

Sustainability

An Opportunity for Underwriting

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Sustainability in Underwriting

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Swiss Re Group Sustainability Strategy



UN Sustainable Development Goals



Integrating sustainability into underwriting at a deal and portfolio level



ESG Risk Framework

Environment

**Social /
Human
Rights**

Governance



**Agriculture,
Forestry & Food**



**Nuclear Weapons
Proliferation**



Defence



Oil & Gas



Hydro Dams



Thermal Coal



Mining

Actions re/insurers can take – some examples

An aerial photograph of a flooded agricultural landscape, likely rice fields, with water reflecting the sky and surrounding greenery. Four white circles are overlaid on the image, each containing text. The circles are arranged in a diamond pattern, with one at the top left, one at the top right, one at the bottom left, and one at the bottom right.

**Natural
Catastrophe
protection gap**

**Nature-based
solutions**

**Resilience
programmes**

**Advance
decarbonization
of society**

Sustainability Solutions

Annina Angstmann, Head P&C Solutions NCEE



Your sustainability challenges ahead



CO₂ footprint and how climate change can affect you

understand your exposure to sustainability risks and climate change **in comparison to the market** you operate in



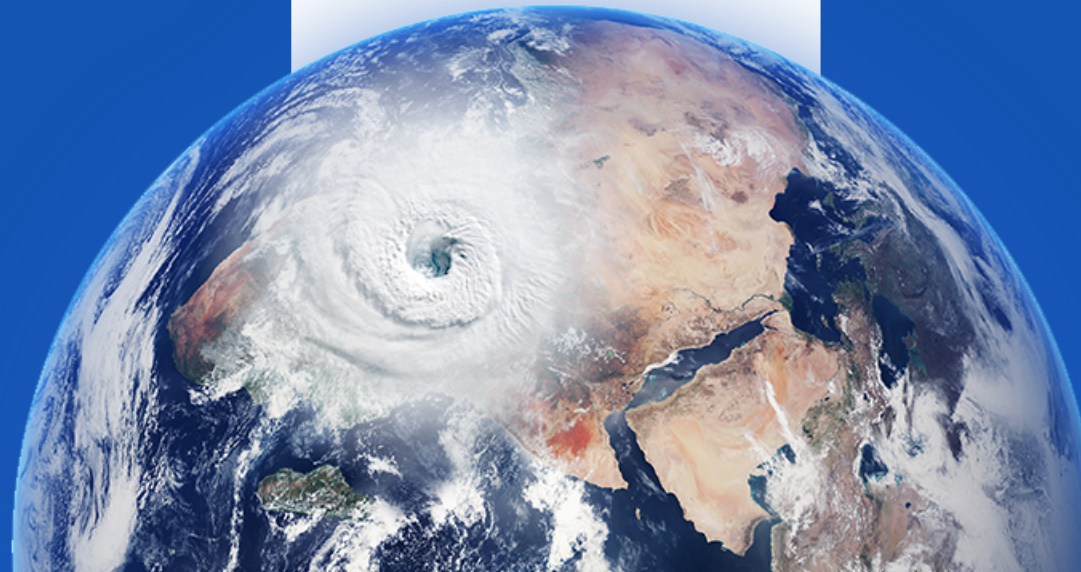
Define your contribution to climate change mitigation

how to **set targets** for your exposure to sustainability risks **and operationalize** them **in your underwriting**



Engage with your clients and stakeholders across the value chain

how you can **inform** clients, investors and regulators about your sustainability journey **and deliver long-term value**



How Swiss Re Reinsurance Solutions can support your journey

Transition risk



**Benchmarking and steering
your portfolio's CO₂ footprint**

CO₂ footprint of your commercial
& motor portfolio vs. the market
and CO₂ intensity on risk level

Transition risk assessment

Macroeconomic perspectives on
future insurance demand under
CO₂ pathways

ESG & SDG



ESG assessment

Assessing your commercial
portfolio and single risks along
ESG dimensions

**Biodiversity & Ecosystem
Score**

Understanding how commercial
activities impact biodiversity and
depend on ecosystem services

Physical risk



**Current exposure to natural
hazards**

Assessing the exposure of
property portfolios to current
natural hazard conditions

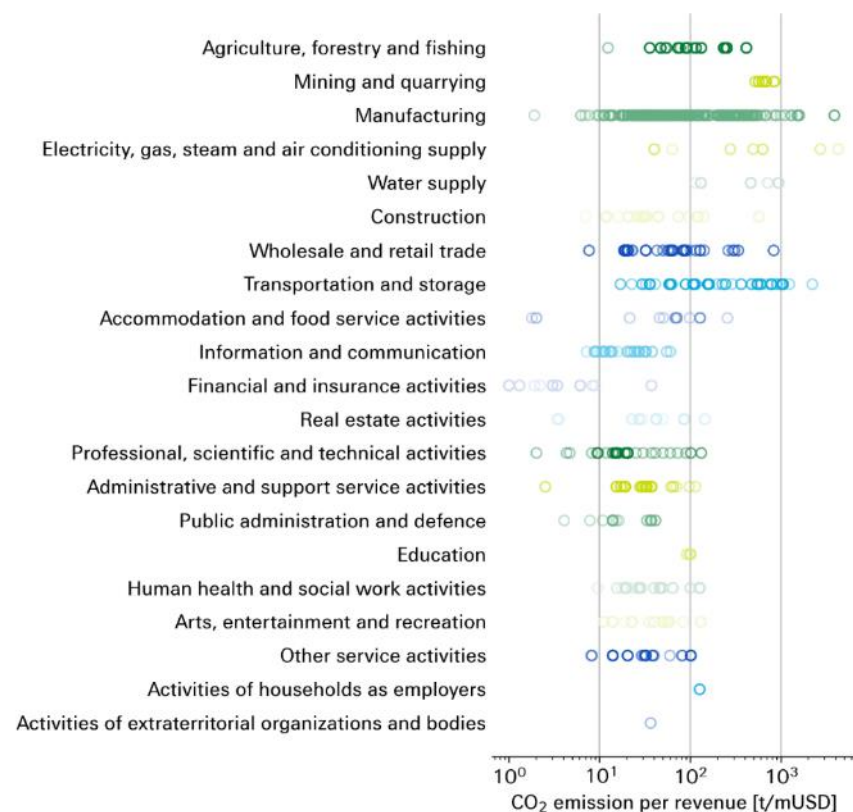
**Climate Risk Scores and
scenario analysis**

Quantifying aspects of climate
change on location level and
scenario modelling for portfolios

Benchmarking a commercial portfolio's CO₂ footprint

Illustrative project example

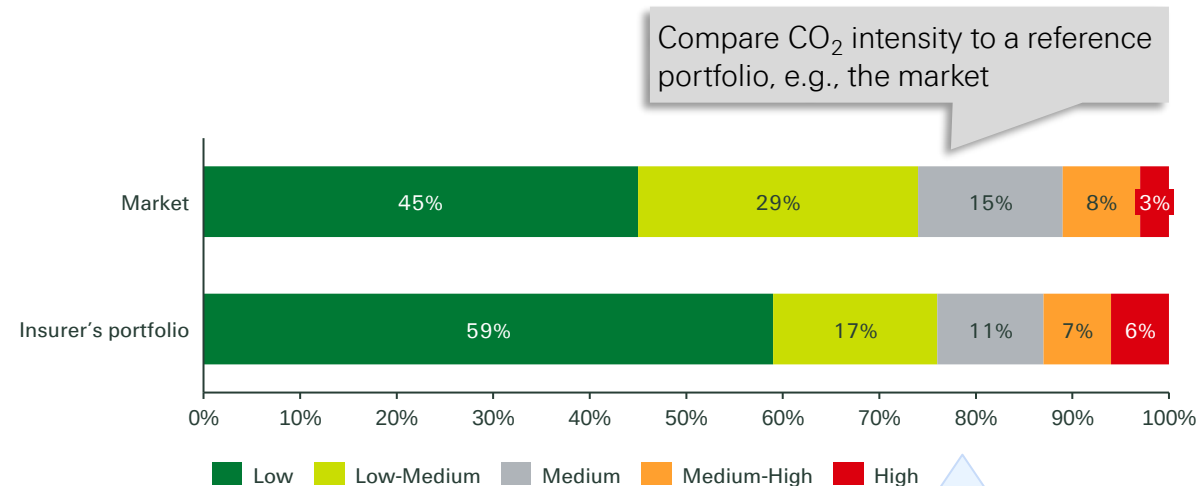
Granular CO₂ intensity data



Sample portfolio based on Swiss market composition
Source: Swiss Re Risk Management, Swiss Re Analytics, OECD, Eurostat

Scope 1 + 2 emission
based on NZIA/PCAF
methodology

Portfolio benchmarking



Calculation of standardised KPIs,
but also identification of areas
that require particular attention

Detailed drill-down in different dimensions

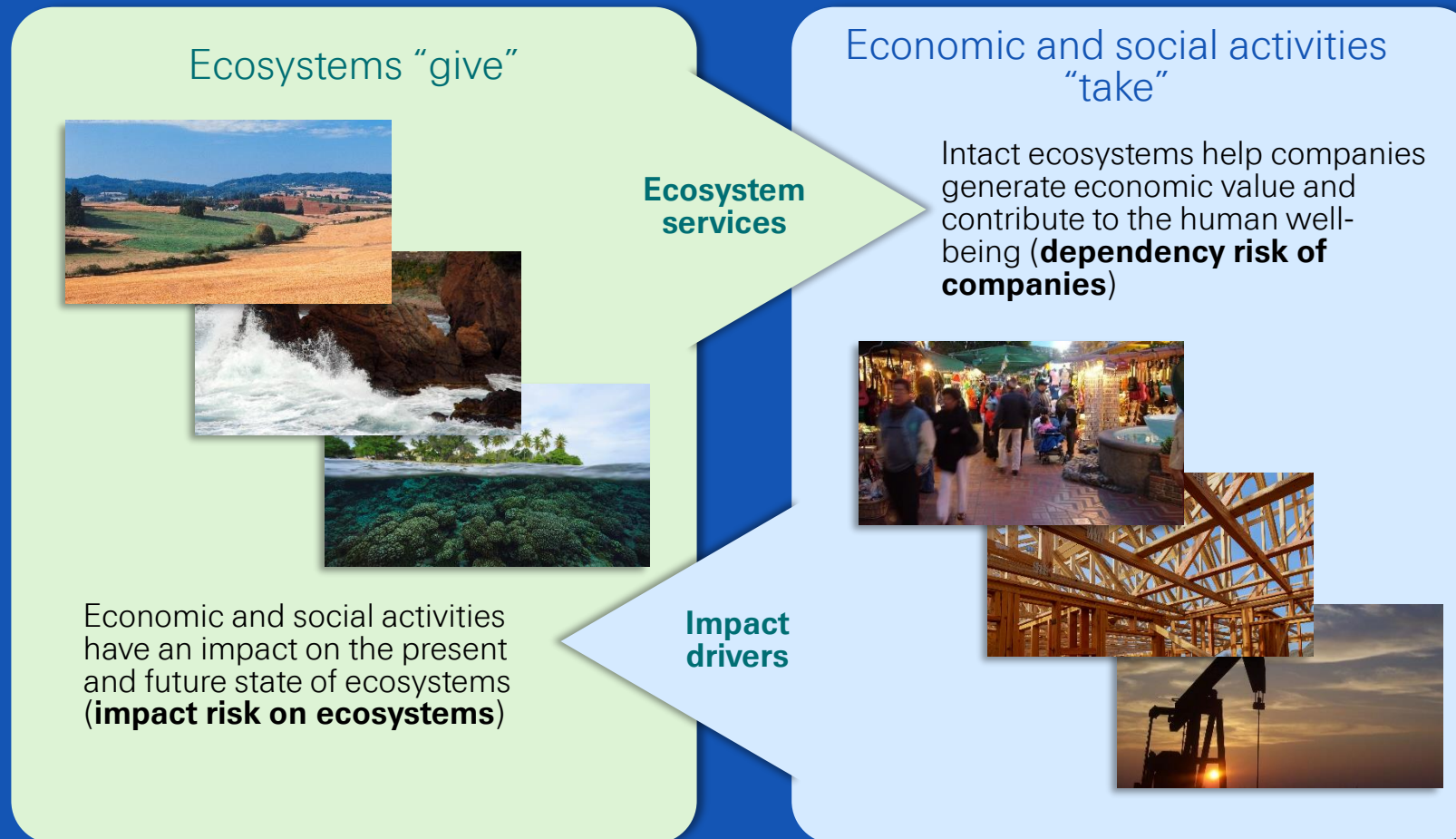
- Size**
- Region**
- Customer-related**

Assessing your commercial portfolio along ESG dimensions

		Number of indicators	Example of indicators	Sustainable Development Goals
Environmental	E	18	- Greenhouse gas emissions - Negative impact on biodiversity - Deforestation and controversial site clearance	
Social	S	8	- Susceptibility to child & forced labour - Poor worker safety record - Violation of worker rights	
Governance	G	3	- Practice of illegal and unethical payment - Risk of anti-competitive practices	

We apply the **UNEP PSI framework** for a **first risk quantification** of a commercial portfolio along 29 ESG indicators and **benchmark** the portfolio against the market. This allows to **identify focus areas** for further quantitative and qualitative deep-dives.

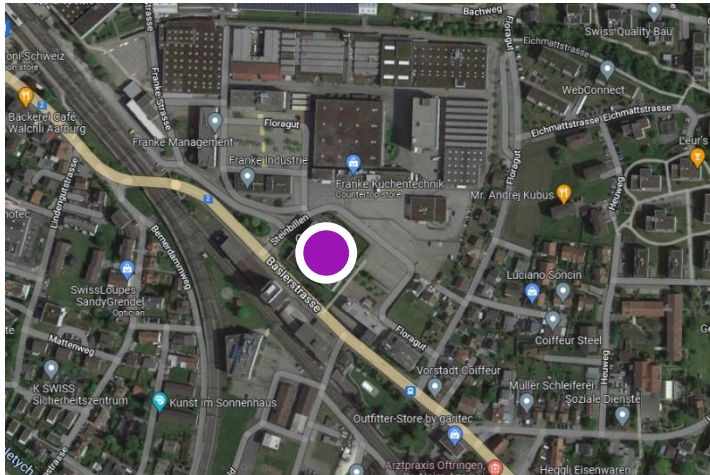
Activities impact and depend on Biodiversity & Ecosystems



Considering impact and dependency risk in underwriting

Illustrative project example

Location 1, Switzerland - Offices

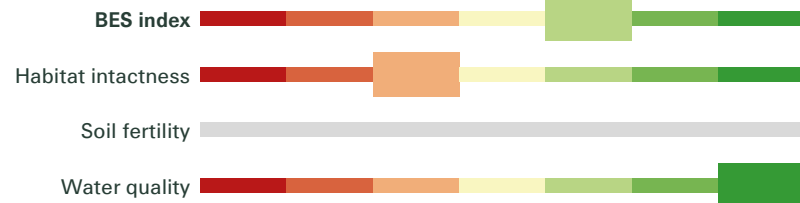


Dependency risk

Low

Impact risk

Low



Location 2, Malaysia - Plant

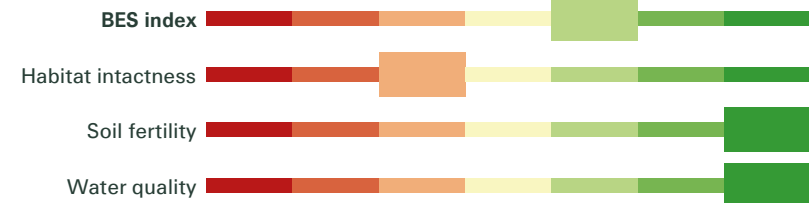


Dependency risk

Medium

Impact risk

High



Sustainability is a journey...
...We all have a role to play

Are you ready?

Visit us: **swissre.com/sustainability**
analytics.swissre.com



Thank you!

Contact us



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