

# Responsible Corporate Conduct

There is no longer-term arrangement than that offered by life and pensions and risk products – in many cases the time horizon stretches to the end of our lives. This is why Swiss Life thinks and operates on a holistic and long-term basis. However, sustainability for Swiss Life also means responsible corporate conduct: an obligation towards clients, employees, society and the environment, and is 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 the proof of its sense of social responsibility.

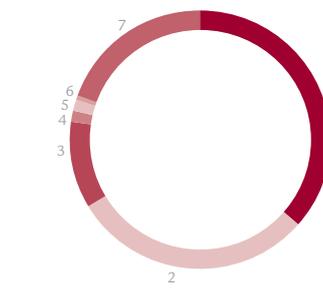
## EMPLOYEES

Employees are the basis of Swiss Life's success; the quality of the service it provides depends upon their expertise 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. Swiss Life positions itself in the market as a responsible and attractive employer and promotes the engagement of its employees – both at work and in society.

**PERFORMANCE CULTURE** – The efficiency-enhancing programme with lasting success – The Group-wide initiative “My Milestones” launched in 2009 was also continued in the year under review. The goal is to accentuate Swiss Life's values and employee competencies so as to strengthen the performance culture. Every market unit has launched a programme of measures to address these issues. The impact is visible in the employee survey. An impressive 78% of employees gave a positive rating for teamwork – this is 6% higher than the score achieved by the best employers in the European financial industry (72%). Furthermore, employees are very happy with their managers. They feel supported in achieving their goals; here the score of 74% puts Swiss Life in the top quartile of the European financial industry (73%). An above-average rating was given to the aspect of how much employees are involved by their managers in decisions which affect their

## Swiss Life employees by country and AWD

Total 7168 full-time equivalents as at 31.12.2011



1	Switzerland	2 581
2	France	2 132
3	Germany	758
4	Luxembourg	104
5	Liechtenstein	105
6	Other	36
7	AWD	1 452

## Employees (full-time equivalents)



work. The score of 74% was 8% higher than that achieved by the best employers in the European financial industry.

The performance culture is translated by managers and employees through standardised processes. These include employee performance reviews, setting objectives, appraisals, training measures and decisions on salary and promotions. All employees throughout the Group have completed an individual objectives setting and assessment process. The required strategy- and value-oriented behaviour of employees is described and evaluated in the Group Competency Model (GCM).

In Switzerland, outstanding group performance was once again rewarded with the “Team Award My Milestone”, as in previous years. This award was presented three times during the year under review – for instance to an interdisciplinary project team which worked for several months on different growth options for the Swiss business.

In France, Swiss Life gave all of its employees an individual social balance sheet for the second 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.

The AWD Group continued in 2011 to drive forward the implementation and development of its new corporate mission statement. Every year the focus is on one dimension in particular, to support the consistent implementation and execution of the mission and vision. In the year under review this value was “professionalism”, following on from “team spirit” in 2010. In 2012 “customer orientation” will be the focus theme.

**PERSONAL ENGAGEMENT** – Swiss Life employees go the extra mile – In 2011, Swiss Life conducted its new-style employee survey across the Group for the second time. This second survey was aimed at evaluating the initiatives and measures which were launched in the wake of the 2010 survey. As well as the achievement of these goals, employees assessed company-relevant subjects such as performance, customer orientation, innovation and change, as well as cooperation and management. The Group response rate was a very high 80%.

The Swiss Life Group engagement value is 59%. This is well above the average for companies in the European financial industry (52%). Both the response rate and the engagement value were significantly higher than in the last survey. The Group-wide engagement value alone increased by 3% compared with the previous year. This shows that Swiss Life employees demonstrate a high level of willingness to go the extra mile for their customers – a good prerequisite for keeping Swiss Life on course in the fiercely competitive life and pensions market.

As a result of the survey findings, measures have been taken to introduce improvements in all Swiss Life Group units. These measures are aimed at boosting the development of the company and employees in such a way as to establish a performance culture which is in line with the corporate strategy.

**TALENT DEVELOPMENT** – Target-oriented development of junior staff with potential – Swiss Life gives high priority to the ongoing development and motivation of employees. Every year the company nominates employees who demonstrate a high level of performance and potential for talent development (manager pool). Training modules and projects help to prepare these future first- and second-level managers (team leaders and department heads) for their future roles. The initiative supports efforts to open up career paths within the company and to fill key positions with budding and qualified young managers from among its own ranks. The AWD Group also runs its own talent programmes. In the two initiatives, GOLD and GOLD Alumni, employees are actively promoted on an ongoing basis, both professionally and personally.

A senior management programme (SMP) is in place at Swiss Life Group level for managers destined for senior management roles. Participants from all units work in a series of modules on the subjects of leadership, strategy and customer orientation, as well as financial management and presentation techniques, developing strategic projects for the Group. During the period under review, four international working groups worked on a series of topics. In 2011, 12 participants qualified from the Senior Manager Pool Class of 2009, while 13 future senior managers, including 4 women, commenced training in the Class of 2011.

The consistent promotion of up-and-coming managers can be regarded as a success. Since the introduction of the senior management programme in 2005, 74% of the graduates have been appointed to key senior management positions.

Swiss Life in France is proactive in its response to demographic changes within society. The “55+” programme is aimed at safeguarding expertise within the company and sustaining employee performance. The initiative involves the obligation to reserve 12% of posts for the over 55s. “55+” allows a flexible reduction in working hours, with partial salary adjustment in the final year of work.

**TRAINING AND DEVELOPMENT** – Investment in employee development – Swiss Life places great value on internal and external employee training and development. Training and development focuses on management and specialist training for all employees, as well as on tailored courses covering social and methodological skills. Expenses for staff training and development within the Group in 2011 amounted to CHF 15.2 million – approximately CHF 2224 per employee. Expressed as a proportion of total personnel costs, the outlay for training and development came to 2.3%.

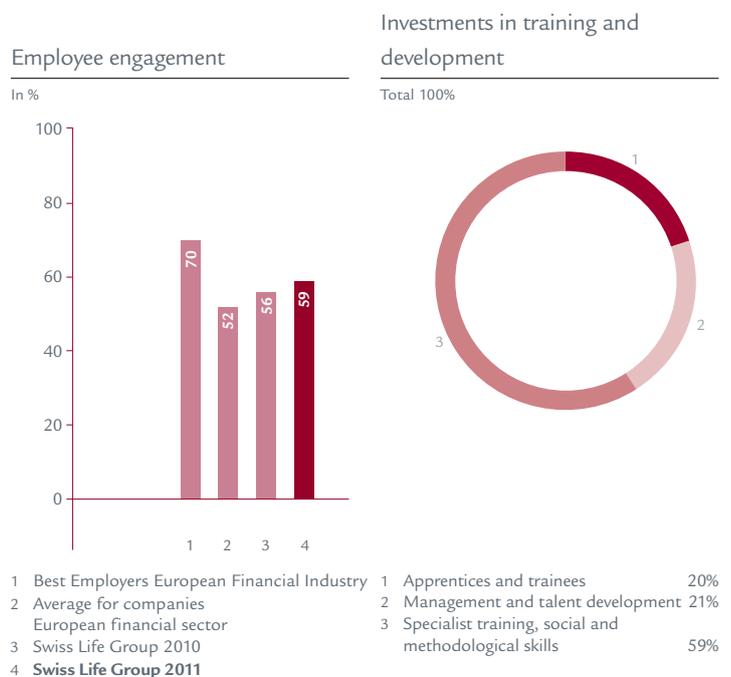
In the year under review, Swiss Life in Switzerland set up a programme for graduates of universities and colleges of higher education. The 18-month programme will commence in spring 2012. It complements Swiss Life’s existing training and development provisions for young talent. In the year under review, 21 young people qualified as specialists in three professions, and 12 trainees or interns gained work experience in the life insurance sector.

**SOCIAL PARTNERSHIP** – Intensive cooperation between employers and employees – Cooperation with Swiss Life’s European Works Council, the Europa Forum, was stepped up in 2011. It was strengthened with the signing of a new social partner agreement for an indefinite period. The nine-person committee with representatives from four countries meets regularly in ordinary and extraordinary meetings and deals with transnational information and consultation in relation to topics which affect all Swiss Life employees. The Europa Forum was founded in 1996.

Intensive social partnerships are also forged in the national companies, primarily in relation to topics arising from the operational requirements of the business units. The staff committee in Switzerland celebrated its 40th anniversary in 2011. In a revision of the regulations, the

decision was taken to increase the committee from seven to nine employee representatives for the 2012 legislative period.

In Switzerland the MILESTONE programme also entails a reduction of 520 positions between 2010 and 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. 314 employees in Switzerland underwent professional reorientation. They were individually supported and assisted by a team of specialists. 7% were able to find a new position internally and 63% externally. 14% of those released were given early retirement and 16% were referred to regional employment agencies (RAV).

Compared with 2010, the number of full-time positions Group-wide fell by 315 to 7168. This reduction is linked to the MILESTONE programme and affects all Group units. Net fluctuation was 5.2%.

## 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. In order to create and cultivate trust, the company has laid down five basic values:

- Expertise: Professional know-how 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, staff and shareholders achieve their goals.

**INTEGRITY AND COMPLIANCE** – Legally and ethically correct business conduct is paramount – A Code of Conduct 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.

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 an insurance 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 is aware of its social responsibility: As a Swiss company and provider of life and pension services for over 150 years, Swiss life stands at the centre of public life. The

Group supports community life in a wide variety of ways with charity commitments, voluntary work, active involvement in shaping the political process and constant improvement of its ecological balance sheet.

**SOCIAL ENGAGEMENT** – Helping 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 2011 it supported 89 organisations and projects. The foundation also donated considerable sums to relief organisations offering emergency aid. In addition, Swiss Life's sales force supported various local organisations.

Swiss Life in France has had its own foundation, the Fondation Swiss Life, since 2009. In 2011 it provided funding for concerts and art exhibitions for people in nursing homes, sick children and patients with dementia, who would not normally be able to access culture. The Fondation Swiss Life also supported various 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.

AWD has been helping children in need since it created the AWD-Stiftung Kinderhilfe foundation in Germany 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. The AWD-Stiftung Kinderhilfe foundation runs two large-scale operational projects of its own. The Noma project launched by the German AWD-Stiftung 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 Kyrgyzstan, the Swiss AWD-Stiftung is building a treatment centre for children with facial malformations.

**COMMUNITY SERVICE** – Promoting and supporting voluntary work – Swiss Life is committed to the principle of voluntary public service. Voluntary public service means taking personal action in matters of public life, in effect unpaid work for the whole community. As a company operating in the social insurance area, Swiss Life has an interest in an integrated and well functioning society. An unpaid commitment in society and the private economy promotes a sense of community and public welfare and enhances social skills.

Swiss Life is convinced that raising the social competence of individual employees increases the competitiveness of the company. It is therefore strongly in favour of employees' commitment to the community. The staff regulations explicitly approve the involvement of employees in political and military committees and associations. The company offers all reasonable support for such involvement, for example through a flexible approach to working hours.

**POLITICS** – Swiss Life cultivates active dialogue with decision makers – Swiss Life regards the 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 in Switzerland is in permanent contact with politicians of all parties, for example on occupational benefit issues (conversion rate, minimum interest rate, statutory minimum distribution ratio), as well as in relation to industry-relevant topics (solvency, supervision). Among other themes, the company is actively involved in the total revision of the Federal Law on Insurance Contracts (VVG).

Swiss Life also conducts its dialogue with the public and decision makers on insurance- and pension-related topics

through industry groupings and professional associations. It plays an active role in the committee work of 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 Market chairs the central Life Insurance Committee, the Group CFO is a member of the Finance and Regulation Committee, and further experts represent Swiss Life on some 15 committees and working groups. Other representatives of Swiss Life Management are likewise active in local industry associations in other core markets.

In Germany, decision makers from the worlds of business, politics, academia and the media engaged in dialogue on key sociopolitical issues at the "Salon Palais Leopold" series of events in Munich. Guests in 2011 included the publicist, Avraham Primor, and the top Greek diplomat, Anastassios Kriekoukis. Since 2007, Swiss Life has provided a platform for dialogue at its Munich Specialist Forum series of events for corporate clients, business partners and experts.

#### **ENVIRONMENT**

Keenly aware of its responsibility to the environment, 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% a year until 2012. The company again reached its target in 2011, 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 CO<sup>2</sup> emissions to the non-profit foundation.

**ECOLOGICAL BALANCE SHEET** – Continuous monitoring of energy consumption and emissions – Since 2008, Swiss Life has produced an annual environmental data

report for the whole Group. Each market unit has specialist offices for environmental management, which exchange information with each other on an informal basis. Environmental Management Switzerland is responsible for the annual Group-wide environmental report.

In accordance with the standards set by the Association for Environmental Management and Sustainability in Banks, Savings Banks and Insurance Companies (VfU), the environmental 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 of different companies. The reporting cycle, however, is not aligned with Swiss Life's annual report so that the final figures for 2011 are not yet available. The environmental report includes data for Swiss Life in Switzerland (internal services and the sales force), Germany, France, Luxembourg and Liechtenstein, and in 2010, for the first time the AWD headquarters in Hanover. Data for the other AWD locations in Europe has been projected in order to make cross comparisons.

Energy consumption (electricity and heating) for the Swiss Life Group in 2010 rose considerably over the previous year's figures to 63.8 million kWh as a result of the new inclusion of AWD. The overall distance travelled for business purposes was maintained at the prior year's level, totalling 31.5 million km, despite the inclusion of AWD. A year-on-year comparison of GHG emissions is not possible due to methodological differences caused by new emission factors in accordance with the VfU indicators. Total GHG emissions in 2010 amounted to 26 352 tonnes. The key figures are also available on the internet this year for the first time.

**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 1300 tonnes a year; the use of electricity by the business premises now produces almost no GHG emissions at all.

Swiss Life is fully confident that increased awareness of energy and materials consumption among employees can sustainably improve the ecological balance sheet. For this reason, it is pursuing initiatives throughout the Group aimed at reducing everyday consumption. In the year under review Swiss Life in Switzerland equipped all sanitary facilities in the main building and the Zurich offices with automatic water supply fittings. This is expected to produce savings in freshwater consumption of 600 000 litres and savings in heat consumption of 33 MWh.

Swiss Life in France launched an environmental information campaign in 2011 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 CO<sup>2</sup> 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 CO<sup>2</sup> output by 58 tonnes. In December 2010 it was awarded the Munich ECOPROFIT company certificate for 2009/2010 (the second time it has won the award) for its exceptional commitment to corporate environmental protection. 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 about 1000 tonnes.

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. In addition to its involvement with the Climate Alliance Hanover, AWD has been undergoing environmental audits since 2005 through its membership of the ECOPROFIT CLUB in Hanover.

The Swiss Life Group is one of the leading private real estate owners in Switzerland. As part of its environmental initiatives, it has fitted some 10 000 of its properties since 2005 with water meters for consumption-based billing. This measure has resulted in water savings of almost 20%.

In 2011 the Swiss Life Group 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. With the publication of its data, Swiss Life underlined its own aspirations to transparency and its position as one of the most transparent companies in Switzerland.

## Swiss Youth in Science

# Scientific research and discovery by the young

The future is all about perspectives: they are a motivating influence and a source of security and confidence. That is why Swiss Life's Perspectives Foundation supports charitable initiatives in the areas of health, science, education, culture and sport as a means of giving people new perspectives.

Research shapes the future. And research should be fun. That is why the foundation Swiss Youth in Science has been promoting the joys of science for over 40 years. It runs various programmes to get young people interested in science.

The foundation runs study weeks for young people from a range of age groups, where they get to experience and discover for themselves the world of research. The budding scientists also have the opportunity to submit their research to the annual national competition. Every year, the competition and study weeks bring forth new discoveries and success stories.

The Swiss Youth in Science foundation was founded in 1970 by Adolf Portmann. Mr Portmann was a young man with a thirst for knowledge who lacked the means to pursue his interest. After retiring, his experiences as a youth led him to organise a national research competition for young people. Three years later this resulted in the creation of Swiss Youth in Science. Swiss Life's Perspectives foundation has supported Swiss Youth in Science for several years.



### Prize winners

The national competition run by Swiss Youth in science received 64 entries in 2011. 18 of them received the accolade "good", 27 "very good" and 19 "excellent". 23 entries were awarded a special prize.

### Pino Dietiker

#### A conscience issue – avoiding military service in Switzerland during the Cold War

There have never been more cases of people avoiding military service than from 1969-1995. Pino Dietiker has compiled an intriguing and varied chronicle based on ten detailed accounts of the experiences of draft dodgers during the Cold War. His work includes the protagonists' personal stories, motivations and experiences, which are all very different from each other. Pino Dietiker's interviews and written accounts are a new approach to researching this subject and, as such, form a basis for further studies. The author received the special prize from Academia Engelberg for his work.



### Kathrin Ernst and Miriam Marti

#### Design, construction and analysis of a solar simulator using LED

The two Zofingen Kantonsschule pupils actually constructed a solar simulator using commercially available LED. The solar simulator can be used in research cells to test new materials for their efficiency and suitability for future solar cells. The two students, who completed the project as part of their school-leaving certificate (Matura), worked with the Swiss Federal Laboratories for Materials Science and Technology (Empa). The project certainly won over the jury. They were awarded the Swiss Youth in Science special prize and gained an invitation to join the International Science Summer Camp (ISSC) in Denmark, an international event for young people with an interest in science.