Swiss Re

News release

Swiss Re establishes thermal coal policy to support transition to a low-carbon economy

- Swiss Re will not provide re/insurance to businesses with more than 30% thermal coal exposure

Zurich, 2 July 2018 – Today, Swiss Re starts the implementation of its thermal coal policy announced in June 2017. Under the coal policy, Swiss Re will not provide re/insurance to businesses with more than 30% exposure to thermal coal across all lines of business. It is a further step in refining Swiss Re's approach to managing carbon-related sustainability risks and supporting the transition to a low-carbon economy.

The decision to develop a thermal coal policy was based on Swiss Re's commitment to the "Paris Pledge for Action" in 2015, when Swiss Re affirmed its strong commitment to the effort to limit global warming to 1.5°C – 2°C above pre-industrial levels. As a result, Swiss Re supports a progressive and structured shift away from fossil fuels.

Edi Schmid, Swiss Re's Group Chief Underwriting Officer says: "The implementation of the coal policy is a major step forward in ensuring that our business activities are aligned with the Paris Agreement and related national efforts. We are working with our clients to find the best solutions that enable them to adapt to a low-carbon economy."

The group-wide thermal coal policy is an integral part of Swiss Re's Sustainability Risk Framework. Swiss Re consistently uses this framework for all underwriting and investment activities as to minimise sustainability risks. The thermal coal policy applies to both existing and new thermal coal mines and power plants, and is implemented across all lines of business and Swiss Re's global scope of operations.

Patrick Raaflaub, Swiss Re's Group Chief Risk Officer says: "It has been our goal to develop a comprehensive approach to coal underwriting. This has been a complex task and I am very pleased that we are now in a position to start rolling out our thermal coal policy."

The 30% threshold applied is in line with the thresholds on the investment side. To contribute to a low carbon environment and actively mitigate the risk of "stranded" assets, Swiss Re already by the beginning of 2016 stopped investing in companies that generate 30% or more of their revenues from thermal coal mining or that use at least 30% thermal coal for power generation, and Swiss Re divested from existing holdings.

Media Relations, Zurich
Telephone +41 43 285 7171

New York
Telephone +1 914 828 6511

Singapore
Telephone +65 6232 3459

Investor Relations, Zurich
Telephone +41 43 285 4444

Swiss Re Ltd
Mythenquai 50/60
P.O. Box
CH-8022 Zurich

Telephone +41 43 285 2121
Fax +41 43 285 2999

www.swissre.com
@SwissRe

Swiss Re

Furthermore, Swiss Re consistently integrates Environmental, Social, and Governance (ESG) criteria in its investment process and was among the first re/insurance companies to switch to ESG benchmarks for its actively managed equities and credit portfolios. In a recent publication, Swiss Re shares its experience on that move.

At the same time, Swiss Re is convinced that improving energy efficiency and developing low-carbon technologies, including insurance coverages and investments in renewable energy sources, are critical to reducing greenhouse gas emissions and securing future energy supplies. Swiss Re partners with clients to give them the security needed to realise their sustainable energy projects.

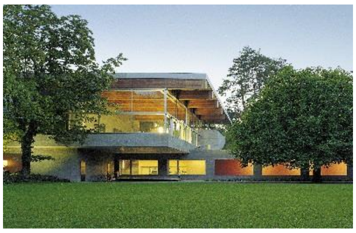
In cooperation with solar photovoltaic research institutions, Swiss Re developed an international guideline on risk management and sustainability of solar panel warranty insurance, the so called Solar Panel Code of Practice (SPCoP). It will help all involved parties, including producers, buyers, investors, banks and insurers to assess the long-term quality and reliability of solar panels and provide them with a best practice risk management framework to mitigate losses.

Swiss Re is also encouraging the use of solar energy through its commercial insurance arm, Swiss Re Corporate Solutions. It has invested in a new product, the Solar Revenue Put, which promotes the development of solar energy by driving down investment risk and making solar energy projects cheaper to finance.

Swiss Re Corporate Solutions' offerings to the renewable energy market also extends to wind power. According to its recent study, wind power producers could face significant income losses as governments scale back their financial support for these projects. Through the use of wind hedges, Swiss Re Corporate Solutions helps protect wind power producers from reduced cash flow and earnings volatility.

For logos and photography of Swiss Re executives, directors or offices go to www.swissre.com/media

For media 'b-roll' please send an e-mail to media_relations@swissre.com



Cautionary note on forward-looking statements

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:

- the frequency, severity and development of insured claim events, particularly natural catastrophes, man-made disasters, pandemics, acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;
- the cyclicality of the insurance and reinsurance sectors;
- instability affecting the global financial system;
- deterioration in global economic conditions;
- 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 the Group's investment policy or the changed composition of the Group's investment assets, and the impact of the timing of any such changes relative to changes in market 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;
- any inability to realize amounts on sales of securities on the Group's balance sheet equivalent to their values recorded for accounting purposes;
- changes in legislation and regulation, and the interpretations thereof by regulators and courts, affecting us or the Group's ceding companies, including as a result of shifts away from multilateral approaches to regulation of global operations;
- the outcome of tax audits, the ability to realise tax loss carryforwards, 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, and the overall impact of changes in tax regimes on business models;
- failure of the Group's hedging arrangements to 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;
- uncertainties in estimating reserves;

- policy renewal and lapse rates;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes and certain large man-made losses, 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;
- extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- 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, lower-than expected benefits, or other issues experienced in connection with any such transactions;
- changing levels of competition, including from new entrants into the market; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks and the ability to manage cybersecurity 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.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.