

# *Corporate Responsibility*

*Swiss Life attaches great importance to corporate responsibility – be this in its business activities, society, its role as an employer or towards the environment. This year Swiss Life is presenting a complete Corporate Responsibility Report for the first time as part of its Annual Report 2015. The reporting corresponds to the guidelines of the Global Reporting Initiative (GRI).*

## *Ladies and gentlemen,*

In our business, responsible and far-sighted management is the platform on which long-term success is built. Our customer relationships often last for several decades. And our various target groups are increasingly interested in the way we think and act as a company and how we contribute to society. The basis for all our activities is provided by the ethical values and instructions contained in our Code of Conduct. We aim to act sustainably and responsibly in our fields of activity. So it is fitting that we hope in future to make a signal contribution to public discussion of a “longer self-determined life”. Supporting current and future customers as they take their financial future into their own hands forms the core of our daily work at Swiss Life.

We assume social responsibility first and foremost in our core business – long-term financial provisions: We help people look to the future with confidence. But we also want to take responsibility beyond our immediate field of operations. We do this by lending our constant support to a host of projects that aim to promote confidence and self-determination – whether through charitable foundations or volunteer work. In our home market of Switzerland we back domestic charitable initiatives by way of the “Perspectives” foundation; in France and Germany we make a contribution to social and cultural projects with our own foundations. We are also the proud co-founder of the Swiss Climate Foundation and have been supporting sports and culture with sponsorship commitments for years.

Our reporting on the subject of “Corporate Responsibility” in our Annual Report now conforms to the voluntary standards of the Global Reporting Initiative (GRI), recognised worldwide. This is our way of contributing to the promotion of transparency, comparability and standardisation in sustainability reporting.

For the first time we have determined the sustainability topics that are key for us as a company and for our main target groups, and set them out in the report. Among the topics given the greatest weight in surveys are customer orientation, sustainable profitability and subjects such as compliance and the advancement of our employees.



Patrick Frost  
CEO

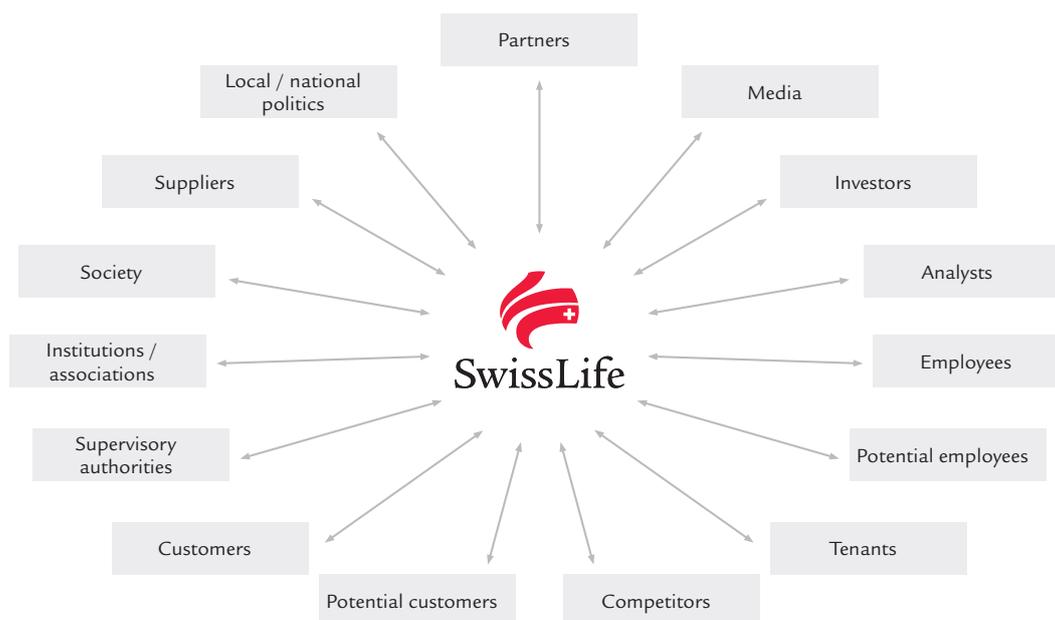
## Introduction

*Together with its Annual Report 2015, the Swiss Life Group is for the first time presenting a Corporate Responsibility Report in accordance with the guidelines of the Global Reporting Initiative (GRI).*

The Corporate Responsibility Report sets out what corporate responsibility means to Swiss Life and what topics are relevant in this context to the company and its stakeholders. It focuses on business activities, society, employees and the environment and is guided by the principle of materiality. For Swiss Life, the responsible and economically successful pursuit of its business in line with the values set out in the Code of Conduct is of pivotal importance. Reporting is oriented to GRI, the world's leading standard for comparable sustainability reporting based on key figures ([www.globalreporting.org](http://www.globalreporting.org)). Swiss Life applies the guidelines in conformity with the GRI-G4 "Core" option. In addition, industry-specific requirements for financial services providers (financial sector disclosures) have also been taken into account.

The expanded reporting is intended to enhance our communication with target groups. Swiss Life's stakeholders include, in addition to its employees and customers, investors, authorities and legislators as well as representatives of the media, politics and associations, all of whom are affected either directly or indirectly by Swiss Life's activities. Swiss Life is in regular dialogue with all of its stakeholders, which ensures that it is aware of the requirements and expectations of its stakeholder groups and is able to react to challenges or changes (G4-24, G4-26).

### Swiss Life's stakeholder groups



For more information on dialogue with the various stakeholders, see: [www.swisslife.com/en/stakeholdercommunication](http://www.swisslife.com/en/stakeholdercommunication) (G4-25, G4-27).

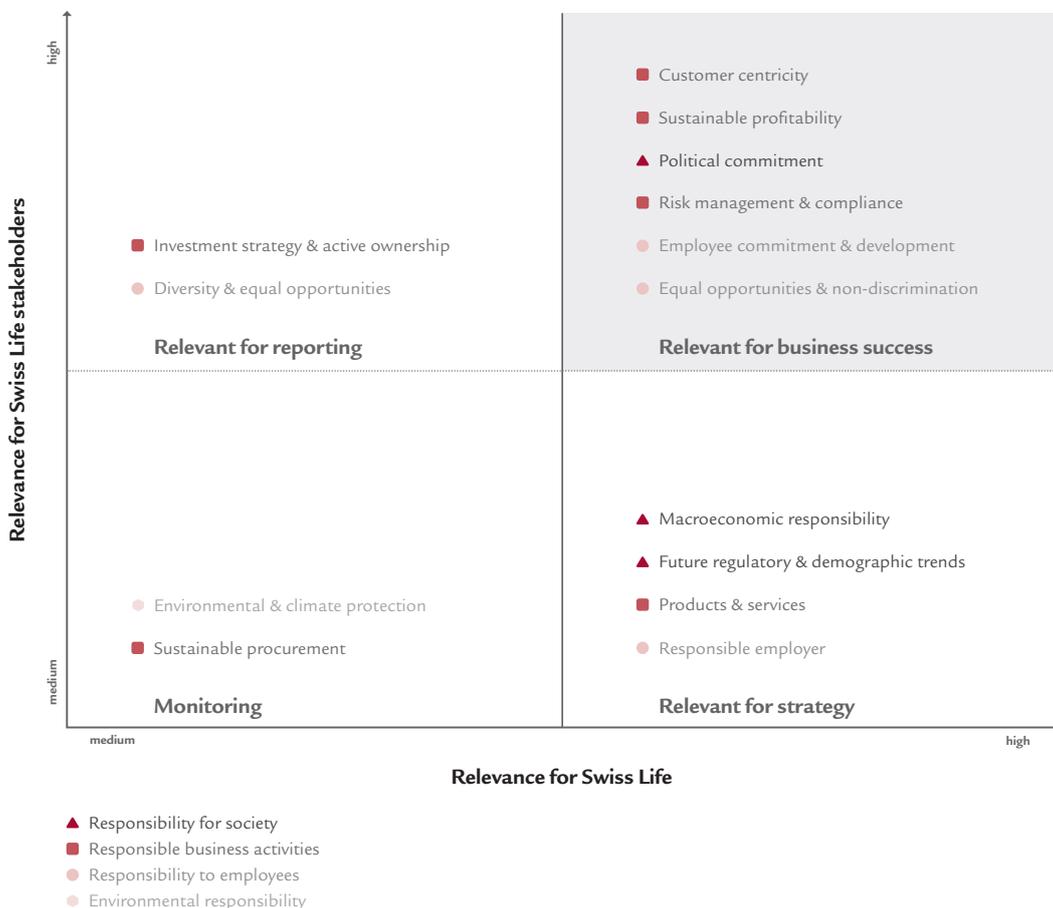
## How we understand corporate responsibility



## *Report structure and materiality matrix*

The contents of the Corporate Responsibility Report were established as part of a multi-level materiality process with internal and external stakeholders. Based on qualitative and quantitative interviews with the Swiss Life Executive Board, a project group comprising specialists from Investor Relations, Asset Managers, Human Resources and Corporate Communication worked on selected key themes for Swiss Life, discussed them with selected investors and media professionals and refined them in structured interviews. Finally, the completed materiality matrix was approved and ratified by the Corporate Executive Board (G4-18). The report comprises Swiss Life’s main locations in Switzerland, Germany and France and refers to all company entities within the scope of consolidation (pages 290 to 296; G4-17).

**Materiality matrix of the Swiss Life Group<sup>1</sup>**



The materiality matrix displays and organises the central issues from the “Corporate Responsibility” area along two axes: The upper right quadrant of the matrix contains the issues that have proven most important to both internal and external stakeholders. These are action points, which are classified as being particularly important to business success and they feature prominently in the reporting.

The Corporate Responsibility Report covers all the subjects included in the matrix. The reporting on the key areas (GRI aspects) is based on the indicators outlined in the GRI-G4 guidelines.

<sup>1</sup>(G4-20, G4-21)

## *Responsibility in our business operations*

*Swiss Life maintains high standards for its consulting, service and product range. Diligence and responsible action form the basis for successful business operations.*

Diligent business conduct in compliance with the law is a given for Swiss Life. The basis for this is provided by the values set out in the Code of Conduct, diligent and forward-looking risk management and a regular inventory of customer requirements.

Swiss Life has potential for profitable growth in all markets. Its divisions are managed in accordance with a multi-local approach; a significant portion of the decision-making power is with the local divisions. This ensures that decisions can be made close to the market and with commensurate effect. Customer needs form the basis for local guidance. Only those who can win over existing customers and the new generation with relevant offers and services will be among the winners in decades to come. Swiss Life is closely oriented to customer needs and invests in consulting, digitalisation and organic growth. With these measures, Swiss Life aims to increase customer satisfaction and loyalty along with the recommendation rate, and thus further expand the groundwork for future economic success.

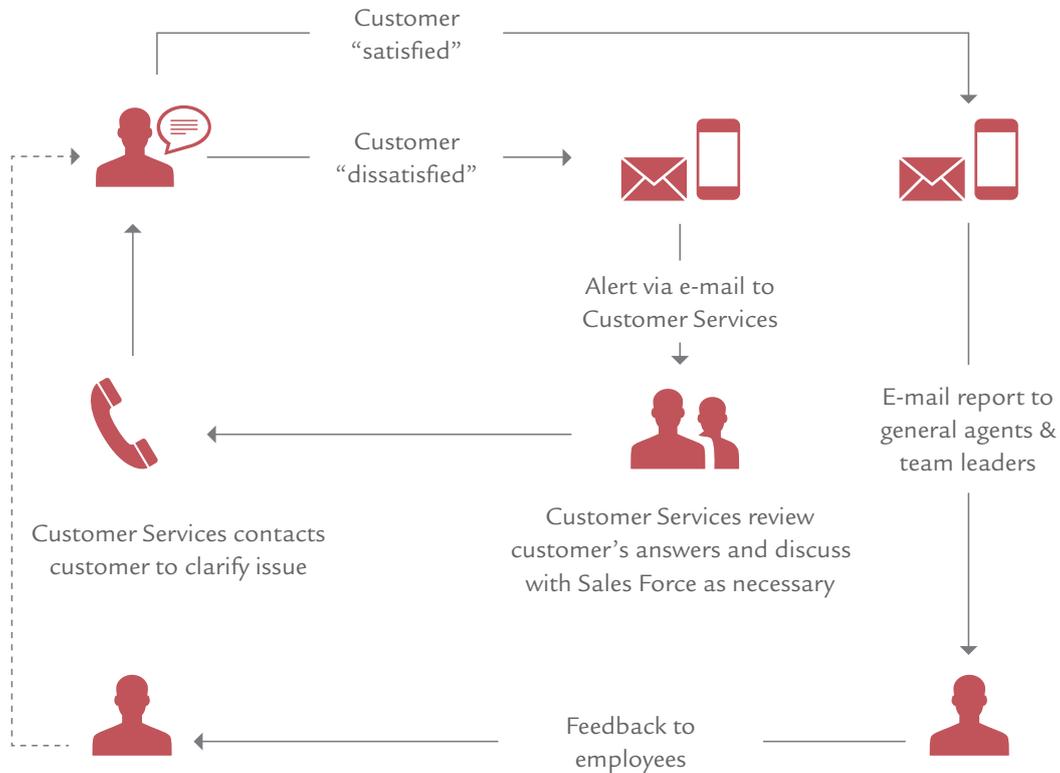
## *Customer centricity*

Customer centricity is a strategic thrust of Swiss Life. The company has launched various initiatives in recent years with an eye to further strengthening Swiss Life's customer centricity. These initiatives are centrally coordinated and meticulously analysed and assessed.

### **External perspective: Direct customer feedback**

Swiss Life collaborates with an independent market research institute to carry out continuous assessments of customer feedback at the key contact points. This involves asking customers from various segments about their experience, their satisfaction and their willingness to recommend Swiss Life directly following contact with the company. Dissatisfied customers, or those less willing to recommend, are contacted within 48 hours by Swiss Life, provided they have agreed to such contact. The reason for getting in touch with the customer is to understand precisely the reasons for the negative assessment and to offer an appropriate solution.

### “Closing-the-Loop”-process

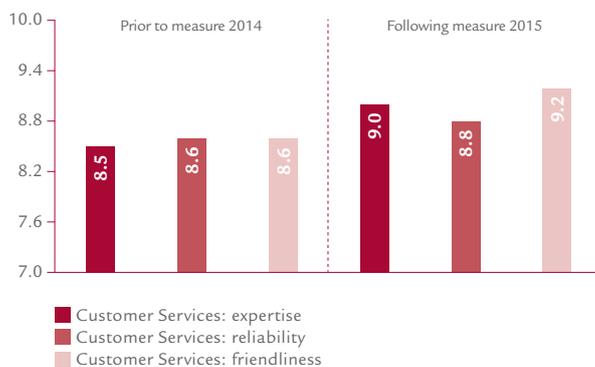


On the basis of this information Swiss Life has built special processes and services, and created committees tasked with the regular analysis of customer opinion and the conveyance of their findings to the company. Recent months have thus seen a wide and varied range of measures implemented to help Swiss Life further improve its customer value.

In Switzerland customer service training courses were offered by leading providers from other sectors (aviation, hospitality) to allow employees to learn and adopt new and best-practice service approaches. The success of this measure is shown by increased customer satisfaction with the Corporate Clients Service Center, as well as the rise in the net promoter score (NPS).

### Trend in customer satisfaction in Swiss new business with corporate customers

Mean values on a scale of 0–10



In addition to direct feedback, Swiss Life has established a host of local instruments to assess customer satisfaction and responsiveness to customer needs, such as with its own customer panels.

In Switzerland and France digital platforms and services have been introduced to provide customers with round-the-clock access to contract information and other data, and to channel inquiries more effectively.

In Germany written customer communication has been rethought to make it clearer and better structured. The number of inquiries to customer service has thus been reduced by some 30% over the previous year.

In the United Kingdom the ratio of customers to advisors has been significantly reduced to ensure more intensive consulting and improved accessibility.

#### Internal perspective: Employees' Customer Centricity Index

As a counterpoint to the external perspective, Swiss Life surveys all of its employees once a year on their perception of progress in customer centricity. The survey results are compiled in an internal index. The feedback received in 2015 shows the success of the measures taken. The Swiss Life Employees' Customer Centricity Index (ECCI) thus increased in 2015 by three points over 2014, to post a value of 81, significantly above the target value of 75 points. The survey is conducted together with an independent market research institute.

Last year saw various internal initiatives undertaken Group-wide to increase customer centricity.

In late 2015 a company-wide campaign entitled “100 employees visit 100 customers” was successfully concluded. Over the past two years, Swiss Life allowed 100 employees who have no direct customer contact in their daily work to spend a day with a customer and get a glimpse into his or her life. The reports published on all the visits meant that all employees could follow the campaign. Furthermore, following each visit a meeting room was named after the customer and adorned with his or her portrait. The aim of this campaign was to anchor customers’ lives in the company, and to render customer centricity palpable.



A customer portrait in the “Patrick Hemmelmayr” meeting room in Zurich

In France an obligatory electronic training programme was instituted for every employee with five golden rules for a customer-centric organisation.

In Germany employees are able to experience customer feedback in real time on a centrally-positioned screen and thus watch as customer needs are met in consulting and customer service.

All initiatives support Swiss Life in its quest to become a customer-oriented organisation and ensure its customers will remain at the heart of its business going forward.

## *Products and services*

Swiss Life has longstanding experience in developing innovative and customer-oriented products in its life insurance and pensions business. Its customers and their needs are always the focus of all Swiss Life's activities. The Swiss Life product strategy thus combines optimal customer value with profitability for the company. Regulators' demands, regarding such things as solvency, as well as external factors like the economic and interest rate environment or demographic trends, must also be considered. Optimising and constantly developing the existing range of offerings so as to take into account all target groups, such as customers, investors, shareholders and supervisory authorities, is crucial in this endeavour.

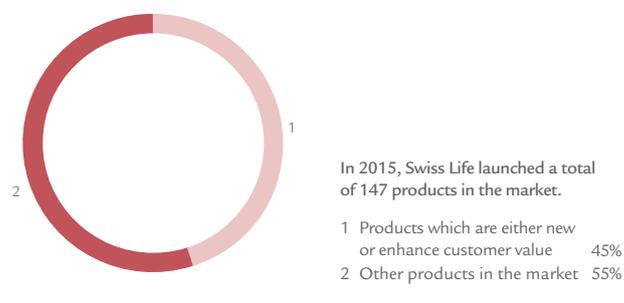
The company offers private and corporate clients comprehensive and individual advice plus a broad range of own and partner products through its own agents, financial advisors and distribution partners. Swiss Life Select, the subsidiary specialising in financial planning for private households and brokering financial products, as well as the advisors of Tecis, Horbach, Deutsche Proventus and Chase de Vere, also part of the Group, use the Best Select approach to choose suitable products for customers from the market.

### **Transparent product information**

Swiss Life sets great store by transparent and accessible information about product and service offerings. Swiss Life supports customer-oriented advice by providing clear and comprehensive documentation. Swiss Life holistically promotes the comprehensibility and transparency of its products and services. Thus there are supporting video sequences on the various insurance and provisions topics available on the local internet pages, along with publications for download.

Long-term benefit commitments and obligations arising from pension and financial products demand a precise preliminary analysis of the legal and regulatory environment, and the associated risk. This also provides the basis for customer-oriented consulting and is a major factor in the avoidance of mistakes or violations in advising, and their possible consequences.

#### Innovations in the product range in 2015



The practical design of products and services is guided by Group-wide standards and is in strict accordance with the local regulatory environment and legislation. The ability of Compliance to make adjustments even to existing products and services is guaranteed. Group-wide standards for the development of products and services are also adapted to framework conditions as required.

Swiss Life uses a variety of directives at Group level to regulate product management and has established a uniform, auditable product development process. This process defines the minimum requirements of local product development as well as the approval and escalation process for initiatives at Group level. The observance of laws and provisions, practical customer value and the quality of customer documentation are naturally essential criteria in the assessment process.

Group-wide compulsory regulations are implemented locally in the relevant directives. Swiss Life regularly reviews its product solutions and provides information on innovations and products with added customer value in its Annual Report.

## *Compliance within Swiss Life*

Swiss Life sets great store by compliance with all applicable legal provisions and regulatory stipulations in all its activities. In addition to the Code of Conduct there is also a comprehensive directives system which defines minimum standards mandatory Group-wide, and implemented in all business units in corresponding local regulations. In this directives system, Swiss Life sets out, for example, the duties, responsibilities and competencies of Compliance.

Compliance focuses in particular on the prevention of money laundering and the financing of terrorism, the observance of sanctions and embargoes, data confidentiality, conformity with data protection, avoidance of conflicts of interest, preventing insider trading and market manipulation and monitoring and assessing the legal and regulatory environment. It ensures that employees receive ongoing training in topics relevant to compliance.

By means of precise investigations in accordance with the local regulatory environment and local legislation, Compliance supports employees and management in their work with an eye to avoiding infringements of legal and regulatory stipulations. Regular risk assessments as well as permanent and comprehensive compliance reporting to the top echelons provide support for the implementation of all requisite measures at Group level as well as within the business units.

The compliance framework is subject to periodic review and is reworked and adapted to new prerequisites as necessary.

The year under review saw Swiss Life subject to no monetary penalties or fines, and the company did not make any settlements in connection with corruption charges.

## *Risk management*

A further pillar of Swiss Life's responsible, sustainable business is its integrated, value-oriented risk management involving both quantitative and qualitative elements. The goal is to protect customers' funds and ensure the best possible investment of risk capital, while complying with regulatory requirements and taking into account persistently challenging economic conditions.

Risk management is a key component of Swiss Life's management process. The respective committees of the Corporate Executive Board and the Board of Directors continually monitor and take decisions in the area of risk management; these are then incorporated into the annual planning process. On the one hand, they comprise qualitative assessments from a strategic perspective, taking into consideration operational risks and the internal control system (ICS). On the other hand, quantitative elements for each insurance unit, such as risk budgeting and investment strategy, are included in Asset Liability Management. Based on overall risk capacity and risk appetite and taking account of regulatory provisions, limits are set in the individual units for the financial risks incurred, according to which the investment targets are set. The qualitative risk management elements mentioned above are presented and discussed below. Detailed information on the risk budgeting process and asset and liability management is provided in Note 5 (Risk Management Policies and Procedures) of the Consolidated Financial Statements.

### **Strategic risk management**

Swiss Life uses analytical methods to ensure that strategic risks are dealt with adequately in what continues to be a very challenging economic environment. In its strategic risk management process, Swiss Life incorporates all the information on risks and the risk/return characteristics in its strategic decisions. An understanding of the interplay of individual risks is essential in order to take due account of the factors influencing risks during strategy development so that these factors can be steered appropriately.

### **Operational risk management and internal control system**

Operational risk management (ORM) at Swiss Life includes the methods and processes used for the identification, assessment and steering or avoidance of operational risks. ORM defines operational risk as the danger that losses may result from shortcomings or failures in internal processes, people or systems, or from external events. Swiss Life's internal control system consists of the entirety of procedures, methods and measures prescribed by the Board of Directors and the Corporate Executive Board to ensure the orderly conduct of business. The focus is on the reliability of financial reporting, the effectiveness of business processes and compliance with laws and regulations issued to protect the company's assets.

### **Capital management**

#### **Swiss Solvency Test**

The Swiss Solvency Test (SST) sets out the capital requirements valid for insurance companies and groups in Switzerland. It was enacted in 2006 with the revised Insurance Supervision Law and corresponding Insurance Supervision Ordinance and constituted a reporting requirement during a five-year transition period before it ultimately became binding on 1 January 2011. The SST is a principles-based framework where the main objective is the alignment of the required capital with the underlying risks. The SST capital requirements are based on the understanding that insurers will meet their obligations towards policyholders even under difficult conditions. Swiss Life uses an internal model to calculate the available and required capital for the SST. Based on this internal model, which has been partially or conditionally approved by FINMA, Swiss Life meets the capital requirements.

**Economic capital**

The value of a life insurance company for its shareholders comprises the economic net worth and the present value of future profits. The optimal amount of economic capital an insurance company needs to hold in order to maximise the company value is based on a risk/return trade-off. For risk and capital management decisions, Swiss Life uses an integrated approach. The economic risk capital is determined bottom-up for each large business unit and takes into account market risks, credit risks and insurance risks. These risks are calculated on the basis of loss distributions using a specified risk measure. The overall capital requirements are obtained by taking into consideration respective diversification effects.

Continuous monitoring of solvency under the SST is conducted on a monthly basis; calibration is effected based on the full SST calculations as at the beginning of each calendar year and as at mid-year.

Economic and statutory capital requirements and the profit target are the main elements determining the risk budgets. Based on the overall risk budget set by the Investment and Risk Committee of the Board of Directors, the Group Risk Committee of the Corporate Executive Board defines the risk limits for the business areas. Adherence to these limits is also checked on a monthly basis.

**Standard & Poor's rating capital**

In the Standard & Poor's risk-based model, the total adjusted capital (TAC) is the measure used for available capital. TAC is set against the capital required given the company's target rating category (target capital). The calculation of target capital takes into account, in particular, insurance risks, asset value volatility and credit risks.

Swiss Life has established a target capital level in line with its rating ambition. Within the capital analysis, in addition to assessing capital adequacy, Standard & Poor's assesses the quality of capital with respect to its structure (including the share of equity and hybrid capital). Capital adequacy is monitored on an ongoing basis according to the Standard & Poor's model.

Following the rating upgrade to "A-" in May of 2012 and the raising of the outlook from "stable" to "positive" in May 2014, Standard & Poor's once again recognised Swiss Life's operational progress and increased its rating to "A with stable outlook" in May 2015.

## *Responsible investing*

Swiss Life manages assets for its own insurance companies and for institutional investors as clients (such as pension funds, fund management companies, other insurance companies etc.), whereby it complies with the stipulations of the supervisory authorities as an insurance company and asset manager. Furthermore, Swiss Life relies on the aforementioned integrated, value-oriented risk management with an eye to protecting customer assets and optimally deploying risk capital.

As a manager of insurance companies' and institutional investors' assets, Swiss Life represents clients' interests. The company is aware of its duty to policyholders and customers and acts responsibly in its asset allocation and when exercising voting rights.

Moreover, Swiss Life undertakes to observe ethical principles, besides acting in accordance with the law, when taking investment decisions.

## *Sustainable procurement*

Swiss Life ensures that its procurement is in compliance with all applicable legislation. When selecting suppliers and partners, Swiss Life bases its decisions on ethical and ecological principles and works with local suppliers wherever possible.

## *Responsibility in society*

*Swiss Life is at the centre of public life and aware of its social responsibility. The company contributes to public dialogue around the subject of a “longer self-determined life” and is involved in many projects promoting self-determination and confidence.*

Swiss Life wants to assume responsibility beyond the scope of its business operations. That includes a topic that affects everyone in Swiss Life’s core markets: Demographic development. People are living ever longer and want to maintain their self-determination and dignity as they grow old. Today most Europeans can expect to live over 80 years and some studies indicate the life expectancy of newborns today will even reach 100. By comparison: In 1900 people lived to about 45 on average. This development has far-reaching consequences.

Self-determination and pension provision are an opportunity for Swiss Life, as a co-founder of private pension provision in Switzerland, given demographic trends, to improve its solutions and products and add customer value in a growing pensions market by providing high-quality, targeted advice. Politicians and society are being called on to bring about changes that take the many consequences of rising life expectancy into account. Swiss Life set the ball rolling in Switzerland at the start of 2015 by launching the “Look after yourself” image campaign; in 2016, the “longer self-determined life” campaign will be rolled out across the Swiss Life Group. The company wants to engage in public discussion to raise cross-generational awareness around the subject of the social and economic consequences of ageing.

You can find further information on a “longer self-determined life” from 29 March 2016 at: [www.swisslife.com/hub](http://www.swisslife.com/hub).

## *Politics*

Swiss Life’s operational environment is heavily influenced by political and regulatory decisions. For example, legal principles and their practical application in the form of ordinances have a direct effect on product design, processes and the manner of reporting to shareholders, supervisory authorities and the public.

That is why Swiss Life needs to know what topics are being discussed in political circles, so it can better understand the opinions, expectations and perceptions of political groups. It is also important to gauge how the enactment or amendment of legal principles could affect Swiss Life’s business. Swiss Life is committed to promoting a competitive business location and appropriate regulation density in all its core markets.

The company is also in direct contact with representatives of political committees and organisations as well as supervisory authorities on a number of levels. Political work and cooperation are closely coordinated with business associations in all the core markets. Moreover, a number of company executives are members of various national business associations: For example, Patrick Frost, Group CEO of Swiss Life, is on the Board of the economic umbrella organisation *economiesuisse*, while Ivo Furrer, CEO of Swiss Life Switzerland, is on the Managing Board of the Swiss Insurance Association (SIA) where he is also Chairman of the Board Committee.

Swiss Life also fosters relationships with politicians and industry groupings in France and Germany as part of its socio-political responsibility. Swiss Life Germany is represented on all the major committees of the German Insurance Association (GDV) and maintains regular contact with the *Bundesverband der Verischerungskaufleute (BVK)*, a German association for self-employed insurance brokers) and the *Verband unabhängiger Finanzdienstleistungs-Unternehmen in Europa (Votum)*, an association representing the interests of financial service providers operating throughout Europe).

Charles Relecom, CEO of Swiss Life France, is a member of the Board of Directors of the French Insurance Association (FFSA); Nils Frowein, CEO of Swiss Life International, sits on the Board of the German Chamber of Commerce; and there are also other examples of Swiss Life representatives being members of committees relevant to the company's business.

Furthermore, Swiss Life cultivates direct contact with members of parliament at a regional and national level. In its dealings with politicians it is guided by the rules of the Swiss Life Group Code of Conduct, as specified in the internal directive "Code of Conduct". These rules decree, for example, that donations in the home market of Switzerland to political parties are to be free of any obligation.

In Switzerland, parties of the political centre-right and individual politicians receive financial support mainly for their election campaigns. The total amount of support provided during the year under review was CHF 400 000. No donations are provided in Germany or France.

Swiss Life is committed to the militia principle in Switzerland and it encourages its employees to exercise public and political mandates. As a company operating in the social insurance sector, Swiss Life has an interest in promoting a fully functional and integrated society. This led Swiss Life to join an initiative launched by *economiesuisse* and the Swiss Employer's Association in June 2015 designed to strengthen the militia system.

The Public Affairs organisational unit is responsible for monitoring political challenges. In addition, the Political Communications Steering Committee meets four times a year. This internal committee is chaired by the Group CEO and sets the topical priorities.

## *Charitable engagement*

Swiss Life has been supporting a host of charitable projects for many years. The emphasis here is on projects and initiatives compatible with confidence and self-determination.

The “Perspectives Foundation”, founded in 2005, has a leading role in the Swiss home market. It promotes charitable initiatives in the areas of health, science, education, culture and sport, donating between CHF 1.3 and 1.5 million every year to social and charitable projects in Switzerland.

Swiss Life is also a co-founder of the Swiss Climate Foundation, which promotes improved energy efficiency and innovative climate protection solutions and supports small and medium-sized enterprises engaged in climate protection initiatives.

In France, Swiss Life gives support to the Fondation Swiss Life, which was founded in 2009 and works with charitable healthcare institutions, such as the Institut Curie or Association France Alzheimer.

Swiss Life Germany has been a contributor to the Nicolaidis Foundation since 2007, a non-profit organisation for widows, widowers and their children.

Swiss Life Select, with locations in Germany, Switzerland, Austria and the Czech Republic, has been helping children in need since 1991 through its charity known as “Foundation Confidence for Children”.



Swiss Life works with impoverished children through the Foundation Confidence for Children

## *Cultural commitment*

Swiss Life has been an active supporter of film-making in Switzerland for many years. The films usually centre around people and their stories – just as Swiss Life does. For example, Swiss Life is committed to the Solothurner Filmtage, the Festival del Film in Locarno and the Zurich Film Festival.

The Fondation Swiss Life in France supports cultural initiatives in France through its “Art en partage” initiative. The project focuses mainly on events for people whose daily lives make it difficult to obtain access to culture. For example, the foundation finances concerts and art exhibitions for the benefit of people in nursing homes, sick children or patients with dementia.

## *Sport sponsorship*

In Switzerland, Swiss Life has sponsored the Swiss Football Association for over ten years; it is also a partner of Swiss Orienteering and of schweiz.bewegt, the biggest personal mobility and nutrition project in Switzerland.

Swiss Life in Germany has also been committed to regional grass-roots and disabled sporting activities for several years.



Swiss Life has supported the Swiss national football teams for years and promotes up-and-coming talent

## *Responsibility for employees*

*The success of Swiss Life is based on the skills and performance of its staff. That is why Swiss Life wants to find the most suitable employees, get them interested in working for the company, retain them and support their further development.*

The corporate culture of Swiss Life is based on respectful interaction and responsible team-based cooperation. Since we operate in a dynamic environment, we attach great importance to life-long learning and the ongoing professional and personal development of all employees. Readiness to question the status quo leads to new ideas.

The success factors of this performance culture at Swiss Life include open dialogue and a cooperative management style. The leadership priorities contain binding principles for collaboration between managers and employees in day-to-day activities. These priorities help managers achieve their goals and deliver on their promises to customers, partners and investors.

The Swiss Life Group leadership priorities are as follows:

- We act as if Swiss Life were our own business
- We communicate openly and clearly
- We trust, motivate, empower and support people
- We develop efficient teams – across the company as well
- We deliver results on time
- We accept accountability – follow through and act consistently

Swiss Life regularly conducts employee surveys in cooperation with an independent research institute.<sup>1</sup> The 2015 results show that employee engagement in the Swiss Life Group is above average:

- 86% of all employees took part in the survey (+5 percentage points over the 2013 survey); the global engagement value is 85% (+10 percentage points over the European financial industry external benchmark)
- 90% of all employees are proud to work at Swiss Life (+13 percentage points over the European financial industry external benchmark)
- 94% of employees say they would go the extra mile for Swiss Life (+14 percentage points over the European financial industry external benchmark)
- 88% of employees support the strategy and direction of their unit

<sup>1</sup> Source: Global Employee Engagement Survey, IPSOS (Suisse) SA 2015

Group-wide standard processes are used to provide optimal support to managers and employees:

- Employee performance reviews (all)
- Performance assessments with all employees (setting of objectives and subsequent performance assessment)
- Professional development interviews and measures
- Decisions on salary and promotions
- Strategy and value-oriented behaviour – as per the Group-wide competency model
- Assessment of employee risks

## *Training & development*

Swiss Life continuously invests in the internal and external training and development of its employees. True to the motto of lifelong learning, employees, specialists and managers are offered a range of learning opportunities on specialist topics as well as modules on social and methodological skills.

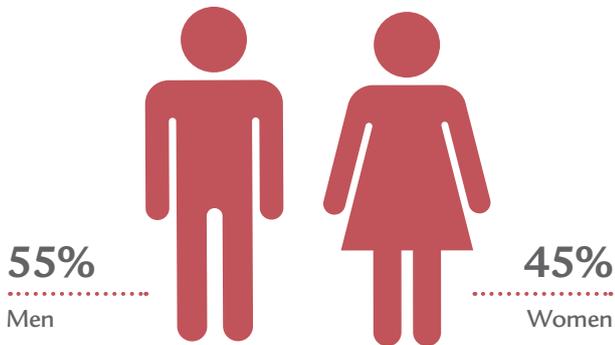
Young employees with potential have the opportunity to undertake all sorts of vocational courses, apprenticeships, placements, graduate programmes and combined university degrees. Around 300 employees took part in one of these training opportunities in 2015. The Swiss Life Group employs these measures to ensure its future management and professional requirements.

Expenses for staff training and development within the Group in 2015 amounted to CHF 14.7 million – about CHF 1749 per employee. As a proportion of total personnel costs, the outlay for training and development is 1.8%. The investment is earmarked for a varied, needs-based training offering.

In addition to the traditional training options, a digital learning platform offers managers the opportunity to learn about leadership and management competencies in an efficient way, independently of time or place. The platform provides rapid access to standardised management processes, skills-oriented further training and other management topics. Where necessary, a manager can select and combine a learning sequence from an extensive pool of learning resources including brief videos, checklists and learning programmes. The learning platform provides the basis for integrated learning architecture. In addition, a number of tailored training, advisory and coaching modules are available for managers and teams.

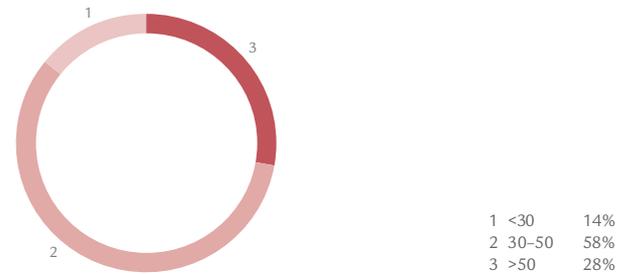
Workforce breakdown by gender

As of 31.12.2015



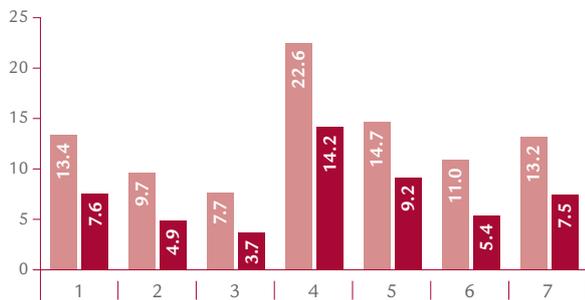
Workforce breakdown by age group

As of 31.12.2015



Turnover by segment

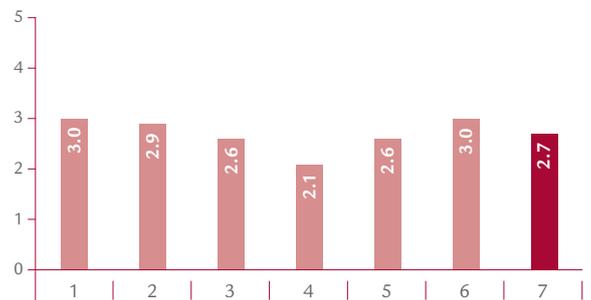
In 2015 (%)



- 1 Switzerland
- 2 France
- 3 Germany
- 4 International
- 5 Asset Managers
- 6 Other
- 7 Total

Absences by segment

In 2015 (%)



- 1 Switzerland
- 2 France
- 3 Germany
- 4 International
- 5 Asset Managers
- 6 Other
- 7 Total

Swiss Life employees by country

Total 7595 full-time equivalents as at 31.12.2015



Investments in training and development

In 2015



## *Talent development*

Swiss Life attaches great importance to the ongoing development and motivation of its employees and therefore provides target-oriented support to junior staff with potential. Employees displaying a high level of performance and potential are nominated each year for the talent programme. The initiative supports efforts to open up career paths within the company – in management, project management or specialist functions – with a view to filling key positions with qualified young staff from within Swiss Life.

The divisional talent pools help to prepare future first and second-level managers (team leaders and department heads) as well as project managers and specialists for their future roles through training modules and project work. All divisions conducted programmes, tailored to the particular requirements of each unit, at all locations during the reporting period.

The Key Persons Programme (KPP) implemented at Group level in 2015 is based on the Senior Manager programme, which proved a success over a number of years. Now, in addition to line managers, professional experts or project managers already in a key position or who have the potential for such a role are eligible for the programme. The aim of the Key Persons Programme is to prepare people who show the desire and ability to help shape the company's future in their own areas for a key position so they can live up to their role as a decision maker. The programme also plays a role in employee and succession planning. Within a 12-month period, the participants acquire a detailed insight into the Swiss Life Group, give and receive new impulses and directly apply what they have learnt to their daily work. The programme is based on the following four modules:

- Leadership (communication)
- Finance
- Innovation, including dealing with competition and trends
- Corporate strategy

Alumni meet the participants every year at the “Shaping the Future Day” when there is in-depth analysis of the Group's strategic orientation, as well as an update and ensuing discussion on the progress of the Group-wide programme with the Corporate Executive Board.

## *Health & safety*

Mutual respect across all hierarchical levels is part of the Swiss Life DNA. Respect fosters trust and helps create a comfortable working atmosphere for employees with conditions conducive to carrying out their everyday work.

Wellbeing is a part of the employee survey, which also asks about such issues as diversity and inclusion, work-life balance, mutual respect, workload and workplace atmosphere. 82% of employees rate these factors as positive (+9 percentage points over the European financial industry benchmark)<sup>1</sup>.

The principles by which we work together at the Swiss Life Group are set out in the Group-wide Code of Conduct. Among these is our zero-tolerance policy regarding mobbing and discrimination on the basis of race, sex, religion, confession, national origin, disability, age, sexual orientation, physical or mental handicap, marital status, political views or other attributes. Swiss Life undertakes to offer its employees a work environment characterised by respect and mutual recognition, and to uphold such an environment.

In explicit terms that entails behaving responsibly and adhering to the compliance standards, laws, risks etc. The competency model is applied to the Group-wide management processes for all employees. Employees are regularly informed about the legal framework in which they operate, backed up by training courses to ensure they behave with integrity.

In the 2015 financial year, there were no cases of discrimination or other complaints (e.g. mobbing) via the established management processes or other informal channels (e.g. an Ombudsman managed by a third party).

<sup>1</sup> Source: Global Employee Engagement Survey, IPSOS (Suisse) SA 2015

In accordance with valid national and international law, the Swiss Life Group follows fair employment procedures free of discrimination. Recruitment or promotion is based solely on ability, competence and potential in view of the requirements of the position in question. Fair and equal compensation for all employees is ensured by the Group-wide Group Compensation Policy. Swiss Life uses instruments in all its major national companies to review and ensure equal pay for men and women. In Switzerland, for example, Logib software based on data provided by the Swiss Federal Statistical Office is used for that purpose. The insurance sector is not subject to any collective agreements.

Occupational health management is a priority at Swiss Life. Good working conditions influence employee health to the extent that:

- a comprehensive workplace concept is provided,
- diverse requirements are met,
- social interaction is promoted,
- autonomy, freedom to act, learning and development opportunities are facilitated,
- meaningfulness is ensured and
- employees and their contributions and performance are valued.

The measures to maintain employee health, promote good working conditions and prevent incapacity to work are based on three pillars:

- Prevention
- Early intervention
- Reintegration

In 2015, an online offer of text, brief videos, checklists and learning programmes was put together on the subject of “Health and wellbeing” and placed on the intranet for employees in Switzerland, Luxembourg, Austria and the Czech Republic. It will be rolled out to Germany, France and the UK in 2016.

Besides the “Health and wellbeing” platform, the divisions – plus their social partners – provide additional services in movement and sport, massages and therapy, relaxation rooms and all types of consulting (nutrition, social counselling, prevention etc.).

## *Social partnership*

The employee representatives and Corporate Executive Board maintain close contact with each other. Since 1996, Swiss Life has had a European Works Council (Art. 13 of Council Directive 94/45/EC of the European Parliament and Council). The nine-person “Europa Forum”, a committee comprising delegates from four countries, meets regularly with representatives of the Corporate Executive Board at ordinary and extraordinary meetings. It deals with transnational information and consultation on topics which affect all Swiss Life employees. There was, by way of example, an in-depth discussion in 2015 on the Swiss Life 2015 Group-wide programme.

The Group-wide initiative “Health” launched in 2014 was brought to a successful conclusion during the year under review. The market units have already formulated many offers in recent years geared towards this field. Current offers were reviewed, consolidated and extended as part of the initiative. The jointly managed working groups (employer representatives of Swiss Life and representatives of the local works councils) were responsible for the implementation in the divisions.

### **Switzerland**

In Switzerland the interests of employees of Swiss Life Holding in Switzerland and its subsidiaries are represented by the staff committee. The staff committee works to promote mutual trust and understanding between the Executive Board or Corporate Executive Board and the employees. It is entitled to early information targeted to the situation by the Executive Board committees and is subject to the duty of confidentiality and loyalty. The staff committee has nine members each selected for a four-year term. In autumn 2015 new elections were held for staff committee representatives.

### **Germany**

In Germany the sales force works council had to be restructured due to the new sales structure for intermediary distribution. This realignment resulted in a structural simplification. Instead of five individual works council committees for the five organisational offices, there is now one committee for the entire salesforce, comprising seven members.

In 2015 the works council participated in the German Works Councils Prize for the first time. In the “Innovative works council work” category the “Whistleblowing” works agreement and “Talent pool” internal agreement were nominated, and the “Occupational reintegration” works agreement was nominated in the “Good work” category.

The reduction of about 200 jobs organised with the works councils in 2013, involving a reconciliation of interests, social plan and voluntary programme at the Munich, Hanover, Bremen, Hamburg and Cologne locations, was completed by 31 December 2015.

## France

In France, the close cooperation between the social partners progressed further during the reporting period. Negotiations and agreements are conducted and concluded on an ongoing basis on the basis of “good partnership”.

In 2015, there were a total of nine negotiations on the following subjects (with an average of five meetings per negotiation topic):

- An agreement on the union law establishing the number of hours for union representatives, the works council and the Committee for Health Protection and Security to fulfil their role is ready for signing (the unions have already signed);
- An agreement on a forward-looking employment and qualification policy (obligatory in France) is ready for signing;
- A company-wide agreement on psychosocial risks is ready for signing;
- Annual mandatory salary negotiations: Two agreements for commercial employees and inspectors and one agreement for administrative employees are ready for signing;
- An agreement about equality in the workplace has been signed by all the trade union organisations;
- Agreement on carrying over days off (signed);
- Agreement on health insurance for employees (signed);
- Agreement on flat-rate hourly fees including the right to be “incommunicado” when not at work.

## *Environmental responsibility*

*Swiss Life places a high value on operational ecology and climate protection: In its own operations and in its capacity as an investor in property, Swiss Life supports energy-saving measures, renewable energies and the sparing use of resources. Moreover, Swiss Life encourages its employees to use public transport.*

## *Environmental and climate protection*

Environmental data on operational ecology are gathered annually in accordance with the globally recognised standard of the Association for Environmental Management and Sustainability at Financial Institutions (VfU) and published every May of the following year at [swisslife.com/betriebsoekologie](http://swisslife.com/betriebsoekologie). The data is gathered, evaluated and analysed on a Group-wide basis. Environmental officers work closely with the individual divisions at all Group locations. The aim is to consistently reduce the environmental impact and improve energy efficiency.

In Switzerland, Swiss Life is a member of the Zurich Energy Model and it has been drawing all its electricity from renewable energy sources for almost ten years. This has enabled the company to reduce its annual greenhouse gas emissions by over 1300 tonnes. The head office in Zurich is also heated and cooled with water from Lake Zurich. All the sanitary installations are equipped with water-saving installations, which allows Swiss Life Switzerland to save some three million litres of water each year. Rain water has also been one of the water sources used for the sanitary facilities since 1999.

In Germany, the two main branch offices, in Garching near Munich and in Hanover, have repeatedly been awarded the Ecoprofit seal for their outstanding commitment to corporate environmental protection. The seal rewards the efforts of Swiss Life in Germany in terms of CO<sub>2</sub> reduction and saving resources. For example in Garching, from where the insurance business is managed, Swiss Life uses green electricity and has a new energy-efficient building.

In France, regular awareness campaigns have been held since 2008 to sensitise employees to the urgent need to reduce the impact on the environment. That includes a programme to reduce paper consumption and waste.

Swiss Life also wants to make an active contribution to climate protection. It is for this reason that it set up the Swiss Climate Foundation in 2008 in cooperation with other Swiss companies. Through the foundation, Swiss Life undertakes to consistently reduce its greenhouse gas emissions at all locations in Switzerland. The foundation also supports SMEs in becoming more energy-efficient and reducing their CO<sub>2</sub> emissions.

Swiss Life Germany is also represented in the Klima-Allianz der Stadt Hannover and undertakes, in cooperation with other companies, to reduce CO<sub>2</sub> emissions and increase energy efficiency in urban areas.

Moreover, Swiss Life has taken part in the Carbon Disclosure Project (CDP) survey since 2011. CDP is an independent charitable organisation which holds the most comprehensive set of corporate data on climate change in the world. In its first survey, Swiss Life scored 70 out of 100 index points for transparency (climate disclosure score). Since then, the company has steadily improved and it now rates above the average for the Swiss financial sector at 97 index points.

## *Ecological construction and renovation*

Swiss Life is one of Europe's leading real estate investors and has the biggest private real estate portfolio in Switzerland. The long-term maintenance and appreciation of its properties is therefore an important aspect of Swiss Life's investment activities on behalf of its policyholders and customers. This includes outfitting its buildings for the future. Swiss Life invests several hundred million francs a year in the upkeep of its properties, ensuring the responsible use of resources and active environmental management in doing so and meeting its responsibility of reducing the property portfolio's environmental footprint.

Swiss Life assesses the use of alternative energies and ecologically sound, sustainable construction methods against the relevant standards for its renovation and construction projects. The aim is a steady diminution of the environmental impact through targeted reduction of energy use and CO<sub>2</sub> emissions.

When constructing new buildings, Swiss Life aims for the Minergie® standard as a rule or other sustainable construction standards. Renovations are based on a comprehensive approach whereby the first step is to massively reduce energy consumption and then provide the required energy in the most environmentally-friendly way possible. Swiss Life applies the "Variantenvergleich Energiesysteme" (VVES, a standard for comparing energy systems) to its investments and its operating and maintenance costs. The VVES provides reliable figures on alternative power supply methods for properties. Intelligent building technology concepts and universal controls ensure the sparing and optimal use of resources. Extensive documentation and straightforward systems facilitate sustainability in operations and maintenance.

Tenants' requirements also influence the planning and completion of construction projects. The demands of tenants and property owners have increased considerably in recent years. An optimal location and flexibility in the use of the property are fundamental requirements. People also want space for recreation. Swiss Life advocates increased building density, the application of new construction methods and optimal use of the available space, which is of direct benefit to the environment.

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