Swiss Re

News release

Swiss Re adopts climate-related financial disclosure recommendations

- Swiss Re adopts recommendations of Task Force on Climate-Related Financial Disclosures
- Climate-related risks and the expected transition to a lower-carbon economy affect most economic sectors and industries
- More data will enhance how climate-related risks and opportunities are managed
- Contributing to sustainable, long-term value creation serves as guiding principle for Swiss Re's actions, supporting the vision to make the world more resilient

Zurich, 14 December 2016 – Swiss Re announces it will adopt the climate-related financial disclosure recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). As a member of the TCFD, Swiss Re helped develop these voluntary guidelines on climate-risk reporting. Swiss Re believes the guidelines will ensure more transparency on climate-related risks and help users and providers of climate-related financial disclosures, including lenders, insurers and investors, to more effectively measure and evaluate the financial implications of climate change.

The TCFD, which was established by the Financial Stability Board (FSB) and of which Swiss Re is a member, has developed the voluntary guidelines for more consistent and comparable climate-related financial disclosures, to help providers as well as users of such disclosures make more informed decisions about the climate risks that could affect their business and investments. The TCFD has focused on disclosures related to the financial impacts of climate change on the reporting companies.

David Cole, Swiss Re's Group Chief Financial Officer, said: "We are just at the beginning of the transition towards a low carbon economy. As a reinsurer that has been researching the effects of climate change for almost 30 years, as a large asset owner and as a long-term investor, we have the chance to step up to the next level and help shape tomorrow's solutions. There are clear benefits of having more transparency about climate related risks and opportunities."

For re/insurers, climate-related risks and opportunities constitute a key topic linked to the industry's core business, including weather-related risk transfer business. The scientific consensus is that a continuing rise in average global temperatures will have a significant effect on weather-related natural

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catastrophes and will account for an increasingly large share of natural catastrophe losses.

As part of adopting the TCFD's recommendations, Swiss Re will expand its risk analysis. This means that Swiss Re will include in its future Annual Financial Report aggregated expected losses from weather-related catastrophes, a description of physical risks from changing frequencies and intensities of weather-related perils, as well as the impact of a 2°C scenario on the business, strategy and financial planning. Swiss Re will also report on the transition risks resulting from a reduction in insurance interest due to a decline in value, changing energy costs, or implementation of carbon regulation.

In adopting these guidelines as well as by taking into account the climate-related disclosures of its clients Swiss Re will be able to more effectively measure its own transition risks, and assess potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning.

Secondly, as a global long-term investor, taking into account the additional climate-related disclosures of companies in which it invests will help Swiss Re make better informed investment decisions. At the same time, Swiss Re will give more information on the metrics its uses to assess climate-related risks and opportunities associated with its investments.

Aligned with Swiss Re's focus on sustainable and attractive risk-adjusted returns, Environmental, Social and Governance (ESG) criteria are already an integral part of Swiss Re's investment approach as highlighted at the Investors' Day earlier this month. Having the right metrics in place represents the starting point for continuous improvement. Therefore, Swiss Re is also switching to ESG benchmarks for its listed equity and corporate bond portfolios. Swiss Re's strong Group-wide commitment to Sustainability is also defined in the Swiss Re Sustainability Risk Framework.

Guido Fürer, Swiss Re's Group Chief Investment Officer, said: "We were early in realising that, as an investor, ESG factors can offer us potential long-term performance advantages. Furthermore, as one of the first signatories to the Principles for Responsible Investment in 2007, we have been active in the realm of ESG for almost a decade. Today's adoption of these ESG benchmarks is a clear continuation of our strategy."

The momentum in the industry has increased with activities from task forces and regulators like the FSB and the TCFD to improve transparency about climate related risks and opportunities.

The guidelines will add to several initiatives and organisations that analyse climate change and possible solutions in which Swiss Re is an active member, including Principles for Responsible Investment, ClimateWise and UNEP FI Principles for Sustainable Insurance. In this context Swiss Re also

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participates in relevant projects and publishes research on the topic of climate change.

In line with the intent of the FSB disclosure requirements, Swiss Re will start to publish climate-related financial disclosures in 2017 and gradually increase scope and granularity of disclosures over time. Swiss Re will also describe the targets it uses to manage climate-related risks and opportunities and show its performance against these targets.

About Swiss Re

The Swiss Re Group is a leading wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Dealing direct and working through brokers, its global client base consists of insurance companies, mid-to-large-sized corporations and public sector clients. From standard products to tailor-made coverage across all lines of business, Swiss Re deploys its capital strength, expertise and innovation power to enable the risk-taking upon which enterprise and progress in society depend. Founded in Zurich, Switzerland, in 1863, Swiss Re serves clients through a network of around 70 offices globally and is rated "AA-" by Standard & Poor's, "Aa3" by Moody's and "A+" by A.M. Best. Registered shares in the Swiss Re Group holding company, Swiss Re Ltd, are listed in accordance with the International Reporting Standard on the SIX Swiss Exchange and trade under the symbol SREN. For more information about Swiss Re Group, please visit: www.swissre.com or follow us on Twitter @SwissRe.

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Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact.

Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase", "may fluctuate" and similar expressions, or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Group's actual results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

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- further instability affecting the global financial system and developments related thereto;
- further deterioration in global economic conditions;
- the Group's ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of the Group's financial strength or otherwise;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on the Group's investment assets;
- changes in the Group's investment result as a result of changes in its investment policy or the changed composition of its investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realise amounts on sales of securities on the Group's balance sheet equivalent to their mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realise tax loss carry forwards and the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings;
- the possibility that the Group's hedging arrangements may not be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re companies, and developments adversely affecting the Group's ability to achieve improved ratings;
- the cyclicality of the reinsurance industry;
- uncertainties in estimating reserves;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;
- policy renewal and lapse rates;
- extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting the Group or its ceding companies and the interpretation of legislation or regulations;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

These factors are not exhaustive. The Group operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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