

Corporate Social Responsibility

Swiss Life is a life insurance company and a pension provider – life insurance and retirement provisions are both sustainability in action. In fact, with the time horizon stretching to the end of our lives, there is no longer-term arrangement. To Swiss Life, however, sustainability also means corporate social responsibility: an obligation towards clients, employees, society and the environment, and an integral part of corporate culture.

Swiss Life has developed a whole range of initiatives and activities throughout all its organisational units, which illustrate the active role the company plays within society. They are proof of its sense of social responsibility.

EMPLOYEES

Employees are the basis of Swiss Life's success; the quality of the services it provides depends upon their competence and commitment. The aim of human resources management is therefore to find the most suitable employees, to get them interested in working for Swiss Life, to retain them and systematically develop their skills. It positions Swiss Life in the market as a responsible and attractive employer.

PERFORMANCE CULTURE – The efficiency-enhancing programme produces its first results – The Group-wide initiative “My Milestones” launched in 2009 gathered pace in 2010. The goal is to accentuate Swiss Life's values and employee competencies so as to strengthen the performance culture. Every country and market unit launched a programme of measures to address these issues.

In Switzerland, “My Milestones” was initiated in April 2010, with a three-day intensive workshop for managers. This produced 29 measures which are already being or are about to be implemented. The “My Milestones” team award was instituted for teams who have performed particularly well – improving customer service, increasing efficiency or enhancing innovation. The first award in September 2010 went to a nine-person IT team who created a self-service portal for IT services to make everyday work easier. The second award in December 2010 was

presented to two employees in western Switzerland for their improvements to sales force and customer services cooperation.

Employee performance assessment is standardised in the Group Performance System (GPS), which systematically governs employee performance reviews, the setting of objectives, appraisals and decisions on salary and promotions within the framework of the performance culture. Particular emphasis was placed in all divisions in 2010 on an even more differentiated and performance-based employee assessment, with relevant training for all managers.

In France, Swiss Life gave all of its approximately 2000 employees an individual social balance sheet for the first time. This shows every employee what he/she personally receives from the employer as a combination of salary and non-pecuniary benefits. This personal social balance increases the employee's identification with the employer, with 94% of employees regarding it as a positive development.

In Germany, Swiss Life introduced lean management in 2010. 21 employees from all sectors, who had previously received training in lean management, led “lean workshops” in which they showed their specialist areas how best to reduce waste and add value to processes. The first process improvements have already been made.

PERSONAL ENGAGEMENT – Employees go the extra mile – In 2010, Swiss Life conducted a new-style employee survey across the Group for the first time. The main objective of the survey was to evaluate the attitude of

employees towards performance, customer orientation, innovation and change, cooperation and management. In addition, it was intended to reveal to what extent they understood the company’s goals and strategies. The Group response rate was a very high 79%.

The Swiss Life Group engagement value is 56%. This is well above the average for companies in the European financial sector (50%), but below the level of the most successful companies in the peer group (70%). For the key performance indicators (KPIs) “teamwork orientation” and “empowerment”, the Swiss Life Group even produced values which are above average for the best companies in the European financial sector. Above-average values were

performance culture which is in line with the corporate strategy.

TALENT DEVELOPMENT – Target-oriented development of junior staff with potential and the “55+” generation – One of Swiss Life’s priorities is to offer opportunities for further development to employees and management on an ongoing basis, and to motivate them to remain with the company. Every year the company nominates employees who demonstrate a high level of performance and potential for talent development locally (manager pool or MP). These future first- and second-level managers (team leaders and department heads) are prepared for their future roles during 18 months of training modules and project work.

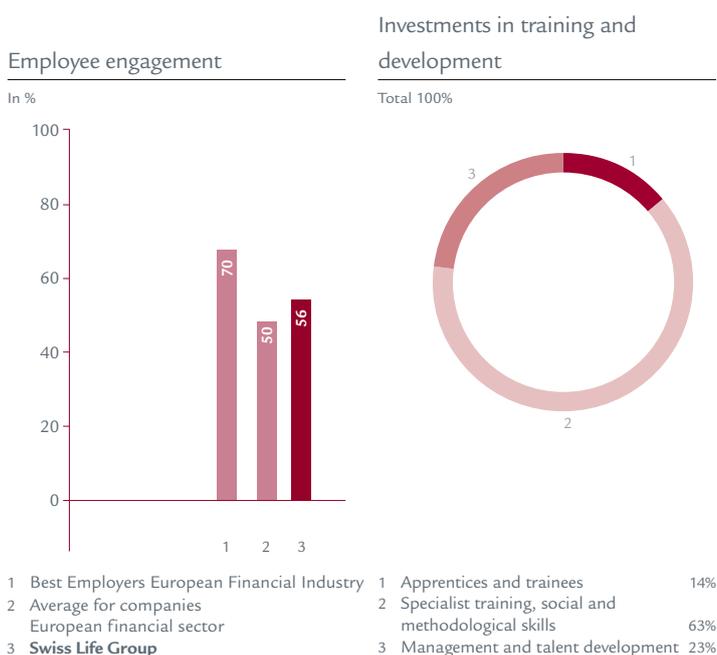
A senior management programme (SMP) is in place at Swiss Life Group level for managers destined for senior management roles. In a series of five modules, participants from all countries and units work on strategically relevant themes and strategic projects in five modules. In 2010, 4 of the 17 participants were women, and the retention rate among the past participants in the senior management programme stands at 90%.

Swiss Life has continued to actively foster leadership and management skills at top management level by making new appointments to 40% of the top one hundred posts within the last 24 months. 60% of new top managers came from outside the company. The intention was to bring in to the team additional skills and experience from outside.

Swiss Life in France launched the “55+” programme, aimed at safeguarding expertise within the company and sustaining employee performance. It involves the obligation to reserve 12% of posts for the over 55s. At the same time, older employees are encouraged to pass on their specialist knowledge as tutors. “55+” allows a flexible reduction in working hours, with partial salary compensation in the final year of work.

also achieved in “leadership” and “results orientation”; only in “customer orientation” and “innovativeness” were values slightly low.

As a result of the survey findings, measures were taken to introduce improvements in all Swiss Life Group units. The “My Milestones” programme and the employee survey are aimed at boosting the development of the company and employees in such a way as to establish a



TRAINING AND DEVELOPMENT – High investment in development for all employees – Swiss Life puts a strong emphasis on more than just the training of future managers. The internal or external training and development of non-managerial employees is likewise important to the

Group. Specialists or project managers receive targeted training. Swiss Life in Switzerland pays the full fees for the Insurance College of Higher Vocational Education and Training and for training as a Swiss Certified Insurance Specialist. In addition, 56 young people are currently doing courses to obtain qualifications in three specialist areas, and 16 interns or trainees are gaining work experience in the life insurance business.

Training and development for all employees focuses on tailored courses mainly involving social and methodological skills. Expenses for staff training and development within the Group in 2010 amounted to CHF 16 million – approximately CHF 2250 per employee. Expressed as a proportion of total personnel costs, the outlay for training and development came to 2.4%.

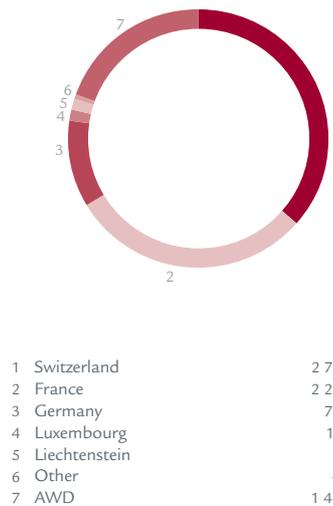
SOCIAL PARTNERSHIP – Exemplary cooperation between employers and employees – Cooperation with the Europa Forum (European Works Council) was again stepped up in 2010. The nine-person committee with representatives from four countries generally meets several times a year. It deals with transnational information and consultation on topics which affect all Swiss Life employees. The Europa Forum was founded in 1996. In 2006 it was given a new charter, which represents one of the leading voluntary agreements in Europe and serves as a model for other European companies. The main theme in the Europa Forum for 2010 was MILESTONE, the package of measures launched in autumn 2009 to improve Group-wide efficiency.

In Switzerland the MILESTONE programme entails, among other things, a reduction of 520 positions by 2012. Accompanying the reduction process, Swiss Life is implementing a programme of measures which were worked out with the social partners and have been in force since 2005. In 2010, 273 employees in Switzerland underwent professional reorientation. They were individually supported and assisted by a team of specialists. The internal professional reorientation support programme is very highly rated by those affected (5.7 out of 6 points).

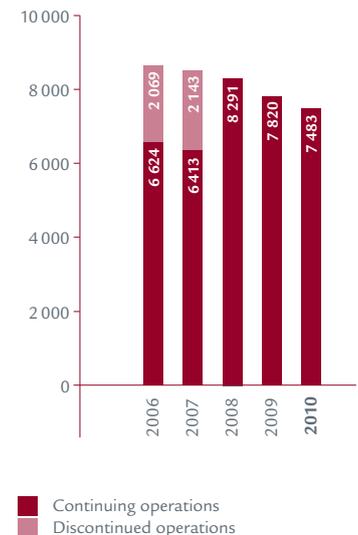
By comparison with the 2009 reporting period, the number of full-time positions Group-wide fell by 337 to 7483. 1094 employees left the Group in 2010, the departure of 5.6% of these being undesired (net fluctuation).

Swiss Life employees by country and AWD

Total 7483 full-time equivalents as at 31.12.2010



Employees (full-time equivalents)



VALUES

Swiss Life is one of the leading providers of life insurance and pension solutions. A good many people and institutions place their trust in Swiss Life: clients, business partners, shareholders, governmental bodies, employees. With this trust comes responsibility. In order to create and cultivate trust, the company has laid down five basic values:

- Expertise: Professional competence and experience
- Proximity: Close relationships with clients and business partners
- Openness: Nurturing an open dialogue both within and outside the organisation
- Clarity: Clear communication and a range of comprehensible products
- Engagement: Motivation and enthusiasm to help our clients, employees and shareholders achieve their goals.

The strategy- and value-oriented behaviour required of employees is described in the Group Competency Model (GCM) which was adapted to the new corporate strategy in 2009. Greater emphasis is given in the updated competency model to such aspects as innovativeness, managing change and customer orientation.

AWD implemented a new corporate mission in January 2010. It is based on the values of customer orientation, quality, professionalism, trust and team spirit. In order to improve understanding of the mission, AWD assigns a value to every new year. 2010 was the team spirit year, while the key value for 2011 is professionalism.

INTEGRITY AND COMPLIANCE – Legally and ethically correct business conduct paramount – A Code of Compliance has been in force at Swiss Life since 2006. This contains specific rules of conduct which show employees what they must observe in relation to legal and supervisory requirements and internal instructions. Adherence to these rules is a prerequisite for legally and ethically correct business conduct, to which Swiss Life is unequivocally committed.

Swiss Life employs several compliance officers, both at Group level and in the operational units. Through advice, training and monitoring, they create the basis for timely

recognition and avoidance of regulatory and reputation-damaging risks. Examples are the special due diligence requirements and preventive measures to combat money laundering and the financing of terrorism. The compliance officers also ensure protection of client data and business secrets. Reputation and trust are a company's assets. The compliance units ensure that these assets are preserved through data protection and legally compliant conduct at all times. Swiss Life is an active member of the Swiss Business Data Protection Association.

SOCIETY

Swiss Life has been providing pension services for over 150 years, and with its two million plus customers in Switzerland and the rest of Europe, it stands at the centre of public life. This traditional Swiss company is aware of its social responsibility. It supports community life in a variety of ways and works towards constant improvement of its ecological balance sheet.

SOCIAL ENGAGEMENT – Caring support for people in need – All Swiss Life's national companies and their employees support people in need and a range of meaningful projects. In Switzerland the Perspectives Foundation funds domestic charitable initiatives in the fields of health, science, education, culture and sport, focusing on integration and education. Created on the occasion of Swiss Life's 150th anniversary in 2005, the Perspectives Foundation donates more than CHF 1 million every year. In 2010 it supported 85 projects. The Foundation also donated considerable sums to relief organisations offering emergency aid following the earthquake in Haiti and the floods in Pakistan. In addition, Swiss Life's sales force supported various local organisations. The real estate sector of Swiss Life is also socially active, building a hostel in Winterthur that provides reasonably priced accommodation for 105 students.

Swiss Life in France has had its own foundation, the Fondation Swiss Life, since 2009. In 2010, this foundation supported the Institut Curie (a cancer research institute and hospital) and the Association France Alzheimer (providing training for Alzheimer patients). The Fondation Swiss Life provided funding for concerts and art exhibitions for people in nursing homes, sick children and patients with dementia. It also supported four charitable

projects, run by Swiss Life employees, for disabled children and children with leukaemia.

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

Likewise in Germany, AWD has been helping children in need since it created the AWD-Stiftung Kinderhilfe foundation in 1991, which the local AWD companies in Austria, Switzerland and the Czech Republic also support. The foundation is funded mainly by contributions from the salaries of AWD employees. It runs two large-scale operational projects of its own. The Noma project run by the AWD-Kinderstiftung in Sokoto in West Africa is devoted to the surgical rehabilitation of victims of a disease caused by a mixed infection which results in severe facial disfigurement. In Bishkek in Kyrgyzstan, the Swiss AWD-Kinderstiftung is building a treatment centre for children with facial malformations (like cleft lip and palate); EUR 100 000 was donated for this purpose in 2010 alone. Altogether, AWD employees donated EUR 122 000 in 2010 to help the victims of the earthquake in Haiti and the floods in Pakistan.

COMMUNITY SERVICE – Full support for voluntary work – Swiss Life is committed to the principle of voluntary public service. For Swiss Life, as a company operating in the social insurance area, it is important that society should function smoothly and its members should be well integrated. Voluntary public service means taking personal action in matters of public life, in effect unpaid work for the whole community. An unpaid commitment in society and the private economy promotes a sense of community and public welfare, and it enhances social skills.

Swiss Life is convinced that raising the social competence of individual employees increases the competitiveness of the company. So employees who are active in a military capacity or in public service are acting in the interests of the company, and Swiss Life is strongly in favour of their commitment to the community. The staff regulations expressly approve the engagement of employees in political and military functions. The company offers all reasonable support for such engagement, for example through a flexible approach to working hours.

At present about 40 employees are voluntarily active in Switzerland in a political or judiciary function, holding executive, legislative, or judiciary office at commune or cantonal level, on school boards, church councils and welfare authorities. Other employees sit on the central committees of political parties within their communes or cantons. These office-holders cover the whole gamut of political parties, and about a third of them belong to no party. Every year Swiss Life organises an event for its socially engaged employees. The theme in 2010 was the changes occurring in the Swiss political party landscape.

POLITICS – Swiss Life's active approach to dialogue – Swiss Life regards an exchange of ideas with political bodies as extremely important. The company brings its expertise into political discussion and defends its interests in the public arena at all stages of the decision-making process. In this way it tries to exert influence throughout the whole political cycle, aiming for optimal and appropriate outcomes for all concerned. Through its specialists, Swiss Life advises the various decision-makers in political parties, committees and parliamentary bodies, bringing its expert knowledge to bear at all stages from the drafting of legislation to the formal processes of consultation and approval. In addition, the company supports individual politicians and selected political parties with financial contributions.

Swiss Life is in permanent contact with politicians of all parties, for example on occupational benefit issues (conversion rate, minimum interest rate, statutory minimum distribution ratio). Among other themes, the company is actively involved in the total revision of the Federal Law on Insurance Contracts (VVG). Swiss Life runs an annual event for young politicians, for which an attractive and informative programme is drawn up.

The company conducts its dialogue with the public and decision makers on insurance- and pension-related topics through the industry groupings and professional associations. It plays an active part in the committee work of the professional associations and specialist bodies. The Chairman of the Board of Directors of Swiss Life is a Member of the Board Committee of the national business association *economiesuisse*, while the Group CEO is a Member of the Board and the Board Committee of the

Swiss Insurance Association (SIA). In fact the company is particularly well represented in the SIA. The CEO of the Swiss Division chairs the central Life Insurance Committee; the Group CFO is a Member of the Finance and Regulation Committee, and further experts represent Swiss Life in some 15 committees and working groups. Other representatives of Swiss Life Management are likewise active in local industry associations in other markets.

Swiss Life also has a clear commitment in the teaching and research fields at colleges of further education and universities. A considerable number of employees teach at various institutions, and Swiss Life also sponsors the Walter Saxer Prize for actuarial studies at the Swiss Federal Institute of Technology (ETH) in Zurich.

In September 2010, Swiss Life organised a conference in France on the planned pension reform, which attracted a great deal of attention. In Germany, at the “Salon Palais Leopold” series of events held several times a year in Munich, decision makers from the worlds of business, politics, academia and the media engaged in regular dialogue on key social and political issues. In 2010 Federal Economics Minister Rainer Brüderle attended the event. Since 2007, Swiss Life has been regularly providing a platform for dialogue at its Munich Specialist Forum series of events for corporate clients, business partners and experts. Another event which attracted a great amount of interest was the fourth German Swiss Life Pension Day in October 2010 with former Federal Minister of Finance Peer Steinbrück as the keynote speaker.

ENVIRONMENT

Keenly aware of its responsibility to society, Swiss Life strives to conserve natural resources in a sustainable manner, thus helping to keep the environment intact. Since 1998, Swiss Life in Switzerland has been a member of the Energy Model Zurich and is thus committed to increasing the energy efficiency of its business premises in Zurich by at least 1.5% per year until 2012. The company again reached its target in 2010, lowering not only energy consumption and emissions, but also costs.

Swiss Life is one of the 11 companies which founded the Swiss Climate Foundation in 2008. It donates its steering tax reimbursements on CO² emissions to the non-profit

foundation. With the contributions from all its partner companies, the Swiss Climate Foundation helps small and medium-sized enterprises (SMEs) to improve their energy efficiency and thus protect the climate.

ECOLOGICAL BALANCE SHEET – Reducing energy consumption and emissions – Swiss Life’s specialist unit for environmental management has produced an annual environmental data report for the company in Switzerland since 2006 and for the whole Swiss Life Group since 2008. In accordance with the standard set by the Association for Environmental Management and Sustainability in Banks, Savings Banks and Insurance Companies, the report collects and analyses data on electricity, heating, paper, transport, water and waste disposal and proposes measures for improvement. The Association’s standardised key figures make for fair comparison of the results for the different companies.

The results achieved by the Swiss Life Group are encouraging. In 2009, energy consumption (electricity and heating) went down by about 1.7 million kWh by comparison with the previous year’s figure. The results for 2010 are not yet available. While the overall distance travelled for business purposes remained the same, there was a shift from air travel to trains and motor vehicles. Thanks mainly to improvements in the categories of energy and transport, the main causes of greenhouse gas (GHG) emissions, a reduction of about 1000 tonnes of such emissions was achieved in 2009. Total GHG emissions in 2009 amounted to 12 700 tonnes. For the first time, the 2010 report, which appears in mid 2011, will contain the data from all divisions, including the subsidiary AWD.

ENVIRONMENTAL FOOTPRINT – Ongoing improvement through deployment of alternative energy sources – There are several reasons for the improved results regarding environmental indicators: optimisation of energy efficiency in the business premises, procurement of environmentally friendly electricity from renewable sources and active environmental management.

Since 2006, Swiss Life in Switzerland has been using electricity exclusively from renewable energy sources. In this way, the company has been able to reduce its GHG emissions by about 5650 tonnes; the use of electricity by the

business premises now produces almost no GHG emissions at all. Since January 2010 Swiss Life in Germany has also been drawing electricity exclusively from renewable sources. As a result, its GHG emissions have fallen by a further approximately 1000 tonnes.

In 2010 the computer centre at Swiss Life in Switzerland was no longer cooled to such a low temperature as previously, the result being an electricity saving of 300 000 kWh. The consumption of both power and water by the Group has been going down steadily for years. Swiss Life partly uses rainwater for its sanitary facilities, and at the Zurich premises installation of efficient water supply fittings lowered water consumption by three million litres compared with the previous year.

Swiss Life in France launched an environmental information campaign in 2010 aimed at economical use of paper and office supplies. When properties were renovated, the environmentally relevant standards were exceeded. In addition, the national company joined the 10:10 project run by the environmental organisation Good Planet. The objective is to reduce the company's CO² output by 3% per year.

Swiss Life in Germany has been taking part in the climate protection programme "ECOPROFIT" since 2008. As a result of the measures taken, the company saves 91 000 kWh of electricity annually at its Munich location and has reduced its annual CO² output by 58 tonnes. In December 2010 it was again awarded the Munich ECOPROFIT company certificate for 2009/2010 for its exceptional commitment to corporate environmental protection. AWD undertakes constant improvement and renewal of its technical installations. The numerous measures implemented since 2001 have yielded energy savings of over 4.5 million kWh.

The Swiss Life Group is one of the leading private real estate owners in Switzerland. As part of its environmental initiatives over the last six years, it has fitted 10 000 of its rental properties with water meters for consumption-based billing. Contracts were concluded in 2010 for the purpose of using lake water for heating and cooling a number of properties in Zurich. The use of alternative

energy sources is being investigated for various renovation projects.

In 2010 Swiss Life once again took part in the Carbon Disclosure Project (CDP), in which an independent non-profit organisation conducts the world's largest survey of corporate information on climate change. So far, however, the data the company has provided are not yet comprehensive enough for inclusion in the Carbon Disclosure Leaders Index (CDLI). To improve dialogue with the various stakeholders on sustainable corporate management, Swiss Life is aiming to produce reports in line with the Global Reporting Initiative (GRI) standard by 2012.

“Surprise” – Lucky-break jobs:

When the door to the future opens



Mr B.: gaining stability and hope

“Lucky-break jobs” with “Surprise” open up new perspectives:

– Without any training or notable job experience but with a stack of serious personal and social problems, Mr S. became a street vendor for Surprise. Despite some setbacks, he steadily gained stability through the new experience of a clearly structured day. After a year of this activity, he was offered a part-time “lucky-break job” at the Surprise sales office in Basel. There, financial support, coaching by the Surprise team and flexible working hours enabled him to embark on commercial training. He has already gained his diploma in office management and is about to finish a business diploma course. Having left Surprise and the “lucky-break job” programme, Mr S. now has a “real” commercial job in the Basel region.

– Mr B. is 56 years old and has a “lucky-break job” in Surprise’s sales organisation and on-site services. Even in a phase of great personal adversity

when beset by ill health and family problems, he always worked reliably with good will and a sense of responsibility. The realistic and measurable annual objectives he was given formed a structure that provided incentive and support. Although his overall situation is not yet stable and long-term financial independence is not yet within his reach, he has made unmistakable progress.

– Ms K. has been selling “Surprise” for a long time. She lived from that and occasional part-time cleaning jobs. As the years went by, the 54-year-old gradually found the harder cleaning jobs too strenuous. For just over a year, Ms K. has been preparing lunch once a week for the Surprise team. Together with her sales of “Surprise”, this “lucky-break job” provides her with a secure regular income that she can live on without claiming supplementary state benefits.

Swiss Life’s Perspectives Foundation donates approximately CHF 1 million per year to support charitable initiatives, focusing particularly on integration and education. In 2010, for example, the Foundation provided a financial boost for the Surprise Association’s “Lucky-break job” project.

Since 1997 Surprise has been helping people who have fallen on hard times to draw on their own resources and reduce their need for outside help. The non-profit-making institution based in Basel runs integration projects in the fields of work, sport and culture. The Surprise Association finances its operations by selling its magazine “Surprise” on the street and through donations and contributions from foundations and companies.

“Surprise” is the leading Swiss street magazine. Appearing every two weeks and characterised by the high quality of its journalism, it is sold almost exclusively on the streets. The 300 or so street vendors are all socially marginalised and unable to enter the jobs market. Their work for “Surprise” enables them to structure their day, to regain self-confidence and to earn a modest wage through their own efforts. For many of them this constitutes the first step back into society and gives them hope of leading a normal working life again. For a number of its people, Surprise has created part-time “lucky-break jobs” that pay them enough to live on. In this way, Surprise is taking effective action to combat poverty and social exclusion in Switzerland, and Swiss Life’s Perspectives Foundation is supporting them financially in their endeavours.