Swiss Re Canada Branches: Climate Risk Management Report

Swiss Reinsurance Company Ltd, Canadian Branch
(P&C, L&H), Swiss Re Corporate Solutions America
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General information

Company description

The Swiss Re Group, comprises Swiss Re Ltd (the parent company) which is headquartered in Zurich, Switzerland, and its subsidiaries (collectively, Swiss Re, the Group). Swiss Re is a wholesale provider of reinsurance, insurance and other forms of insurance-based risk transfer as well as other insurance-related services. In Canada, Swiss Re's business is conducted through the following branches (collectively, the Branches):

i. Swiss Reinsurance Company Ltd, Canadian Branch (SRZcb P&C);
ii. Swiss Reinsurance Company Ltd, Canadian Branch (SRZcb L&H); and
iii. Swiss Re Corporate Solutions America Insurance Corporation, Canadian Branch (SRCSAICcb).

Within the Swiss Re Group structure, the ultimate Swiss Re Group parent is Swiss Re Ltd (SRL), a joint stock company listed on SIX Swiss Exchange. SRL wholly owns Swiss Reinsurance Company Ltd (SRZ), a Swiss-regulated entity authorized by the Swiss Financial Market Supervisory Authority (FINMA) to write reinsurance. In Canada, Swiss Re's reinsurance business is conducted through SRZ's Canadian branches (SRZcb P&C and SRZcb L&H). SRZ is federally registered with, and prudentially regulated by, the Office of the Superintendent of Financial Institutions (OSFI) and authorized to conduct its property and casualty (P&C) and life and health (L&H) reinsurance business through SRZcb P&C and SRZcb L&H under the Insurance Companies Act (ICA) and operate subject to applicable federal and provincial laws.

Swiss Re's commercial insurance business in Canada is conducted through SRCSAICcb, which is the Canadian branch of Swiss Re Corporate Solutions America Insurance Corporation, a Missouri-incorporated insurance company. SRCSAICcb is federally registered, and prudentially regulated by OSFI under the ICA. Within the Swiss Re Group structure, this entity sits within the Corporate Solutions (CorSo) segment.

All of Swiss Re's Canadian branches operate in accordance with applicable Canadian federal and provincial insurance laws and regulatory requirements and Swiss Re Group standards, policies and procedures.

Basis of preparation

The climate-related financial disclosures contained in this Climate Risk Management Report (the Report) have been prepared by the Branches based on Swiss Re Group Sustainability disclosures in accordance with the Swiss Re Group Sustainability reporting framework while considering applicable Canadian laws and regulations, in particular the Guideline B-15 Climate Risk Management (Guideline B-15), issued by OSFI on March 7, 2023, as well as the Quebec provincial regulatory guideline issued by the Autorité des Marchés Financiers (AMF), the Climate Risk Management Guideline, on July 4, 2024.

The Group seeks to ensure consistency across its global operations. As a result, sustainability-related policies, targets, measures, metrics and climate-related disclosures are largely centralised and managed at the Group level rather than at the local legal entity or branch level. Accordingly, this Report should be read in the context of the Swiss Re Group's 2025 climate-related disclosures. In cases where applicable local laws, rules and regulations conflict with Group-level sustainability-related policies, targets, measures and metrics, Swiss Re seeks to honour these in a manner consistent with the applicable local laws, rules and regulations.

The Swiss Re Group's 2025 climate-related disclosures are contained in the Swiss Re Annual Report 2025. Those Group disclosures were prepared in accordance with the Swiss legal framework applicable to Swiss Re Group reporting, including Article 964a et seq. and Article 964b of the Swiss Code of Obligation and the related Ordinance on Climate Disclosures, and are referenced in this Report for contextual and Group-level information. Climate-related impacts arising from operations are disclosed in line with the Swiss Ordinance on Climate Disclosures. Those disclosures are structured in line with the Task Force on Climate-related Financial Disclosures (TCFD).

This Report provides disclosures in accordance with the relevant OSFI[1] and AMF guidelines as at December 31, 2024, and 2025 respectively. This Report is prepared according to principles of materiality and relevance to its users. The Report includes climate-related disclosures that are applicable for all three Branches while the Metrics and Targets information in the Appendix is provided on a standalone basis for each Branch.

The Branches may, in certain circumstances, rely on data provided by third parties (i.e., indirect sources) as well as estimates which are subject to different methodological constraints and data quality standards. Therefore, certain quantitative disclosures of this report are subject to the use of estimates, such as sector-averages and other proxies, and dependency on data sources from external providers. Where relevant, the use of estimates, data limitations, and consequent outcome uncertainty is disclosed within this report. The values in this Report may not add up precisely due to rounding.

[1] OSFI Financial data

Governance

Branch-level climate-related governance

Oversight of climate-related risks and opportunities
The Group seeks to ensure uniformity across its global operations. Consequently, sustainability-related policies, targets and metrics are largely centralised and managed at the Group level. The Branches operate within and rely on these Group frameworks, with local governance structures focused on implementation, monitoring and regulatory compliance, including OSFI Guideline B-15/AMF Climate Risk Management Guideline.

Skills and competencies (covering Swiss Re generally, including branches)
Swiss Re's governance model reflects a combined skills, capabilities and resources structure under which climate-related risks and opportunities are managed through the integration of specialized technical expertise, governance and control capabilities, and oversight functions. Swiss Re Group Sustainability experts, and Group-level and local branch level business/functional experts, provide subject-matter expertise, including the development and maintenance of climate risk methodologies, scenario analysis and modelling approaches, and the provision of data, analytics, and metrics supporting risk assessment and disclosures.

Process for staying informed
Applicable governance bodies remain informed of climate-related risks and frameworks through reporting from Group-level and/or local level experts. Scenario analysis exercises and similar activities are used, where appropriate, to deepen engagement and challenge oversight. Climate-related matters are integrated into established governance and reporting cycles, ensuring they are consistently considered within broader risk management and decision-making processes.

Climate-linked remuneration
At the Swiss Re Group level, sustainability criteria are taken into account when distributing the Group Annual Performance Incentive pool on a discretionary basis to all employees, including the Group Executive Committee (Group EC). The allocation considers criteria such as performance against climate targets. The sustainability criteria are reviewed and approved annually by the GSC and are aligned with the Group Sustainability Strategy. For more information on compensation, see Compensation Report, starting from page 121.

At the branch level, remuneration is not directly linked to climate-related risks and opportunities.

SRZcb governance
At SRZcb, climate-related risks and opportunities are addressed through a combination of the Swiss Re Group sustainability governance framework and the SRZ Canada Branch Governance Framework. Swiss Re Group Sustainability, together with relevant Group-level and local business and functional stakeholders and experts, supports the Branches' development of climate-related data, analysis and disclosures. At the Branch level, Senior Management is responsible for implementing the decisions and direction of the CEO & Chief Agent and Branch Management, directing the Branch's operations within delegated authority, and supporting the preparation, operation, monitoring and escalation of climate-related matters and disclosures within their respective areas of responsibility. The Branch Oversight Committee (BOC) supports the CEO & Chief Agent in discharging oversight responsibilities by serving as a forum for review, discussion, challenge and escalation of matters relating to the activities of the Branch, in accordance with OSFI Guideline E-4 (Foreign Entities Operating in Canada on a Branch Basis). The CEO & Chief Agent and Branch Management retain responsibility for oversight of SRZcb and for providing challenge, advice and guidance to Senior Management, as appropriate, including in relation to the appropriateness of climate-related governance, risk management and disclosure arrangements for SRZcb.

SRCSAICcb governance
At SRCSAICcb, the Branch Management Committee (BMC) serves as the primary governance body for oversight of SRCSAICcb's business and operations, including climate-related matters, in accordance with OSFI Guideline E-4 (Foreign Entities Operating in Canada on a Branch Basis). The BMC serves as the primary governance body for oversight, supported by structured reporting and independent control functions. SRCSAICcb and its BMC are subject to oversight from their respective legal entity governance structures or appropriately delegated bodies, ensuring alignment with broader Group governance. The BMC oversees the management of the Branch's operations, including material risks and opportunities arising from climate change, and monitors the implementation of applicable Group frameworks at the branch level. Regular BMC participants include the Chief Agent, Canada; Chief Financial Officer, Canada; Chief Risk Officer, Canada; Legal Counsel; Appointed Actuary; Chief Compliance Officer; CorSo Operations, Asset Management, Internal Audit, and relevant business leads. Climate-related matters are integrated into the BMC's regular governance and reporting processes. As described, the BMC remains informed through established reporting and training. These processes support informed decision-making and oversight within the Canadian context.

SRZcb's designated Senior Management members, and SRCSAICcb's BMC oversee the preparation of climate-related disclosures, based on inputs from relevant Group and local functions, to support compliance with OSFI Guideline B-15 and other applicable requirements.

Group sustainability governance

Swiss Re's climate-related governance forms part of its overall sustainability governance, see Sustainability governance section of the Swiss Re Group Annual Report. Sustainability governance is part of Swiss Re's overall corporate governance. The Board of Directors (Board) and each of the Board committees as well as the Group Executive Committee (Group EC) and all Group EC members have responsibilities related to sustainability

The following section provides an overview of the Board's and Board committees' sustainability-related responsibilities.

Board of Directors (Board)

The Board approves the Group Sustainability Strategy (GSS) and the related targets. This includes approving and periodically reviewing the Climate Transition Plan and its associated targets. The Board also approves the Sustainability Report and proposes it for submission to the Annual General Meeting. The Board has delegated detailed sustainability-related responsibilities to its committees.

Governance, Nomination and Sustainability Committee (GNSC)

The GNSC oversees the execution of the GSS. It monitors that sustainability governance across the Group is aligned with the GSS and addresses sustainability matters from an impact, risk and opportunity perspective, which includes approving the Group Materiality Assessment. Management provides the GNSC with regular updates on the governance and operational aspects of sustainability-related activities across the Group, including of the activities and decisions of the Group Sustainability Committee. In 2025, the GNSC received four reports, mainly from the Chair of the Group Sustainability Committee, together with subject matter experts.

Audit Committee (AC)

The AC assists the Board in ensuring the integrity and compliance of Swiss Re's financial and non-financial reporting, and in overseeing compliance with legal and regulatory requirements. The AC oversees the Group's approach to external assurance and endorses the Sustainability Report before its submission to the Board.

Compensation Committee (CC)

The CC establishes and reviews the compensation framework, guidelines and performance criteria. The performance criteria for allocating the short-term incentive pools to each Business Unit and Group Function, as well as the criteria impacting individual Group EC members' short-term incentive payouts, include sustainability aspects.

Risk Committee (RC)

The RC assists the Board in ensuring that the Group's risk management and control framework, risk appetite and risk-taking principles are adequate, aligned with the business strategy and properly applied. This includes reviewing Swiss Re's sustainability risk management activities and the changing risk landscape.

Group Executive Committee (Group EC)

The Group EC is responsible for implementing the GSS and for monitoring performance in the area of sustainability. It has delegated additional sustainability-related responsibilities to the Group Sustainability Committee.

Group Sustainability Committee (GSC)

The GSC oversees and steers sustainability-related efforts undertaken across the Group that are material or have strategic relevance. This entails providing guidance to support the consistent implementation of the GSS and reviewing and approving the compensation-linked sustainability criteria. The GSC is composed of Group EC members and senior management representatives. It meets at least once per quarter.

Group Chief Executive Officer (Group CEO)

The Group CEO is responsible for overseeing the implementation of the GSS. He engages with external stakeholders to advance Swiss Re's sustainability ambitions and represents the company in key sustainability-related organisations.

Group Chief Financial Officer (Group CFO)

The Group CFO is responsible for all aspects of the Swiss Re Group's and the company's consolidated financial and sustainability reporting. He proposes the Sustainability Report to the Group EC, the AC and the Board.

Group Chief Investment Officer (Group CIO)

The Group CIO is responsible for developing and systematically integrating sustainability aspects across the entire investment process, as well as driving progress towards related targets.

Group Chief Risk Officer (Group CRO)

The Group CRO is charged with establishing the Group's risk management framework for all risk categories, including sustainability risk. He also monitors that sustainability risks are sufficiently controlled.

Group Chief Underwriting Officer (Group CUO)

As the Group EC delegate for sustainability, the Group CUO chairs the GSC. She is charged with developing and managing the GSS and ensures consistency across the Group in the approach to and implementation of key sustainability topics.

Group Chief Human Resources Officer & Head Corporate Services (Group CHRO & Head CS)

The Group CHRO & Head CS steers and monitors Swiss Re's direct environmental footprint toward the related targets within the Group's CO2NetZero Programme.

Group Chief Legal Officer (Group CLO)

The Group CLO is responsible for advising on sustainability-related legal and compliance risks, and assisting the Group in mitigating such risks.

Group Chief Digital and Technology Officer (Group CDTO)

She provides data and technology services to support the development of sustainability-related metrics, and is responsible for advancing sustainability across the Group's supply chain.

Business Unit CEOs

The CEOs of P&C Re, L&H Re and Corporate Solutions are responsible for consistently integrating underwriting-related sustainability targets and policies across their respective Business Unit. They drive progress towards Swiss Re's sustainability ambitions and manage sustainability-related impacts, risks and opportunities.

Strategy

Climate change mitigation and adaptation

Swiss Re's impact on climate change is primarily indirect and arises mainly from its globally diversified underwriting and investment activities, which are closely linked to the real economy. Greenhouse gas (GHG) emissions associated with Swiss Re's operations are relatively small.

Swiss Re aims to decarbonise its business and has committed to achieving net-zero GHG emissions by 2050 (net zero), in line with Swiss legal requirements. This commitment is part of the Group Sustainability Strategy (see page 39 of the 2025 Annual Report). The Metrics and Targets section below discusses key targets that support achievement of Swiss Re strategy and are relevant to Branch operations and the current disclosure.

In addition to decarbonising its business, Swiss Re manages both physical and transition-related climate risks. Swiss Re also takes advantage of corresponding opportunities, in particular underwriting opportunities linked to physical risks and investment opportunities arising from the transition to a low-carbon economy.

The Canadian Branches contribute to and are informed by Group-level climate strategy, with local insights and exposures incorporated into broader strategic assessments and disclosures.

Physical and transition risks
This section outlines the actual and potential physical and transition risks identified by Swiss Re in the short term (next five years), medium term (up to ten years) and long term (over ten years), as well as the associated mitigation measures. For underwriting, long term is further defined based on the specific line of business. Swiss Re's Group strategy guides the business and underwriting strategies of the Business Units. This overall strategy is translated annually into a detailed financial plan. The financial plan considers the ESG Risk Framework and adherence to Swiss Re's key climate targets, and reflects relevant climate-related risks and opportunities.[2]

Underwriting
Swiss Re considers the effects of climate change, including acute and chronic physical risks, on its underwriting portfolios and strategy to be manageable in the short, medium and long term, in light of established processes and tools. While climate change may result in certain risks in highly exposed regions or industries becoming uninsurable, it may also increase demand in other, currently less exposed regions or in industries that benefit from the transition to net zero. Swiss Re is well-positioned to respond effectively to such developments.

The Group including its Canadian Branches actively monitor and manage the re/insurance portfolios that may be potentially exposed to climate change-related physical and transition risks . The relevance of climate-related risks for Swiss Re's Canadian businesses is determined based on a combination of quantitative and qualitative factors. The quantitative threshold for identifying relevant portfolios is 5% of insurance contract liabilities. Also, annual expected losses (AEL) are used to inform the identification of relevant natural catastrophe portfolios. Subsequently, the projected trends for climate-related risks relevant for each portfolio are assessed qualitatively and, where possible, quantitatively.

Physical risks and related opportunities
Physical risks posed by climate change can potentially affect Swiss Re's underwriting activities.

Climate change could:
- Affect loss experience and thus influence modelling and pricing of weather-related natural perils such as tropical cyclones, floods, wildfires or droughts in property re/insurance.
- Affect the insurability of property risks exposed to extreme weather events and hence the potential market for property re/insurance.
- Give rise to opportunities related to physical climate risks for the natural catastrophe property re/insurance business.
- Affect mortality and morbidity experience in long-term life and health re/insurance contracts.

The following sections describe these effects in more detail.

Pricing of weather-related perils in property re/insurance
Climate change is likely to continue affecting the frequency and severity of weather-related natural catastrophes, such as tropical cyclones and floods, over the short, medium and long term. Specific physical climate change risks that may affect Swiss Re's property re/insurance portfolio include rising sea levels, more frequent and severe rainfall, and increased temperature extremes.

[2] ESG stands for environmental, social and governance.

Not adequately reflecting climate-related changes alongside other, more dominant loss drivers when underwriting property re/insurance could lead to an inaccurate estimation of the underlying risk. Swiss Re regularly adjusts the technical pricing of such risks using its proprietary loss-modelling framework. As most property re/insurance contracts are renewed annually, the risk can be managed effectively.

Climate effects, defined as both natural climate variability and anthropogenic climate change, represent only one loss driver impacting Swiss Re's natural catastrophe exposure, as measured by AEL. [3]Other loss drivers including, but not limited to, urbanisation, asset concentration in exposed areas and vulnerability of buildings or infrastructure, are more important.[4]

Swiss Re closely monitors climate trends and other risk factors that may be material for its business across different time horizons. The Group regularly updates its models to ensure accurate risk assessment and effective diversification of its property re/insurance natural catastrophe business.

Insurability of property risks exposed to extreme weather events

Climate change may render certain properties exposed to extreme weather events uninsurable by undermining one of the three pillars of insurability: assessability, randomness and affordability.

Current scientific methods indicate that the short-term frequency and severity of possible losses from extreme weather events remain assessable. Furthermore, based on Swiss Re's scenario analyses for tropical cyclones US and Japan, as well as for flood UK and US, randomness, ie the random nature of risk, is expected to remain largely intact. However, rising frequency and severity of extreme weather events may drive up technical pricing, and ultimately premiums, which may render insurance economically unviable for the owners of certain properties. If re/insurance were to become unaffordable for policyholders in certain areas and/or risks, demand for re/insurance in those areas would decrease.

Opportunities related to physical climate risks

Swiss Re's re/insurance products providing financial protection against natural catastrophes are part of its core business and continue to be a medium- to long-term growth area. These products support climate change adaptation and help insurers, governments and insured companies cope effectively with the weather risks associated with today's climate.

Climate change's effect on life and health reinsurance

Climate change could impact life and health portfolios, in cases where premium rates are not reviewed annually. While scientific evidence remains limited, current research suggests that in Swiss Re's main life and health markets (North America, Northern Europe and Oceania), mortality linked to climate-related risk factors is expected to increase modestly, while mortality associated with cold temperatures is expected to decrease. For the longevity portfolio, the expected effects of climate change are directionally opposite to mortality.

The most prominent chronic climate-related physical risk drivers are expected to be extreme heat, air pollution from anthropogenic emissions and increased exposure to infectious diseases spread by non-human vectors. Heat waves and air pollution resulting from wildfires are expected to be the dominant acute physical risks. These risks primarily impact clinically vulnerable individuals with pre-existing comorbidities, or groups such as the elderly, people with disabilities and socio-economically disadvantaged individuals without access to mitigation measures. Increasingly frail aging populations could see an increase in annual deaths. Without mitigation measures, mortality rates and healthcare costs could rise, potentially leading to higher claims costs than anticipated by Swiss Re.

Overall, Swiss Re does not expect this effect to be financially material for these portfolios in the short, medium or long term (see Resilience under different climate scenarios, page 58 of the 2025 Annual Report). Biological risk factors continue to have a much larger impact on mortality and morbidity rates than climate change.

Several factors are, however, expected to reduce the impact of climate-related risks on Swiss Re's life and health business:[3]

- There is a baseline assumption that the insured segments are typically healthier, and should therefore be more climate-resilient.
- Policyholders have the ability to reduce the severity and duration of exposure to the elements.
- Affordable mitigation measures such as air purifiers, air cooling or increased hydration may further limit the impact on insured lives.
- Under certain climate scenarios, anthropogenic air pollution, a driver of claims today, is expected to improve as countries push for more stringent emission limits.

Transition risk

Swiss Re does not consider the risks related to the overall transition to a net-zero GHG economy to have a material negative financial effect on its re/insurance business in the short or medium term. It expects to be able to manage these risks effectively through established processes for reviewing underwriting assumptions based on the most recent loss experiences and scientific findings, as well as the annual renewal of most contracts. Policy, legal, technology, market and reputational risks could influence Swiss Re's underwriting activities. Depending on the pace of the transition, such risks may impact the growth and structure of re/insurance demand or the quality of re/insured risks alongside other potentially more dominant factors, such as the overall economic and financial market environment or technical

[3] Disentangling the impacts of natural climate variability and anthropogenic climate change on natural hazards is challenging due to the complex interplay of these two drivers. However, for an accurate risk assessment today, it is more important to adequately reflect short-term climate conditions rather than to separate the effects of these two drivers.
[4] For more information on the importance of loss drivers, see Sustainability report 2023, page 61.

innovation. Adapting to these changes is part of Swiss Re's Group strategy and the related planning process (see page 56 of the 2025 Annual Report).

Climate change litigation risk

Climate change litigation (CCL) could lead to claims in certain segments of casualty re/insurance in the short and medium term. To date, there have been no significant claims impacting Swiss Re's or the Branches' portfolios.

Resilience under different climate scenarios

Scenario analyses for natural catastrophe re/insurance as well as life and health re/insurance confirm Swiss Re's view that climate change does not pose a fundamental threat to Swiss Re's strategy for its re/insurance risk-taking in the short, medium or long term.

Swiss Re applies both qualitative and quantitative scenario analyses to assess the resilience of its underwriting and investment strategy under different climate scenarios.

Swiss Re's analysis for its investments is based on the scenarios of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) - Orderly, Disorderly, Hot house world and Too little too late - which incorporate varying degrees of risk along different global warming pathways. The NGFS scenarios can be mapped to the Representative Concentration Pathway (RCP) scenarios, which Swiss Re uses for physical climate risk analyses relating to its underwriting portfolio. These analyses are based on the RCP scenarios 2.6, 4.5, and 8.5 and relevant scientific literature. RCP 8.5 is the worst-case scenario, where no climate mitigation measures of technical innovation will limit temperature increases. RCP 4.5 is an intermediate scenario reflecting current policy actions, while RCP 2.6 is a stringent mitigation pathway.

Property natural catastrophe re/insurance

Swiss Re's climate change scenario analysis for natural catastrophe property re/insurance explores whether climate change poses a challenge to the potential market for property re/insurance and to the insurability of key portfolios, as the technical price increases required may render coverage unaffordable for certain policyholders.

To address this question, annual expected losses (AEL), used as a proxy for the technical price, are projected under different scenarios using static portfolios reflecting the overall market. In addition, the projected AEL increases for the individual policyholders within a portfolio are also assessed. Initial scenario analyses on tropical cyclone Japan and US were conducted in 2021. Further analyses conducted in 2023, covering tropical cyclone Japan and US, as well as floods in the UK, confirmed earlier findings and remain valid based on current scientific evidence.

At the Group level, portfolio selection is based on economic relevance for the Swiss Re Group (based on AEL) and the expected impact of climate change on these specific perils. The analysis was conducted by adjusting the hazard module in Swiss Re's proprietary natural catastrophe loss modelling framework to the projected climate in the long term, ie 2050, while keeping all other modules and assumptions constant, including vulnerability, exposure and insurance conditions. The modelling approach reflects the dominant drivers of property natural catastrophe risk for the re/insurance business within the scenarios. The tropical cyclone model captures wind and tropical cyclone-induced precipitation and coastal flooding. The river flood model covers both fluvial flooding and pluvial flooding when coinciding with fluvial events.

For the Canadian business, two additional perils are particularly relevant: i) severe convective storm and windstorms; and ii) wildfire. The scientific evidence regarding the impacts of climate change on severe convective storms and windstorms remains uncertain - Swiss Re continues to monitor scientific developments in this area. Further, although the wildfire hazard remains difficult to represent directly within climate models, a growing body of research suggests a potential association between rising temperatures and increases in wildfire burn area, largely through their contribution to drier and more arid conditions. The Branches and Swiss Re Group experts are assessing the relevance of climate risk scenario analysis to the Canadian re/insurance portfolios, considering relevant hazard dynamics and evolving regulatory expectations.

The analyses for US tropical cyclones and UK river floods indicate that the expected effects of climate change on AEL by 2050 are relatively modest compared with historical general loss trends or average annual inflation, and are therefore considered manageable for Swiss Re Group. Under the RCP4.5 and RCP8.5 scenarios, projected annual changes in AEL are in the range of -0.5% to 1.1% for US tropical cyclones and 0.2% to 1.4% for UK floods. Under the most extreme scenario (RCP8.5), projected increases in AEL, and consequently premiums, for US tropical cyclones and UK floods, are expected to remain economically viable for most policyholders.

The most recent Group-driven analysis exploring expected climate change impacts on river flooding in the US also indicates that AEL increases are likely to remain manageable. However, regional flood risk projections diverge, and in roughly half of the analysed locations, the direction of change remains uncertain. This reflects the complex and often non-linear dynamics of river flood risk, which are influenced by factors such as shifts in precipitation and snowmelt, local river basin conditions and flood protection measures. Overall, the impact at the national level remains modest. Projected increases in AEL under RCP4.5 and RCP8.5 scenarios to 2050 range from -0.2% to 1.2% annually, reflecting uncertainty in projected global warming levels and local flood impacts. Under the most extreme scenario (RCP8.5), around two thirds of the insured portfolio is projected to experience AEL increases below 2% annually. Overall, the analyses indicate that increases in expected losses driven by climate change up to 2050 are likely to be relatively modest, and that effects on insurability are expected to remain limited for Swiss Re's property natural catastrophe re/insurance portfolio.

Swiss Re uses these findings with full awareness of their limitations. Notwithstanding scientific consensus on the influence of climate change on the characteristics of many natural hazards, substantial uncertainty remains regarding the magnitude, regional distribution and timing of these impacts. Since natural hazards are complex and often influenced by an intricate interplay between perils and other loss drivers such as soil sealing or exposure growth, it can be difficult to isolate the effects of climate change. Furthermore, Swiss Re's future re/insurance portfolio and AEL will be influenced by factors beyond climate, such as exposure growth, underwriting risk appetite, market conditions and climate adaptation measures.

Life and health re/insurance
Swiss Re's scenario analysis for its life and health business focuses on assessing climate change impacts on its portfolios by identifying climate-related drivers that could affect mortality and evaluating them against and alongside biological risk factors such as body mass index or high blood pressure. These findings are also considered in Swiss Re's long-term mortality assumption review, see Climate risk management, page 60 of the 2025 Annual Report.

Swiss Re does not expect any of the RCP climate scenarios analysed to have a financially material net adverse impact on its life and health portfolio in the short, medium or long-term, ie 2100. The scenario analysis was conducted in 2022, and Swiss Re continues to monitor new scientific findings to determine whether any necessary adjustments are required. The findings of the 2022 assessment remain valid in 2025.

Limited climate-related excess mortality is expected under scenarios reflecting considerable mitigation efforts in North America, Europe and Oceania – the regions where Swiss Re's portfolio is concentrated. The impact of increased heat-related mortality is expected to be balanced by reduced cold-related mortality, particularly from respiratory viruses and winter-related deaths among older populations as winters become milder. The net impact on mortality from these factors is expected to be low. Under the RCP 8.5 scenario of unmitigated climate change, any anticipated net excess mortality is expected to be concentrated in regions where Swiss Re does not currently have significant portfolio exposures.

Investments
Through its Responsible Investing strategy, Swiss Re integrates sustainability and climate considerations into its investment process. This enables Swiss Re to identify, assess and manage risks that may impact its future financial performance, including transition and physical risks arising from climate change.

The key transition risk faced by Swiss Re's investment portfolio relates to changes in the policy and regulatory environment, including increased taxes and/or new regulations that could irreversibly reduce asset values of particularly exposed companies, potentially leading to stranded assets.Physical risks from weather-related perils may also affect Swiss Re's assets and result in direct damage to assets or loss of revenue due to business interruption. Particularly acute events such as tropical cyclones and floods are projected to intensify over the long term, resulting in an increase in physical risks.

Resilience under different climate scenarios

Swiss Re identifies and quantitatively assesses transition and physical risks arising from climate change across a range of climate change scenarios. The aim is to evaluate the sensitivity of the investment portfolio under selected NGFS and RCP scenarios. For more information on these scenarios, see page 9.

In 2025, Swiss Re Group conducted an updated climate scenario analysis for its entire investment portfolio. The climate scenario analysis approach was then conducted specifically for the Branches' corporate bonds portfolio for the purposes of this report. A key component of transition risk analysis is the projection of investee companies' GHG emissions and related carbon pricing.

The analysis performed in 2025 concluded that the financial materiality of transition risks for Swiss Re's investment portfolio, including the Branches' portfolios, is low to medium across the asset classes and scenarios analysed, while physical risks are considered low.

Risk Management

Integration into the overall risk management process

Sound risk management, underwriting and asset management lie at the core of Swiss Re's businesses, enabling the company to use existing processes and tools to address climate-related risks. The Group has a global framework which guides how Swiss Re manages environmental, social, human rights and governance risks: the ESG Risk Framework.

The ESG Risk Framework is based on the overarching principles of protecting the environment, respecting human rights and promoting good corporate governance. These principles are encapsulated in three umbrella guidelines (Environmental, Social/Human Rights and Governance). Certain sectors have been identified as having specific environmental and/or social/human rights risks; accordingly, specific guidance on the application of the ESG Risk Framework is provided within the umbrella guidelines.

The framework is embedded in existing processes, fostering the consideration of sustainability risks and opportunities alongside other business-relevant factors, such as financial and compliance matters. Swiss Re focuses on risks that have a high potential to increase economic losses, as well as on adverse impacts that are significant from an environmental and societal sustainability perspective.

Swiss Re aims to apply the ESG Risk Framework to all activities undertaken by Swiss Re Group entities, ie to underwriting, investments, procurement and own operations, where information granularity is available and allows for a meaningful ESG risk assessment.

The ESG Risk Framework applies to all entities and the Branches in scope of this report are fully embedded. For comprehensive information on the umbrella guidelines, see the ESG Risk Framework on Swiss Re's website.

Underwriting

Physical risks

The identification, assessment and management of climate-related risks is integrated into Swiss Re's overall Risk Management Framework. Climate change-related risks are not a standalone risk category but a driver of established risk categories. They are reflected in risk categories if they are relevant for current risk-taking (eg natural catastrophe risk, man-made risk, mortality trend risk, sustainability risk, emerging risk).

Property re/insurance

Natural catastrophes are the key exposure in Swiss Re's re/insurance property risk landscape. The Group has, or is developing, proprietary risk models for all relevant natural catastrophe perils such as tropical cyclones, floods, severe convective storms, winter storms, wildfires and earthquakes. These science-based models are updated regularly to incorporate the latest loss experience and scientific findings, see Pricing of weather-related perils in property re/insurance on page 60 of the 2025 Annual Report. Swiss Re's proprietary natural catastrophe risk models are important tools for managing its business and are used to determine annual expected losses (AEL) and the economic capital required to support the natural catastrophe risks on Swiss Re's books. As most property re/insurance contracts are renewed annually, the risk can be managed effectively.

Life and health re/insurance

Climate change is one of many risk factors for Swiss Re's life and health businesses. Relevant risk factors are considered when assessing mortality assumptions (base rates and trend) and are formally reviewed at regular intervals. Swiss Re reviews climate change assumptions as part of its life and health strategy, issuing research and development updates on new scientific evidence.

Refer to "Resilience under different climate scenarios" in the Strategy section above for information on how Swiss Re, and the Branches, use scenario analysis in Underwriting.

Investments

Transition and physical risks

Swiss Re monitors portfolio GHG emissions to manage climate-related risks associated with its investment portfolio. As part of its Responsible Investing strategy, Swiss Re implements risk control measures across its investment process to assess and manage climate-related risks. Where relevant and material, climate risks are reflected within traditional financial market risk categories such as credit risk and interest rate risk. It strives to identify those industries and companies that are most exposed to transition risks by assessing their emissions. Emissions are monitored annually for the corporate bond and listed equity portfolio as well as the majority of the real estate portfolio. In addition, Swiss Re invests in sovereign bonds for asset-liability management purposes and monitors the emissions intensity of its sovereign bond portfolio on an annual basis. Physical risks are monitored through climate scenario analysis, as described above.

Managing climate risks

Swiss Re manages climate-related risks within its investment portfolio through targeted portfolio reallocations and emissions reduction measures across its corporate bond, listed equity and real estate holdings. For private asset transactions, where material, Swiss Re assesses climate-related risk and mitigation measures as part of transaction due diligence.

Fossil fuel guidelines

Swiss Re mitigates the risk of stranded assets in its investment portfolio by applying fossil fuel guidelines, as defined in the ESG Risk Framework, see page 43 of the 2025 Annual Report.

Metrics and Targets

Swiss Re has adopted several interim targets and metrics to deliver against its commitment to net zero, as well as to assess and manage climate-related risks and opportunities. Climate-related targets are subject to external developments, uncertainties and dependencies as outlined in the Group's Climate Transition Plan (see 2025 Annual Report, page 49). The Group considers performance against the targets to reflect the effectiveness of the measures taken to implement the Group Sustainability Strategy. Swiss Re will continue to assess its targets, approaches and definitions in response to emerging developments, including with respect to the actions of re/insurance clients, businesses and governments, which are not within Swiss Re's control.

The Branches have not set any additional measurable outcome-oriented climate-related targets, as all targets are set at the Group level with no disaggregation for the Branches or other Swiss Re legal entities.

Group targets and metrics

Decarbonisation

Swiss Re has specific targets to reduce the carbon footprint of selected re/insurance portfolios, supporting its commitment to net-zero GHG emissions by 2050. Swiss Re met all 2025 climate targets. To read about progress on interim climate targets beyond 2025, see Climate targets and metrics, starting from page 61.

Underwriting

Swiss Re uses the metrics described below to inform its decarbonisation strategy, as well as to assess and provide transparency on transition risks and opportunities in its underwriting portfolios:

i) Insurance-associated emissions and weighted average carbon intensities[5].
ii) Renewable power generation capacity re/insured[6]
iii) Annual expected losses[7]
iv) Natural catastrophe premiums[8]

There are still fundamental challenges in calculating reliable GHG emissions data as data reported by companies is limited, with actual reported data available, and carbon intensity data at the sectoral and country level is often volatile and/or outdated and can vary significantly across different temporal releases of the same data source. For more information on the methodology, and/or limitations of these metrics, refer to "Climate targets and metrics" section in the 2025 Annual Report.

Investments

As part of its transition to a net-zero GHG emissions investment portfolio by 2050, Swiss Re sets interim targets and regularly reports on progress. The calculation of Swiss Re's financed emissions is aligned with the PCAF Part A Standard (2022 version). Below are metrics applicable to the investment portfolios of the Branches:

i) Absolute financed emissions of the corporate bond and listed equity portfolio [9]
ii) Temperature alignment of the corporate bond portfolio[10]
iii) Absolute financed emissions of the sovereign bond portfolio[11]

Certain of these targets and metrics relate to insurance-associated emissions and financed emissions, which are components of Scope 3 greenhouse gas emissions. While these metrics are referenced for strategic and risk management context, this Report is not intended to constitute a complete quantified disclosure of Scope 3 greenhouse gas emissions for the current reporting period, as only Scope 1 and Scope 2 emissions are disclosed.

5 Swiss Re utilises the Global GHG Accounting & Reporting Standard Part C for Insurance-Associated Emissions (IAE) by the Partnership for Carbon Accounting Financials (PCAF, 2022 version) to estimate GHG emissions linked to its single-risk commercial lines portfolios. Weighted average carbon intensities (WACI) and IAE help the Group prioritise climate mitigation efforts for the most material re/insurance portfolios and monitor overall progress against its decarbonisation strategy.

6 Swiss Re tracks the total renewable power generation capacity – covering wind, solar, hydro, biomass, geothermal and marine/tidal sources – underwritten during the year for single risk property and engineering lines of business.

7 AEL are estimated based on Swiss Re's global natural catastrophe loss-modelling framework. AEL is an indicator of the average current underwriting exposure to natural catastrophes. To assess the risk of individual rare natural catastrophe events, Swiss Re employs value-at-risk (VaR) or tail VaR metrics. For example, the 99.5% VaR represents the loss likely to be exceeded in only one year out of two hundred.

8 Swiss Re uses natural catastrophe gross written premiums (GWP) to measure its re/insurance business related to floods, storms, earthquakes and other natural catastrophes.

9 Methodology: Absolute financed GHG emissions for Swiss Re's direct corporate bond and listed equity portfolio cover Scope 1 and 2 emissions, excluding ETFs and Participations.

10 To complement the historic emissions data, Swiss Re tracks the temperature alignment of its corporate bond portfolio using MSCI's methodology. The MSCI assessment compares companies' actual and projected emissions reductions against science-based pathways, offering a forward-looking view of potential emission risks and portfolio alignment. Comparability across temperature alignment methodology providers is limited due to the lack of recognised global standards and evolving methods. Methodologies can also differ in terms of asset and emissions scopes, data coverage and timing.

11 Methodology: Absolute financed Scope 1 GHG emissions (excluding LULUCF) are calculated for Swiss Re's sovereign bond portfolio in accordance with the PCAF 2022 methodology.

Operations

Swiss Re has set interim targets for decarbonisation of its operations up to 2030, guided by science-based standards.

Group Method for Legal Entity/Branch operational GHG metrics

This section describes Swiss Re's approach to reporting Scope 1 and 2 at the Legal Entity (LE) or Branch level. The methodologies used follow the Group's established methods, and the same approach is applied to all local reporting at the LE/Branch level ensuring consistency and alignment.

- Scope 1 emissions include the combustion of fossil fuels or other materials for Swiss Re's own operations, such as heating boilers in offices. Scope 1 emissions and emission intensity are calculated for the entire Group and then scaled down to legal entities or branches based on the number of full-time equivalents (FTE).[12] Primary activity data from building facilities are collected from more than 90% of office locations on an FTE basis and extrapolated to cover all the locations globally. Scope 1 emissions reported by the Canadian Branches are based on Group amounts prorated based on a ratio of Branch FTE[13]/ Total FTE.
- Scope 2 emissions cover purchased electricity, with Swiss Re procuring 100% renewable electricity for the group. Similar to Scope 1, these emissions are calculated at the group level and scaled down to legal entities/branches based on FTEs.

The Group method is employed to ensure consistency and alignment in reporting Scope 1 and Scope 2 greenhouse gas (GHG) emissions across all Legal Entities and Branches within Swiss Re. For details of Scope 1 and Scope 2 GHG emissions reported by the Canadian Branches see Appendix A below. For details of GHG emissions reported by the Group see page 71 of the 2025 Annual Report.

Carbon Steering Levy

Swiss Re has set a target to compensate all the remaining emissions in scope from operations with carbon certificates, linearly increasing the carbon removal share from 0% in 2020 to 100% in 2030.

The Carbon Steering Levy is Swiss Re's real internal carbon price on both direct and selected indirect operational emissions. It covers Scope 1, Scope 2 (market-based) and parts of operational Scope 3 emissions (business travel, fuel and energy-related activities, waste, copy paper and water), across all of the Group's Business Units, Group Functions and locations under the company's operational control. The levy incentivises concrete actions on emissions reduction. It is also expected to generate the funds to cover the increasing cost of carbon certificates for compensating emissions.

[12]Total FTE used by Group is expressed as yearly average of full-time equivalents (including active permanent, temporary and contractor personnel assigned to company premises).
[13]Total Branch FTE is expressed as the number of employees as at December 31, 2024 and 2025 respectively.

Appendix A - Data tables

SRZcb P&C GHG emissions data

		Previous year	Current year
Metric	Units	2024	2025
GHG emissions			
Scope 1	tonnes CO_2e	6	7
Scope 2 (location-based)	tonnes CO_2e	26	25

SRZcb L&H GHG emissions data

		Previous year	Current year
Metric	Units	2024	2025
GHG emissions			
Scope 1	tonnes CO_2e	16	21
Scope 2 (location-based)	tonnes CO_2e	71	72

SRCSAICcb GHG emissions data

		Previous year	Current year
Metric	Units	2024	2025
GHG emissions			
Scope 1	tonnes CO_2e	11	12
Scope 2 (location-based)	tonnes CO_2e	46	42

Appendix B - Cautionary note on forward-looking statements

Certain statements contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) 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", "target", "aim", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend" and similar expressions, or by future or conditional verbs such as "will", "may", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re's (the "Group") actual results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects to be materially different from any expected or assumed results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause the Group to not achieve its published targets. Such factors include, among others:

- macro-economic events or developments including the risk of a global economic downturn, deglobalisation, fragmentation of markets, changes in inflation rates, increased volatility of, and/or disruption in, global capital, credit, foreign exchange and other markets and their impact on the respective prices, interest and exchange rates and other benchmarks of such markets;
- elevated geopolitical risks or tensions, including global political or domestic instability, which may consist of conflicts arising in and between, or otherwise impacting, countries that are operationally and/or financially material to the Group or significant elections that may result in domestic and/or regional political tensions as well as contributing to or causing macro-economic events or developments as described above;
- the frequency, severity and development of, and losses associated with, insured claim events, particularly natural catastrophes, human-made disasters, pandemics, liability excess inflation, acts of terrorism or acts of war, including developments or escalation of ongoing conflicts or wars and any associated governmental and other measures such as sanctions, expropriations and seizures of assets as well as the economic consequences of the foregoing;
- the Group's ability to adhere to standards related to the environment, climate change, social issues, employment (such as inclusion), respect for human rights, and governance. These are often referred to by expressions such as sustainability, environmental, social and governance ("ESG"), and corporate social responsibility ("CSR"). The Group's ability to fully achieve goals, targets, ambitions or stakeholder expectations related to CSR, ESG and/or sustainability matters and ability to adapt to the evolving expectations of investors, shareholders, business partners, or third parties, including regulators and public authorities, as well as CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements;
- the Group's ability to achieve its strategic objectives;
- legal actions or regulatory investigations or actions, the intensity and frequency of which may increase;
- the Group's dependence on third parties, including reinsurers, external investment managers, and other service providers;
- the Group's ability to attract, retain and train highly skilled and technically qualified employees at the senior management level as well as in key operational roles;
- the effects of business disruption due to terrorist attacks, cyberattacks, natural catastrophes, public health emergencies, hostilities or other events;
- central bank, regulatory or governmental intervention in the financial markets, trade wars or other tariffs and protectionist measures relating to international trade and cross-border service arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- mortality, morbidity and longevity experience;
- 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 Group's ability to realise amounts on sales of securities on the Group's balance sheet equivalent to their values recorded for accounting purposes;
- the Group's ability to generate sufficient investment income from its investment portfolio;
- changes in legislation and regulation or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies or the markets in which they are operating;
- matters negatively affecting the reputation of the Group, its board of directors or its management;
- the lowering, loss, giving up of, or the decision not to participate in one of the financial strength or other ratings of one or more companies in the Group, and developments adversely affecting its ability to achieve improved ratings;
- uncertainties in estimating reserves, including differences between actual claims experience and underwriting and reserving assumptions;
- changes in our policy renewal and lapse rates and their impact on the Group's business;
- developments, litigation, or regulatory changes relating to the use of artificial intelligence ("AI") by the Group or third-party vendors, including risks around data quality, explainability, fairness, privacy, cybersecurity, intellectual property, overstating AI capabilities, reliability and effectiveness of AI systems, data or third-party dependency, failings in human oversight or expertise, adoption or integration, and the Group's ability to implement and govern AI responsibly and in line with evolving legal, ethical and technological standards;

- the outcome of tax audits, the ability to realise tax loss carryforwards and 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 the Group's business model;
- changes in accounting estimates or assumptions that affect reported amounts of assets, liabilities, revenues or expenses, including contingent assets and liabilities as well as changes in accounting standards, practices or policies, including the Group's recent adoption of IFRS;
- failure of the Group's hedging arrangements to be effective;
- significant investments, acquisitions or dispositions, and any delays, unforeseen liabilities or other costs, lower-than expected benefits, impairments, ratings action or other issues experienced in connection with any such transactions;
- extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- changing levels of competition in the markets and geographies in which the Group competes; and
- limitations on the ability of the Group's subsidiaries to pay dividends or make other distributions.

These factors are not exhaustive. The Group operates in a constantly changing environment and new risks may emerge accordingly. You are cautioned not to place undue reliance on forward-looking statements. The Group 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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