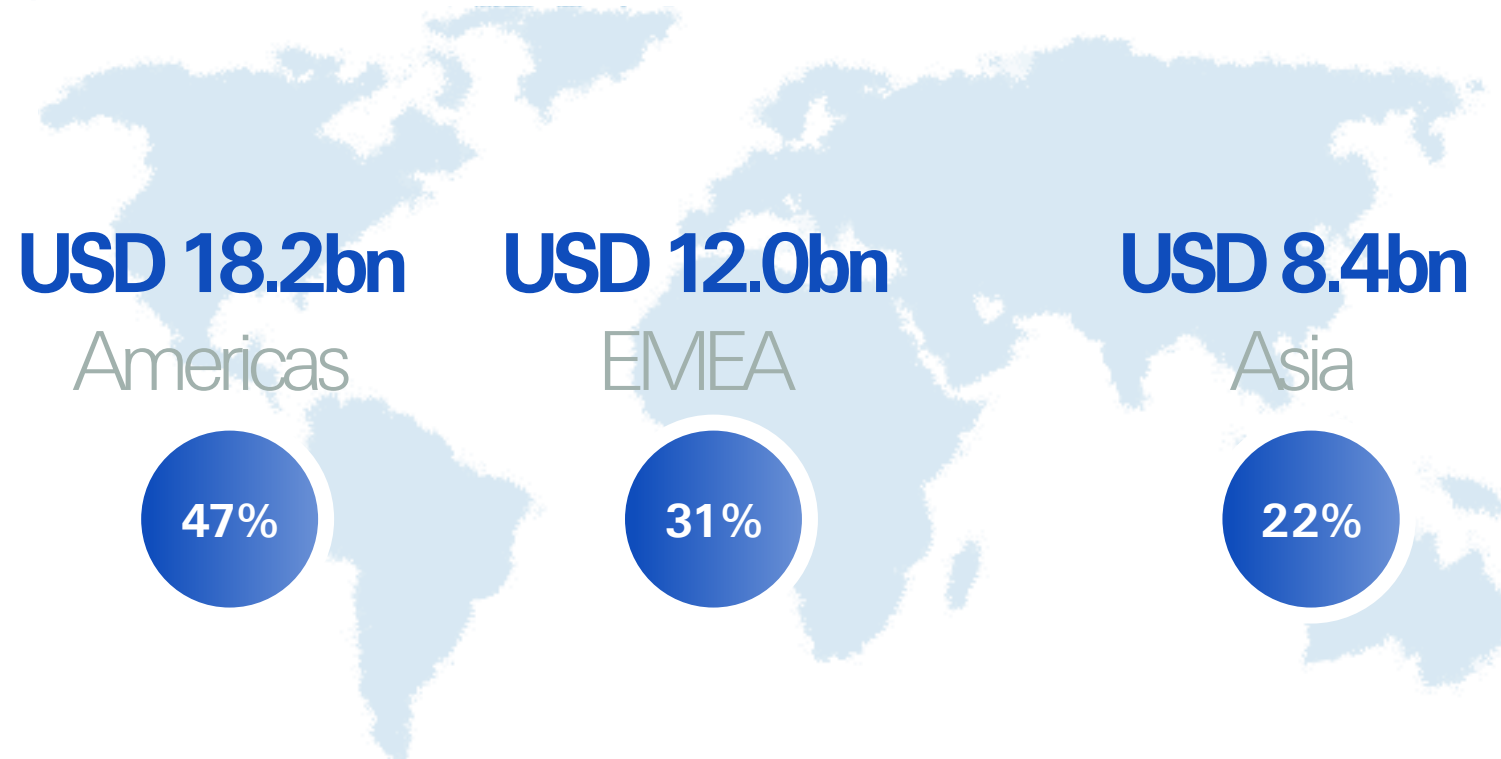
### Life Capital

Manages closed and open life and health insurance books and provides alternative access to the life and health risk pool, helping to generate stable returns

<sup>1</sup> As at 26 March 2019

# Swiss Re ist breit diversifiziert

Swiss Re Group net premiums earned<sup>1</sup> 2019: USD 38.6bn



# Agenda



**Wichtigkeit und Stakeholder-Erwartungen zu ESG**



Bedeutung von ESG in der Versicherungsindustrie



ESG @Swiss Re



Shareholder Engagement @Swiss Re



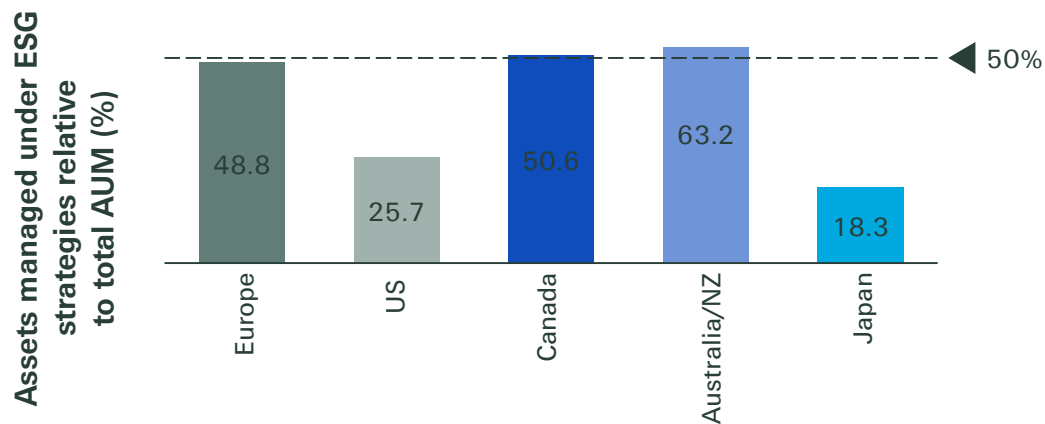
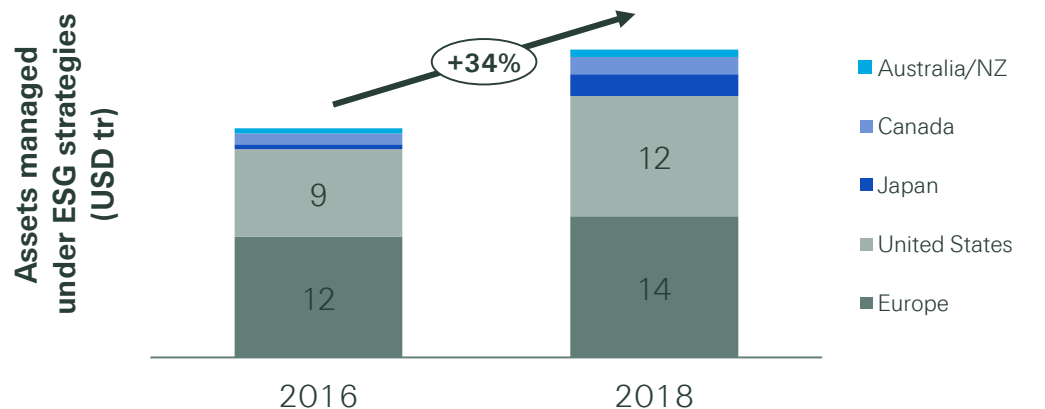
# ESG – Bedeutung und Stakeholder-Erwartungen haben enorm zugenommen





# Die Nachfrage nach ESG-bezogenen Investitionsmöglichkeiten hat enorm zugenommen

Wie gross ist das globale, nach ESG-Kriterien investierte Anlagevolumen?



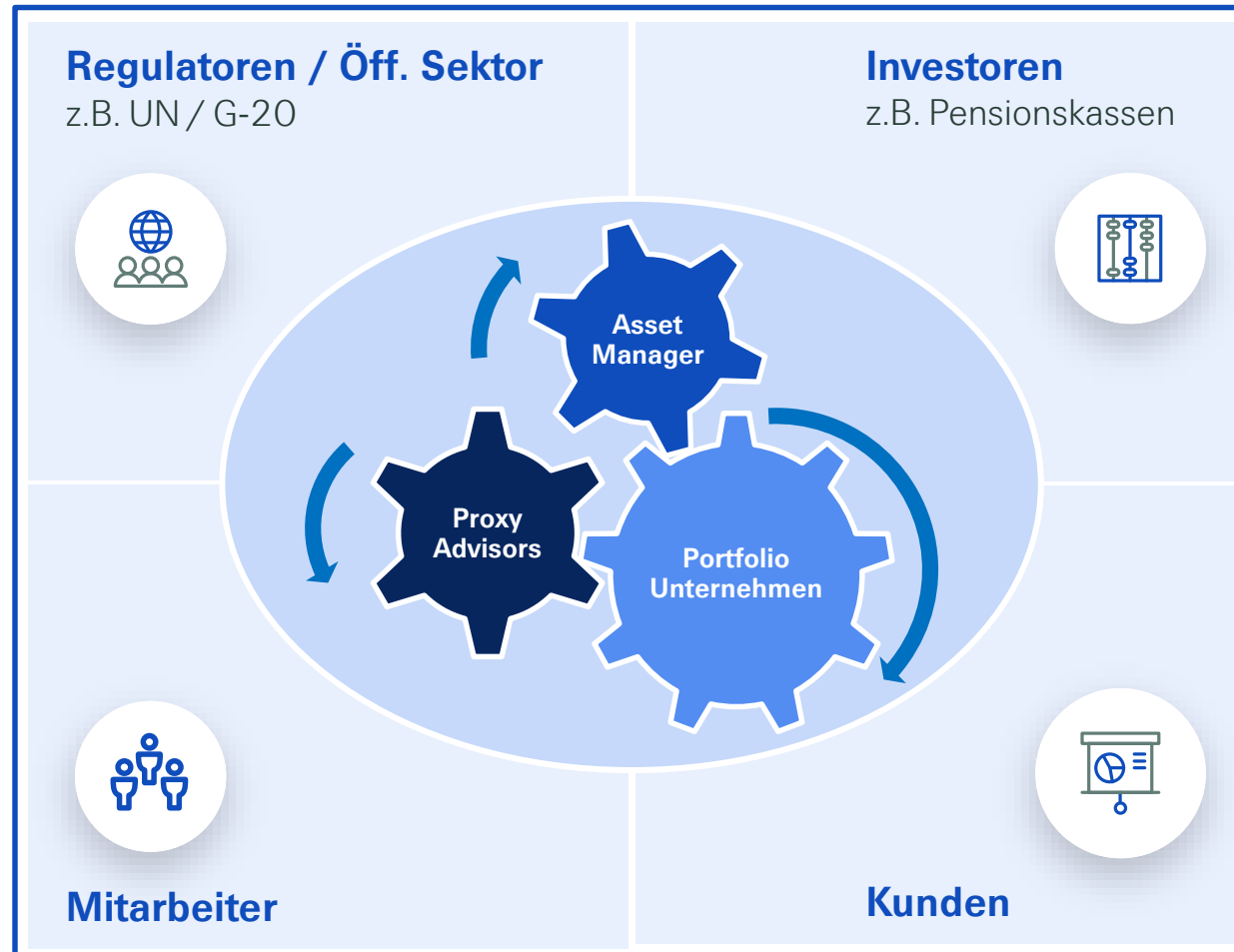
**Europa und Nordamerika** sind die **grössten Märkte, Japan holt auf**

Globales ESG Anlagevolumen **USD 31 Billionen** (Ende 2018), **+34%** seit 2016

ESG Anlagevolumen **>50% vom Gesamtmarkt** in Europa und Australien / NZ

Quelle: Global Sustainable Investment Review 2018

# Ein koordiniertes Vorgehen zwischen den Stakeholder-Gruppen ist gefordert, um eine nachhaltigere globale Wirtschaft aufzubauen



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**Bedeutung von ESG in der Versicherungsindustrie**



ESG @Swiss Re



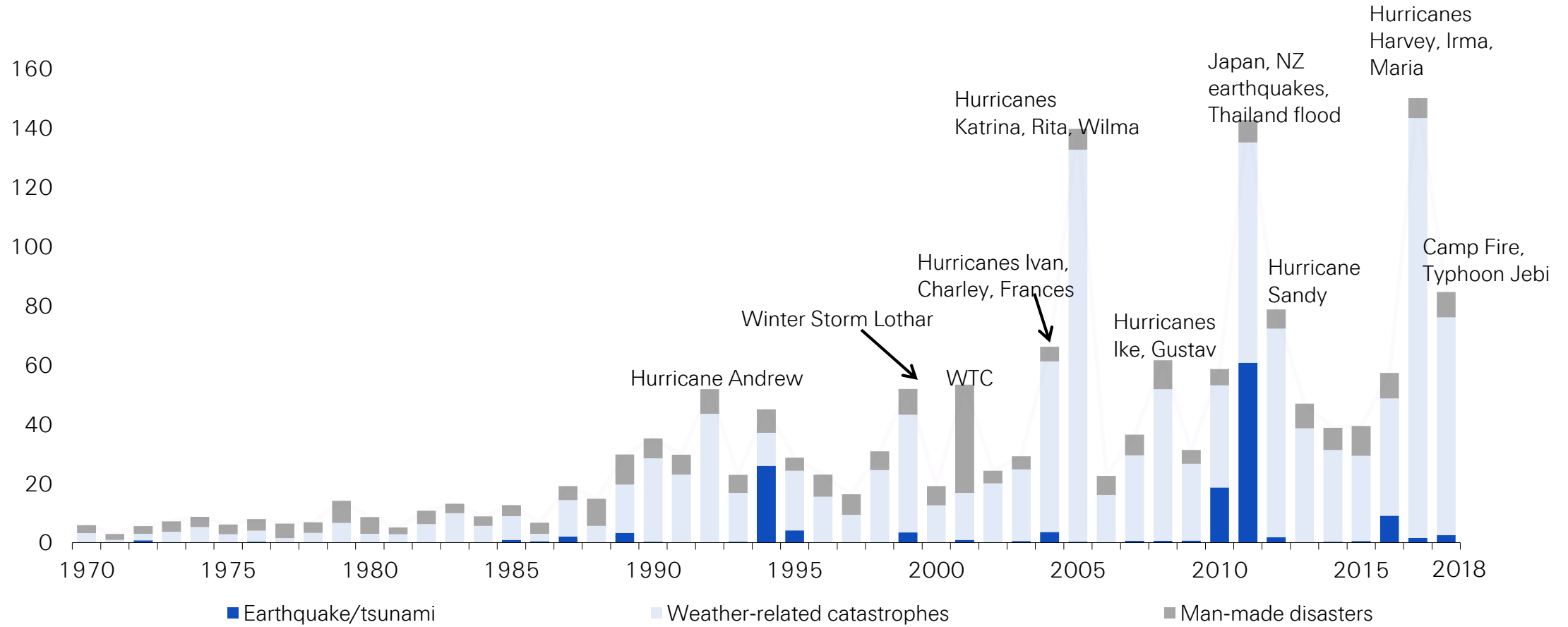
Shareholder Engagement @Swiss Re



# Schäden durch Naturkatastrophen haben in den letzten 30 Jahren massiv zugenommen....



**Versicherte Schäden, 1970-2018** (USD Mia. zu 2018 Preisen)

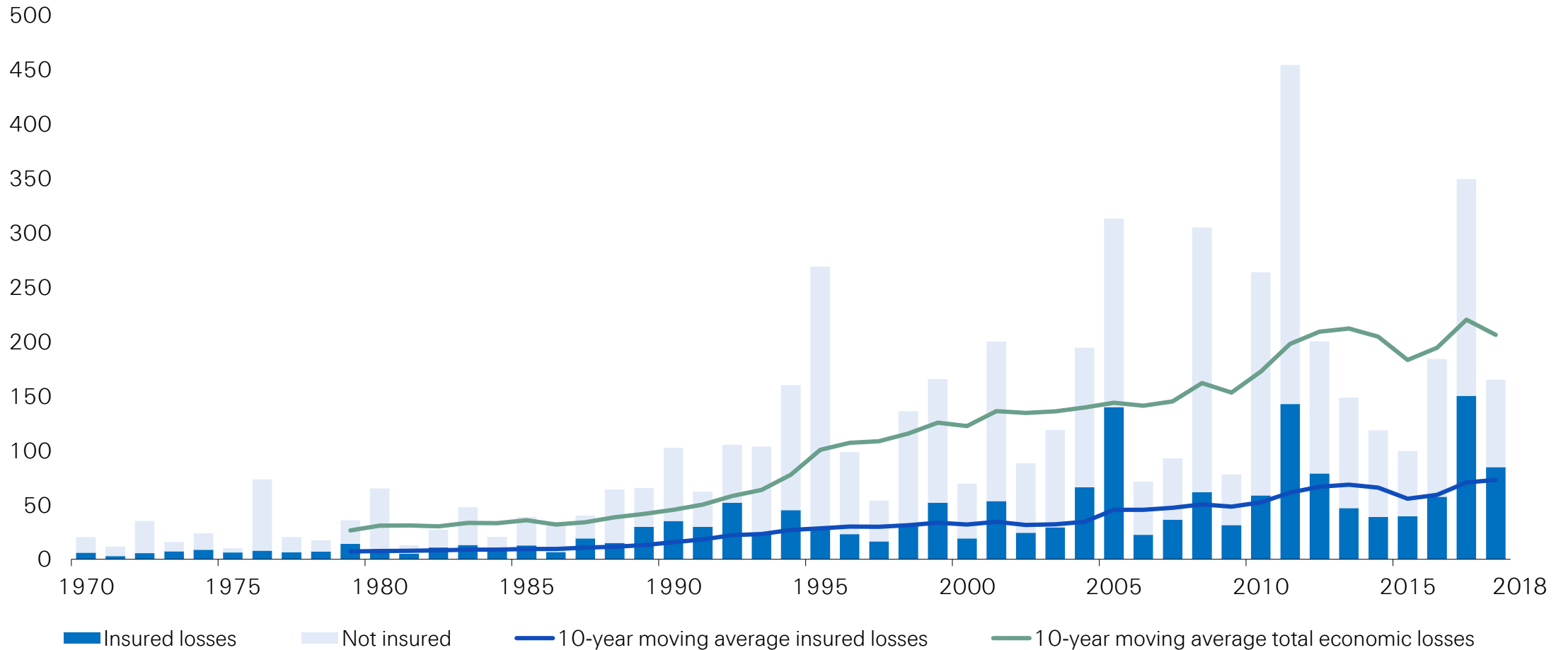


Quelle: Swiss Re Institute

# .... wobei ein Grossteil der Schäden immer noch nicht versichert ist

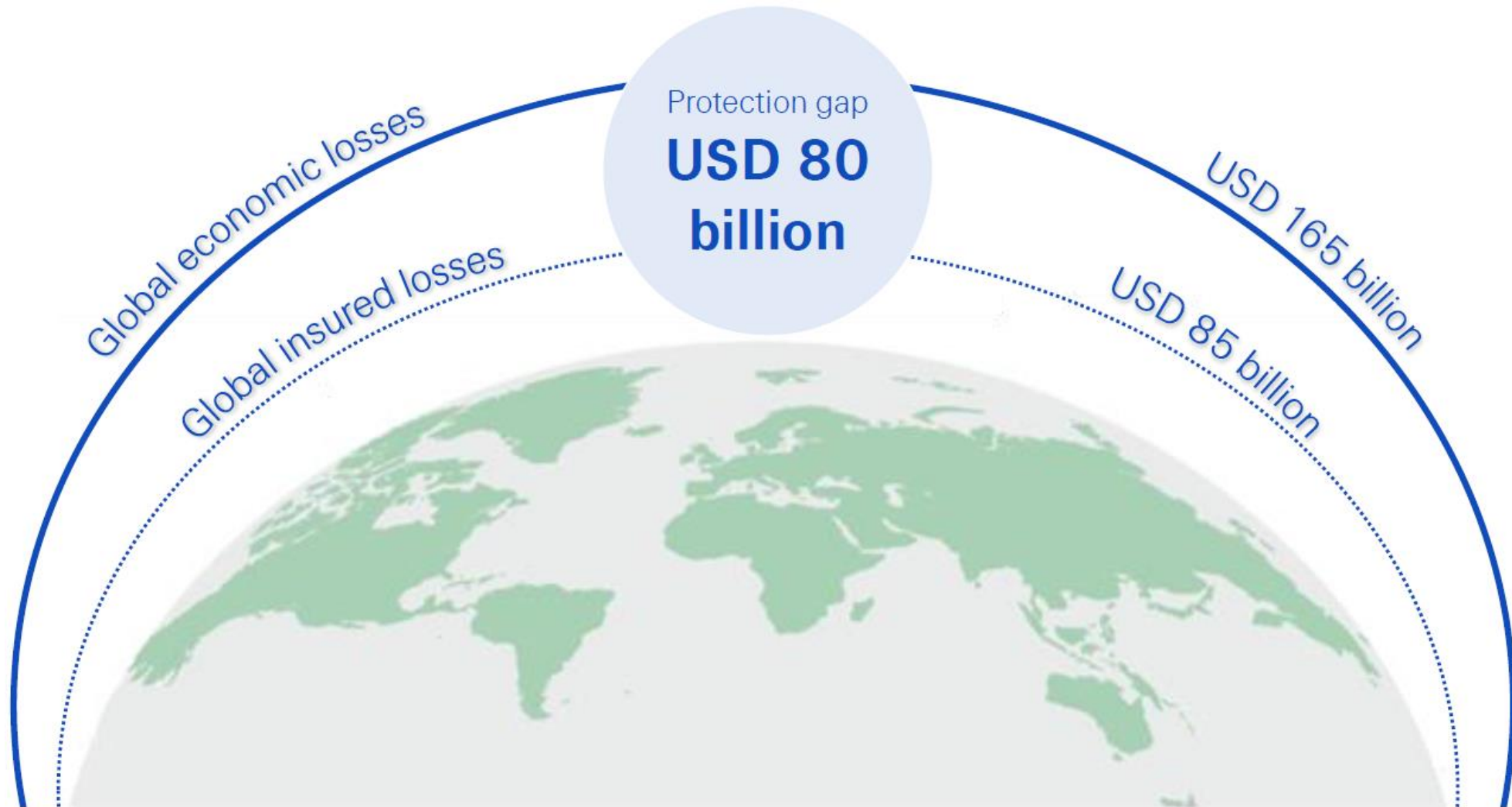


**Total versicherte und nicht versicherte Schäden, 1970-2018** (USD Mia. zu 2018 Preisen)



Quelle: Swiss Re Institute

# Die globale Deckungslücke bei Naturkatastrophen ist gewaltig – knapp die Hälfte aller Schäden 2018 sind nicht versichert



# Agenda



Wichtigkeit und Stakeholder-Erwartungen zu ESG



Bedeutung von ESG in der Versicherungsindustrie



**ESG @Swiss Re**



Shareholder Engagement @Swiss Re



# ESG @Swiss Re – seit mehr als 40 Jahren ein “Top-Topic”





# Swiss Re's umfassende Klimawandel Strategie basiert auf vier Pfeilern



## Advancing our knowledge and understanding of climate change risks

quantifying and integrating them into our risk management, underwriting and investment frameworks where relevant



## Developing products and services to mitigate or adapt to climate risk



## Raising awareness

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



## Tackling our own carbon footprint and ensuring transparent, annual emissions reporting

# ESG ist bei Swiss Re in alle Unternehmensaktivitäten eingebettet



## Sustainable underwriting

- Comprehensive sustainability risk framework
- Supporting clients in transitioning to renewable energy sources



## Innovative solutions

- First county-level earthquake parametric cover in China
- Largest sovereign-sponsored cat bond issued by the World Bank in Latin America

~3 400

wind and solar farms insured

Close to  
**100%**

assets considering ESG criteria



## Responsible investing

- Integrating ESG criteria across all asset classes
- USD 1.6bn of green bonds as of end FY 2018



96

number of (sub-)sovereigns  
advised on climate risk  
resilience

100%

GHG neutral since  
2013



## Sustainable Operations

- Reduced CO2 emissions per employee by more than 50% since 2003
- EcoVadis platform to drive sustainability performance in the Group's operations



AAA rating (July 2019)





# Swiss Re's umfassendes Sustainability Risk Framework

## Swiss Re's Sustainability Risk Framework

ensures responsible and sustainable business practices by identifying, mitigating and eliminating potential environmental, social and governance (ESG) risks inherent to our business transactions and investments

### SUSTAINABILITY UMBRELLA GUIDELINES



#### Human rights

We only support companies that respect human rights in all their practices. No business is conducted with countries and companies that are complicit in severe human rights violations



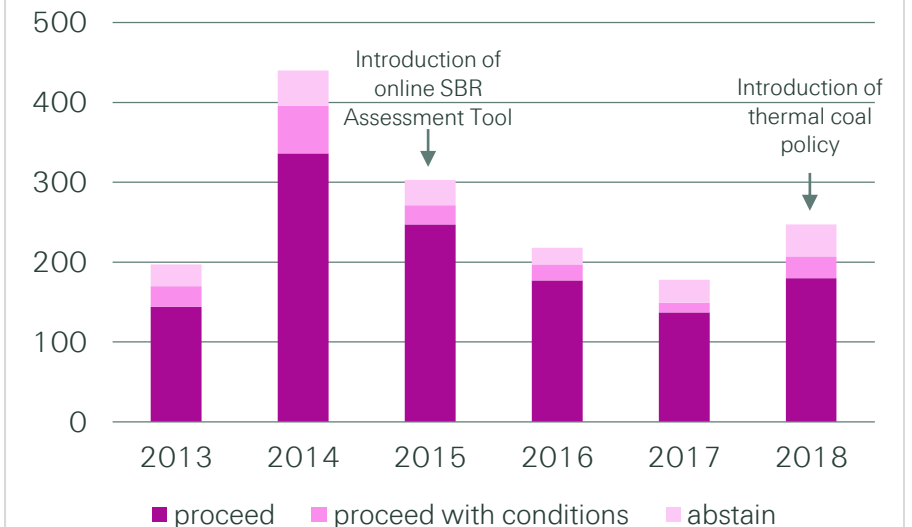
#### Environmental protection

We aim to limit our contribution to environmental degradation worldwide. We will not involve ourselves with companies that cause irreversible damage to ecologically sensitive areas

### SUSTAINABILITY SECTOR POLICIES

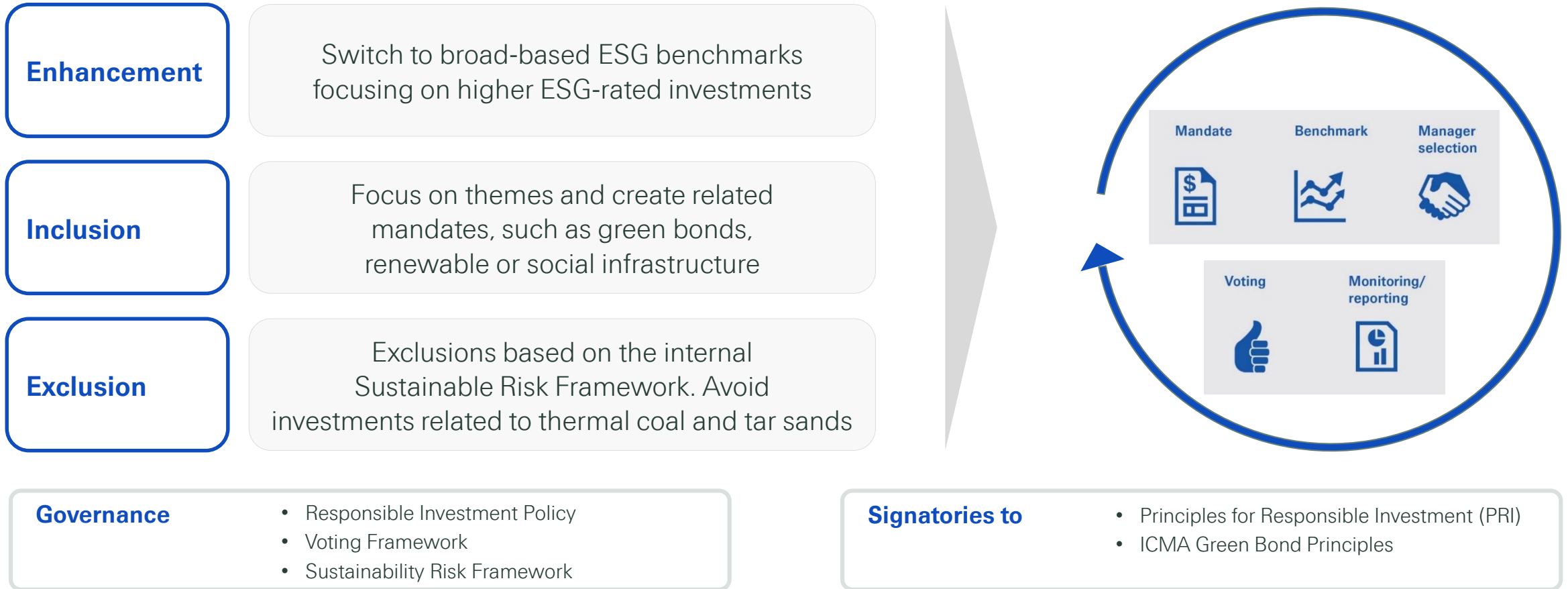
- Animal testing
- Dams
- Defence industry
- Forestry and logging
- Mining
- Nuclear weapons proliferation
- Oil and gas
- Thermal coal

### NUMBER OF SENSITIVE BUSINESS RISK REFERRALS



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

# Swiss Re's Responsible-Investing Ansatz: Konsistente Integration von ESG Kriterien über sämtliche Anlagekategorien

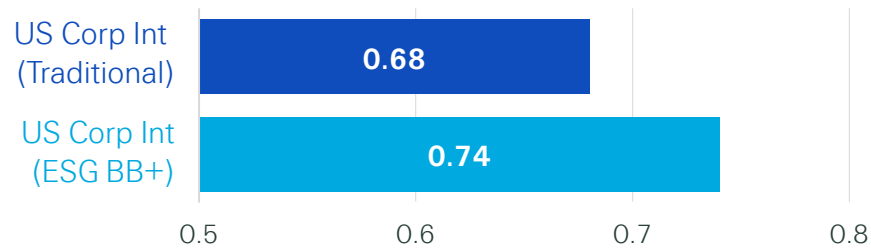


- ▶ Systematic integration of ESG criteria into investment process and portfolio
- ▶ Close to 100% assets invested considering ESG criteria

# Unser Responsible-Investing Ansatz macht Swiss Re zum Branchen-Leader und zu unserer Vision bei



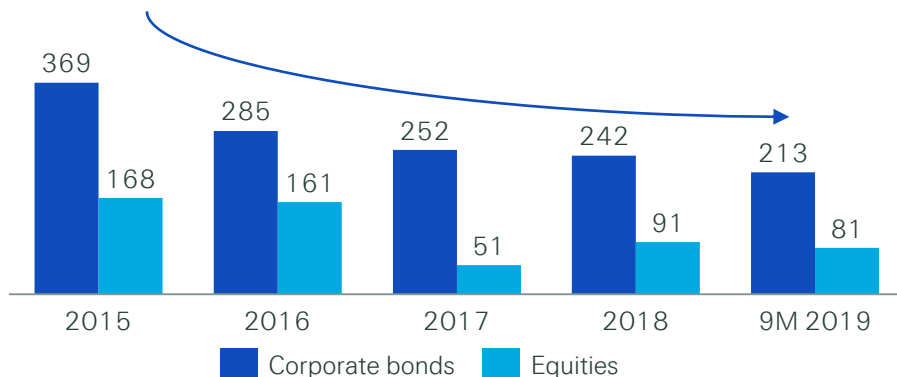
## Risk-adjusted return of credit ESG benchmarks exceeds traditional returns<sup>1</sup>



Sources: Barclays, Swiss Re

## Weighted average carbon intensity development of Swiss Re's portfolio

CO<sub>2</sub> tn / USD m revenue



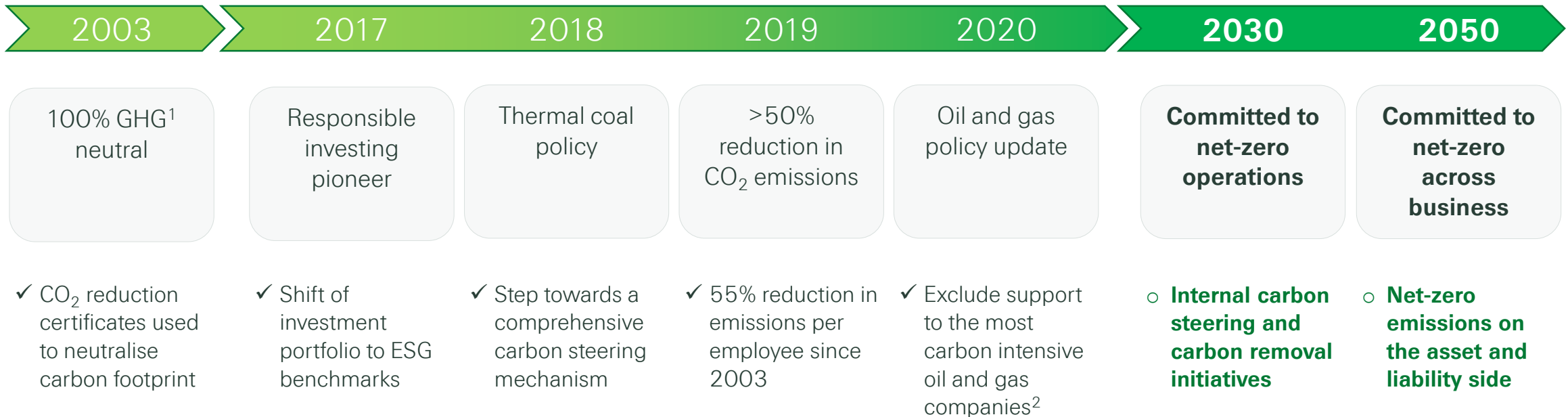
## Our continued Responsible Investing leadership contributes to our vision of making the world more resilient







# Swiss Re unternimmt weitere Schritte in Richtung Netto-Null-Emissionen bis 2050 und baut Führungsrolle weiter aus



<sup>1</sup> Greenhouse gas

<sup>2</sup> From July 2021, Swiss Re will exclude business support to companies that produce the world's 5% most carbon intensive oil and gas. From July 2023, Swiss Re will exclude business support to companies that produce the world's 10% most carbon intensive oil and gas.

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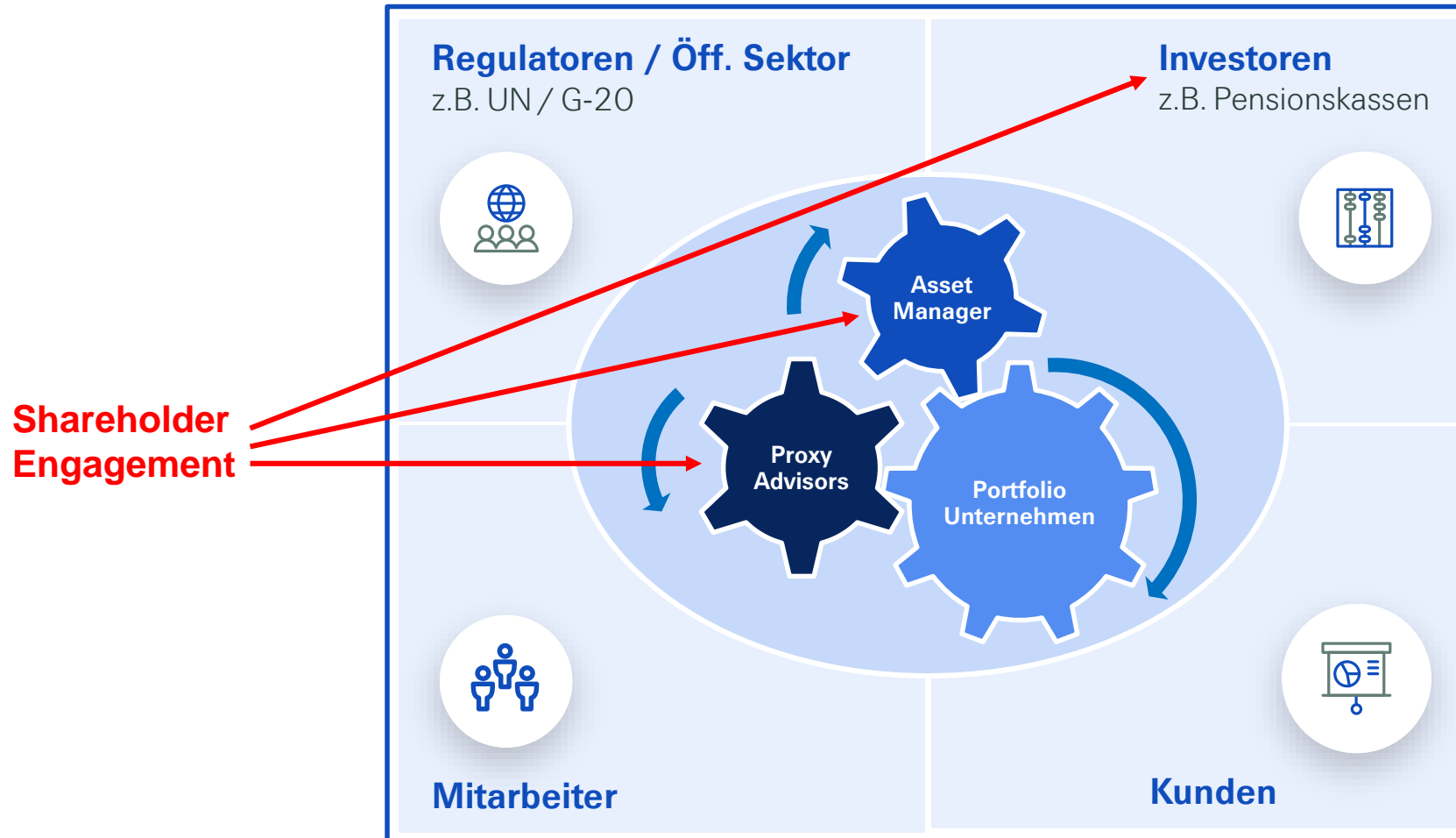


ESG @Swiss Re



**Shareholder Engagement @Swiss Re**

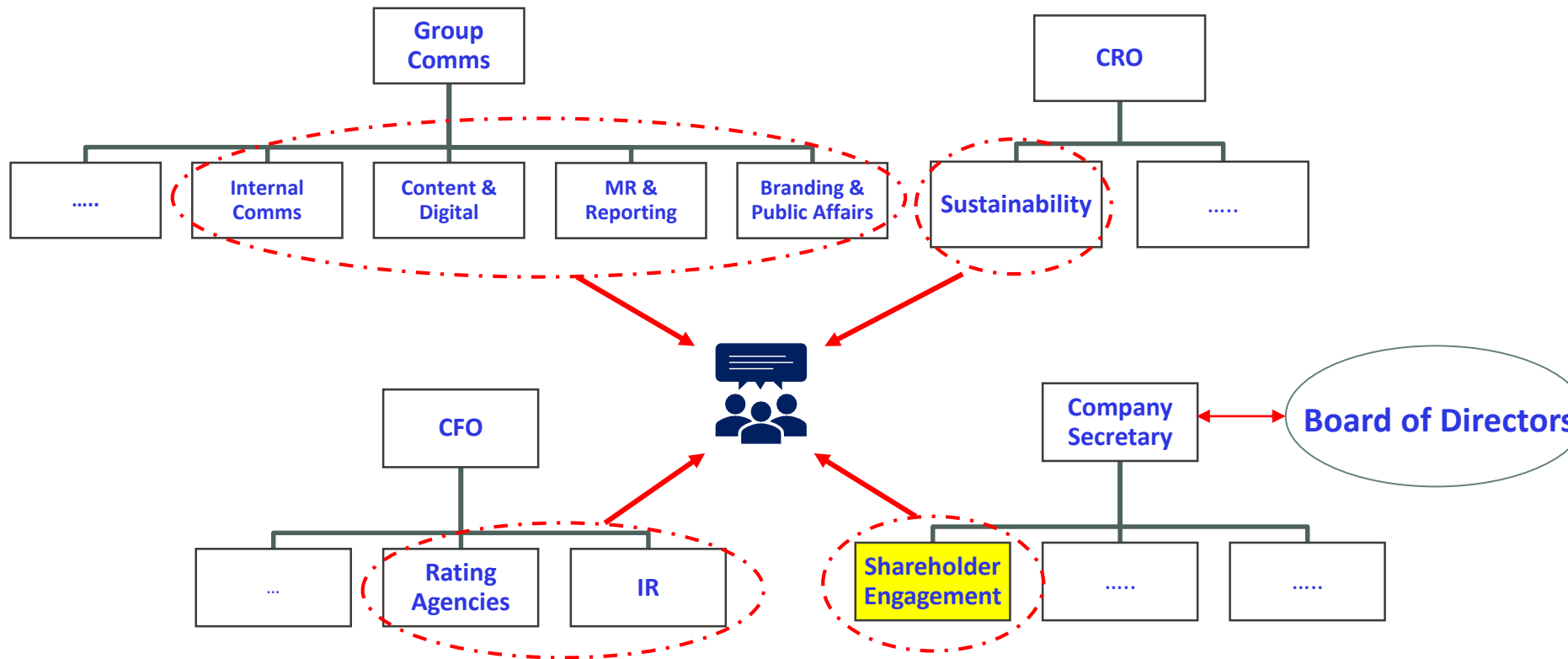
# Shareholder Engagement ermöglicht einen orchestrierten, themenübergreifenden Dialog in der veränderten Stakeholder-Landschaft



# Organisatorische Einbindung von Shareholder Engagement – eine Drehscheiben-Funktion



*illustrativ*



# Q&A





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