

ESG Viewpoint: Swiss Re

RepRisk interviews Thierry Corti, Senior Sustainability Risk Manager at Swiss Re

The Swiss Re Group, headquartered in Zurich, is a leading wholesale provider of reinsurance, insurance, and other insurance-based forms of risk transfer. Dealing directly with its brokers, the company serves its global client base of insurance companies, corporations, and public sector clients by providing standard products as well as tailor-made coverage across all lines of business. With more than 70 offices spread across 25 countries, it is the world's second largest reinsurance company.

After eight years of study and research into environmental and climate related issues at the Swiss Federal Institute of Technology in Zurich (ETH Zurich), Thierry became a Senior Scientist at the University's Center for Climate Systems Modeling, a joint initiative between ETH Zurich, MeteoSwiss, Empa, WSL, and Agroscope. He joined Swiss Re in July 2012 as a Specialist for Atmospheric Perils, to develop storm risk assessment models. In April 2014, he took the position of Senior Sustainability Risk Manager at Swiss Re.



RepRisk: Your background is in environmental and climate science. Why did you decide to move into corporate sustainability risk management, instead of continuing your academic career?

Thierry Corti: There was no big master plan behind this development; I was simply looking for a new challenge. From hunting tropical thunderstorms for my PhD to modelling hurricanes at Swiss Re, those are a series of experiences that I would not want to miss. "Sustainability Risk Management" might sound less exciting, but do not let the term fool you. The sustainability landscape is full of complex challenges desperately in need of pragmatic and innovative solutions. I think it is a perfect fit for me.

RR: Could you provide some insight into your specific role at Swiss Re and explain the responsibilities of your department within the firm?

TC: Our team drives Swiss Re's efforts to integrate ESG risks and opportunities into business practices and operations. We also manage reputational risks associated with business transactions and the dialogue with stakeholders such as governments, UN organizations, investors, NGOs, and others. Since we are a relatively small team, we all contribute to various projects according to our skill set. As a natural scientist by background, I often take care of more quantitative tasks, such as integrating the ESG risk assessment in our IT landscape or developing a model for quantifying carbon risks embedded in our business.

RR: What key ESG initiatives have you recently undertaken at Swiss Re and what challenges do you think particularly face the insurance industry?

TC: We are witnessing increasing pressure from regulators and standard setters to clarify our position on carbon risk management and integrated ESG reporting. We also feel the general public pressure to increase

corporate transparency on ESG-related topics. One key initiative in that respect is certainly the involvement of my line manager, Andreas Spiegel, in the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB). The Task Force will develop climate-related financial risk disclosures, which will have an impact on the attractiveness of fossil fuel companies. Internally, we have accomplished the first phase of integration of our ESG screening into the IT landscape to get a better view on and control of our sustainability risk exposure. One of the more particular challenges that we face as a reinsurance company is the fact that we encounter the whole range of sustainability risks. After all, we interact with all societies, industries, and a wide range of organizations worldwide. This can be a bit overwhelming at times and forces us to focus on the most relevant topics.

RR: How does RepRisk data help you in your work at Swiss Re?

TC: RepRisk data comes in most helpful when we assess individual sensitive business transactions. In many cases, there is simply no other way to efficiently assess the sustainability risk in connection with a company and project. This is particularly true for companies and projects that do not get much attention from international media, such as non-listed companies or companies from emerging or frontier markets.

RR: What emerging ESG risks do you see on the horizon? What steps does Swiss Re take to pre-empt such risks?

TC: That is a tough one. Call it *déformation professionnelle*, but even though everyone is talking about climate change, I still think many aspects are still emerging. I have the feeling that almost two decades after the Kyoto protocol, things are really only about to get started. As to how we look into emerging risks at Swiss Re, we are constantly looking forward to anticipate trends and disruptions. This happens in our team, the dedicated emerging risk team, but also in a large variety of teams of experts across the company, and is not limited to ESG risks.

RR: On a lighter note, would you like to highlight any interests you have outside of your professional life?

TC: Oh, there are so many interesting things in life. I do not know how I could ever be bored. Be it spending time with friends and family, building furniture, hacking electronics, hiking, and so many other activities. And did I mention my love for the mountains? There is nothing like leaving civilization behind and exploring the wilderness, living out of a backpack for some extended time.