



SwissLife

# *Corporate Responsibility 2018*

*Extract from the 2018 Annual Report*

## *Ladies and gentlemen,*

Our goal for 2018 was to accord greater importance to the issue of sustainability in our investing. We also wanted to further develop operational ecology, and continue on the path we embarked upon three years ago as an employer with our “Actively shaping your career” initiative. In all of these areas we have taken crucial first steps:

- In our investing activities we have systematically integrated environmental, social and governance (ESG) topics into our risk and investment management. This allows us to strengthen the sustainability aspects of our risk management approach, including in our investment decisions. We also signed on to the Principles for Responsible Investment (PRI) supported by the United Nations, and are now evaluating our real estate management using the Global Real Estate Sustainability Benchmark (GRESB).
- According environmental and social standards greater importance requires more than simply undertaking to observe them oneself, but also taking a public stand in favour of such values. For this reason we have adopted the world's largest agreement on responsible corporate management and support the Ten Principles of the UN Global Compact.
- Furthermore, we have addressed the matter of reducing greenhouse gas emissions in our business premises and using a higher proportion of renewable energy. This has led to the setting of Group-wide goals for operational ecology, as published in this report.
- In past years we have strengthened our role as employer with our “Actively shaping your career” initiative, as well as arming ourselves for present and future challenges, and have thus established new standards. During the past year, we also continued to pursue our successful change process with an eye to further strengthening our market position as a responsible and attractive employer.

Our fourth Corporate Responsibility Report shows that we are staying true to our course and assuming responsibility – in our everyday activities and within the company as well as with regard to both our employees and the environment.



Patrick Frost  
CEO

## Corporate Responsibility at Swiss Life

*Since 2018, Swiss Life systematically integrates environmental, social and governance (ESG) factors into its investment decisions. Group-wide goals for operational ecology were defined during the year under review and, with its “Actively shaping your career” initiative, Swiss Life has set new standards for the world of work.*

In the pursuit of its core business, financial provision and consulting, Swiss Life contributes directly to society. Swiss Life aims to act responsibly in its everyday business and as an employer as well as in relation to society and the environment.

All topics associated with corporate responsibility are summarised in the corporate responsibility framework, which was reworked in 2018 and is now valid for the entire Swiss Life Group. The purpose is the company’s core, while the individual subject areas reflect the focus topics.



### Organisational implementation of corporate responsibility

All relevant corporate responsibility activities are discussed and resolved in the Corporate Responsibility Steering Committee (STC CR). This body includes representatives of Human Resources and Communications in addition to all the Group Executive Board members in Switzerland and the General Counsel. The STC meets twice a year as a rule; the Group CEO chairs the committee. Corporate responsibility representatives from Group Communications, Asset Managers, Public Affairs and Human Resources, and one person from the Swiss Life “Perspectives” Foundation, form a core operational team to ensure the exchange of information in the line, prepare measures and proposals for the STC and implement STC mandates within the organisation. There were no changes to the core team or the STC in 2018. The composition of both bodies is subject to yearly review.



Overview of corporate responsibility management organs in Switzerland

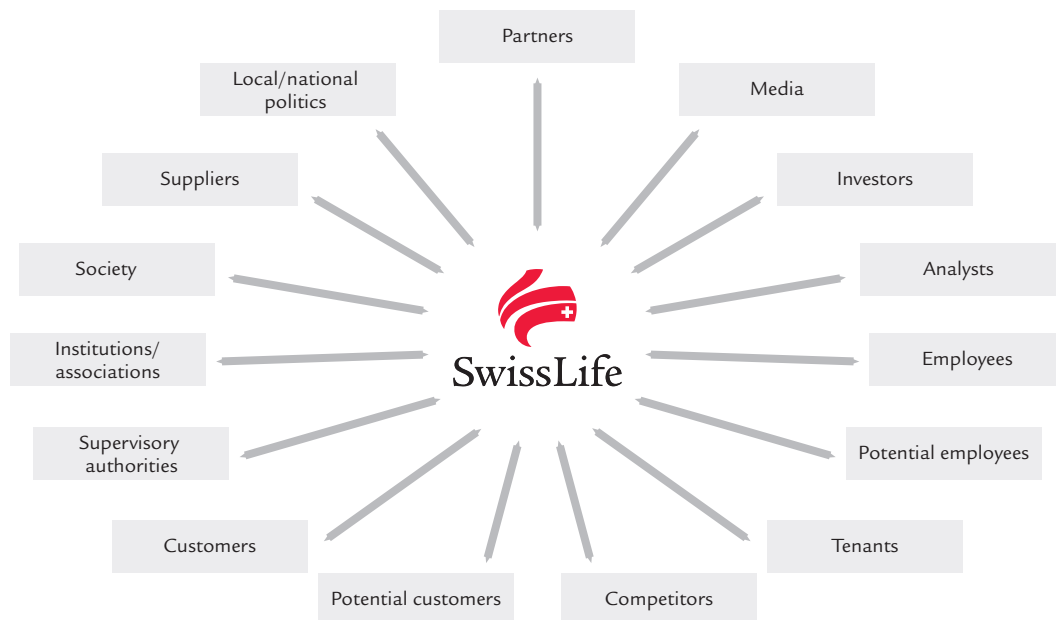
In addition to the STC CR and the core team in the home market of Switzerland, Swiss Life France and Swiss Life Germany have also created Corporate Responsibility committees that meet regularly for discussion, to define focus topics and to drive further development.

Overall responsibility for the Corporate Responsibility committee in France lies with the CFO. Swiss Life France has been publishing its own annual Corporate Responsibility Report (Rapport RSE) since 2014. This report will also comply with the stipulations of the European CSR Directive.

A committee was formed in Germany in 2018 to advance and coordinate corporate responsibility measures in various areas of the company. The corporate responsibility work of Swiss Life Germany focuses, among other things, on foundation activities. The Stiftung für Chancenreichtum und Zukunft (Foundation for opportunities and the future), founded at the end of 2016, advocates greater educational equity and equal opportunity in Germany.

### Consistent reporting to stakeholder groups

The annual reporting on corporate responsibility is intended to create transparency and strengthen communication with the stakeholder groups. Swiss Life's stakeholders include, in addition to its employees, customers and investors, legislators and 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 target groups, which ensures that it is aware of their requirements and expectations and is able to react to challenges or changes (GRI 102-40, 102-42, 102-43, 102-44).



For more information on dialogue with our stakeholders, see:  
[www.swisslife.com/en/stakeholdercommunication](http://www.swisslife.com/en/stakeholdercommunication)

## Memberships

At the end of 2018 Swiss Life was a member at Group level of all sorts of organisations and networks in the area of sustainability, as well as co-signatory of initiatives. These include the following:

- **Principles for Responsible Investment (PRI):** unpri.org, since 2018
- **UN Global Compact (UNGC):** unglobalcompact.org, since 2018
- **Global Real Estate Sustainability Benchmark (GRESB):** gresb.com, since 2018
- **CDP (formerly Carbon Disclosure Project):** cdp.net, since 2011
- **Task Force on Climate-related Financial Disclosure (TCFD):** fsb-tcf.org, since 2018
- **Institutional Investors Group on Climate Change (IIGCC):** iigcc.org, since 2018
- **Forum Nachhaltige Geldanlagen (Sustainable Investment Forum):** forum-ng.org, since 2018
- **European Sustainable and Responsible Investment Forum (Eurosif):** eurosif.org, since 2018
- **International Corporate Governance Network (ICGN):** icgn.org, since 2018

At its Swiss, French and German locations, Swiss Life was mainly active in the following organisations:

- **Swiss Climate Foundation:** klimastiftung.ch
- **Energy Model Zurich:** energiemodell-zuerich.ch
- **Observatoire de l'immobilier durable (Green Building Observatory):** o-immobilierdurable.fr
- **Plan Bâtiment Durable (Sustainable Building Plan):** planbatimentdurable.fr
- **Netzwerk der Klima-Allianz der Stadt Hannover (Network of the Climate Alliance of the City of Hanover):** klimaallianz-hannover.de

### Reporting in line with the European CSR Directive

The Swiss Life Group's Corporate Responsibility Report conforms with the EU's CSR Directive. In this Corporate Responsibility Report, Swiss Life offers an account of environmental (pages 80, 84, 89–91, 100–107, 130–133), employee (pages 89–91, 116–129) and social issues (pages 80, 84, 88, 100–104, 108–110) and reports on the observance of human rights (pages 80, 84, 86–87, 97–99, 100–101, 105–107) and combating corruption and bribery (pages 80, 84, 97–101, 105–107). The pages cited also provide information on the concepts and associated results, as well as on due diligence process and risk management.

### **Reporting according to the Global Reporting Initiative**

Swiss Life's Corporate Responsibility Report meets the requirements of the Global Reporting Initiative (GRI), a framework for transparent sustainability reporting. The report on the 2018 financial year comprises the Switzerland, France, Germany, International and Asset Managers segments. This report was prepared in accordance with the GRI standards in conformity with the "Core" option. The GRI aims on the one hand to provide support to companies, governments and NGOs in focusing on those areas of interest to companies and their stakeholders, while the standardised format of the reports, based on key figures, also contributes to the comparability and transparency of sustainability reporting.

Do you have any questions or suggestions concerning corporate responsibility at Swiss Life?  
Write to us at [corporate.responsibility@swisslife.ch](mailto:corporate.responsibility@swisslife.ch)

# Materiality Matrix

The contents of the materiality matrix were established as part of a multi-level materiality process involving internal and external stakeholders. Based on qualitative and quantitative interviews with the Swiss Life Corporate 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 stakeholders and refined them in structured interviews. Finally, the completed materiality matrix was approved and ratified by the Corporate Executive Board (GRI 102-46). The matrix is reviewed annually and amended when necessary. There were no amendments made in 2018.

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 Corporate Responsibility report covers all the subjects included in the matrix.<sup>2</sup> 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.

<sup>2</sup> The report comprises Swiss Life’s main locations in Switzerland, France and Germany and refers to all company entities within the scope of consolidation (2018 Annual Report, pages 292–297; GRI 102-45).



## **An overview of the key corporate responsibility themes**

### **Responsibility in business**

#### Customer centricity

Swiss Life places customers at the centre of its activities. Customer satisfaction is regularly measured and the results of customer feedback are incorporated into the development of products and services.

#### Sustainable profitability

Sustainable economic performance is a fundamental requirement for the success of Swiss Life's corporate management. In its strategic orientation, Swiss Life is closely guided by the long-term guarantee of profitability and the guidance of capital efficiency.

#### Risk management and compliance

Business conduct in compliance with the law is a given for Swiss Life. Swiss Life accompanies its customers over many years. Responsible risk management is thus indispensable.

#### Investment strategy

Swiss Life's investment strategy is designed on a sustainable and long-term basis and harmonised with insurance liabilities. The company's investment policy is oriented towards long-term and stable returns. Swiss Life bases all of its investment decisions on the stipulations of the supervisory authorities and is committed to holistic and value-oriented risk management. In addition to its legal obligations, Swiss Life observes ethical principles and environmental, social and governance (ESG) topics.

#### Products and services

Swiss Life has over 160 years of experience in developing products and services, in consulting and in the life insurance, investment and pensions business. Swiss Life aims to create optimal customer value and ensure profitability for the company. Its offering is subject to continuous review and refinement.

#### Sustainable procurement

For this reason, Swiss Life ensures that its procurement is in full compliance with the law. When selecting suppliers and partners, Swiss Life bases its decisions on ethical, social and ecological principles and works with local suppliers whenever possible.

#### Human rights

Swiss Life prioritises high social standards in its own operations and expects similar standards from its business partners and suppliers. As a co-signatory of the "UN Global Compact" Swiss Life pledges, notably, to respect human rights.

**Responsibility in society**

## Political commitment

Swiss Life's operational environment is heavily influenced by political and regulatory decisions. Swiss Life cultivates contact with representatives from the political and business communities as well as supervisory authorities and coordinates its own activities closely with trade and umbrella associations. Swiss Life company executives and members of the Board of Directors work in various national business associations.

## Economic responsibility

As a corporation, Swiss Life takes social and economic responsibility by enabling its customers to lead a self-determined life. As a long-term investor, Swiss Life contributes to the stability of the financial centre. As a leading institutional property investor in Europe and owner of the biggest private property portfolio in Switzerland, Swiss Life is also a key principal on the Swiss construction scene. The company also assumes social responsibility as an employer.

## Demographic change

The consequences of demographic change affect people in many ways. Swiss Life wants to offer its customers solutions that will allow them to lead a self-determined life in all phases of their lives. In addition, Swiss Life contributes to the public debate on longevity and securing retirement provisions. At the same time, Swiss Life creates a working environment in which its employees and management act responsibly and help to shape their career and further development in every phase of life, thus laying the groundwork for a longer professional life.

**Responsibility for employees**

Employee commitment and development

The Swiss Life corporate culture is based on mutual respect and trustworthy cooperation. Regular feedback and professional development interviews and the recognition and appreciation of performance are important prerequisites for corporate success.

Equal treatment and non-discrimination

Equality of treatment and non-discriminatory behaviour are part of Swiss Life's corporate culture. As a co-signatory of the UN Global Compact Swiss Life pledges, among other things, to respect the global principles governing labour standards.

Diversity and equal opportunities

Diversity and equal opportunities are essential for Swiss Life. Accordingly, potential, abilities and skills are promoted equally among all employees of all ages.

Responsible employer

Swiss Life provides employees of all generations with development prospects and attractive and fair working conditions.

**Environmental responsibility**

Environmental and climate protection

Swiss Life places a high value on operational ecology and climate protection. In our in-house operations, as a real estate investor and as co-founder of the Swiss Climate Foundation, we are committed to using resources sparingly and reducing our CO<sub>2</sub> emissions.

## Swiss Life's Contribution to the Sustainable Development Goals (SDG)

*The United Nations' 17 Sustainable Development Goals (SDG) define social, economic and environmental milestones to be achieved worldwide by 2030. Swiss Life is transparent about which of these goals it is already making a contribution to.*

SDG (target)	Our contribution
 <p data-bbox="288 904 544 987">We guarantee all people of all ages a healthy life and promote their well-being</p>	<p data-bbox="699 689 1305 891">The social and economic consequences of the fact that we are living longer are insufficiently accounted for in almost all areas of life. Swiss Life is committed to raising societal awareness of this topic and actively addressing the attendant challenges. Swiss Life supports its customers in preparing ahead of time so they can lead a self-determined life. Swiss Life offers its employees flexible working models and a wide range of health and prevention services.</p> <p data-bbox="699 909 1305 992">See also “Strategy &amp; Brand” (pages 8–13) as well as “Responsibility for Employees”, the “Well-Being” and “Health and Security” sections (pages 122–125).</p>
 <p data-bbox="288 1247 619 1361">Guaranteeing inclusive, high-quality education respectful of equality and advocating lifelong learning for all</p>	<p data-bbox="699 1032 1305 1171">Swiss Life supports its employees in the maintenance of their employability and promotes their ongoing development. This includes continuous internal and external education for employees of all ages, training for apprentices and trainees and entry-level opportunities for university graduates.</p> <p data-bbox="699 1189 1305 1245">Respect, equality of treatment and non-discrimination are all parts of Swiss Life's corporate culture.</p> <p data-bbox="699 1263 1305 1377">In addition, with its “Perspectives” Foundation and “Stiftung für Chancengleichheit” (Foundation for Equal Opportunity), Swiss Life supports institutions that help people from a wide range of backgrounds educate and better themselves.</p> <p data-bbox="699 1395 1305 1478">See also “Social and Cultural Engagement” (pages 111–115), “Responsibility for Employees” (pages 116–129) and “Products and Services” (pages 95–96).</p>
 <p data-bbox="288 1733 596 1816">Ensuring access to affordable, dependable, sustainable, modern energy for all</p>	<p data-bbox="699 1518 1305 1720">Swiss Life has several facilities for the generation of renewable energy among the investments in its portfolio. These facilities are widely distributed across the world. For instance, Swiss Life invests in solar power plants in Italy, Spain, Canada, Chile and Japan (c. 100 MW) and wind power stations in the UK and US (c. 235 MW), allowing Swiss Life to contribute to supplying around 100 000 households with renewable electricity.</p>

SDG (target)	Our contribution
 <p data-bbox="292 696 651 808">Developing a resilient infrastructure, promoting sustainable industrialisation with broad-scale effect and supporting innovation</p>	<p data-bbox="699 483 1305 685">Swiss Life promotes projects from the worlds of research and science. Among other things, in the Swiss domestic market it lends its support to Technopark Zürich, which brings together actors from the realms of business, technology and science. In addition, Swiss Life is Member of the Foundation Board and of the Business Council of Swiss Innovation Park and supports the research and innovation platform “NEST”.</p>
 <p data-bbox="292 1066 587 1149">Making cities and developments inclusive, safe, resilient and sustainable</p>	<p data-bbox="699 855 1305 1025">Swiss Life is one of Europe’s leading real estate investors and has the biggest private real estate portfolio in Switzerland. Around 80% of its properties are in urban areas. As a builder and property owner, Swiss Life aims to use ecological and economic resources with maximum efficiency and to make an active contribution to sustainable urban development.</p> <p data-bbox="699 1048 1305 1160">As an investor, Swiss Life also strategically supports infrastructure projects that benefit the general public. For instance, Swiss Life participates in a company that finances, builds and operates fibre optic networks and makes them available for use by internet providers.</p> <p data-bbox="699 1178 1305 1205">See also “Sustainable Construction and Renovation” (pages 101-104).</p>
 <p data-bbox="292 1458 608 1509">Ensuring sustainable consumption and production patterns</p>	<p data-bbox="699 1249 1305 1451">As a builder and in its own operations, Swiss Life supports the sparing use of resources. This is also true of its business premises. Swiss Life publishes current developments in greenhouse gas emissions and its use of paper and energy, its production of waste, and the other indicators on operational ecology on an annual basis. Furthermore, Swiss Life uses Group-wide targets to ensure that the company is able to continue developing in the realm of operational ecology.</p> <p data-bbox="699 1469 1305 1581">When selecting suppliers and service providers, Swiss Life works with local contractors whenever possible and prefers products and services from companies that have implemented a certified environmental protection system.</p> <p data-bbox="699 1599 1305 1682">See also “Sustainable Construction and Renovation” (pages 101-104), “Sustainable Procurement” (pages 105-107) and “Environmental Responsibility” (pages 130-133).</p>

## Responsibility in Business

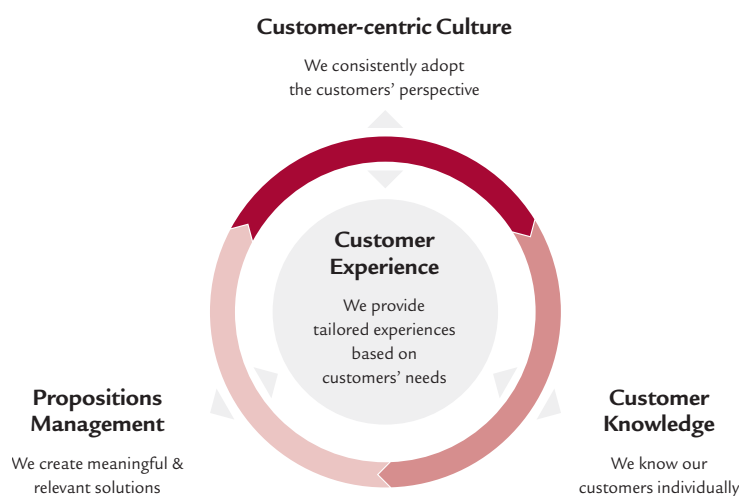
*Swiss Life maintains high standards for its consulting, service and product range. Diligence and responsible action form the basis for successful business operations as well as for long-term, sustainable customer and business relationships.*

## Customer Centricity

At Swiss Life, customer orientation is of central importance for corporate success. Swiss Life continuously assesses customer satisfaction at the key contact points. Customer centricity managers in all divisions analyse customer feedback with their teams locally.

### Four focus topics of customer orientation

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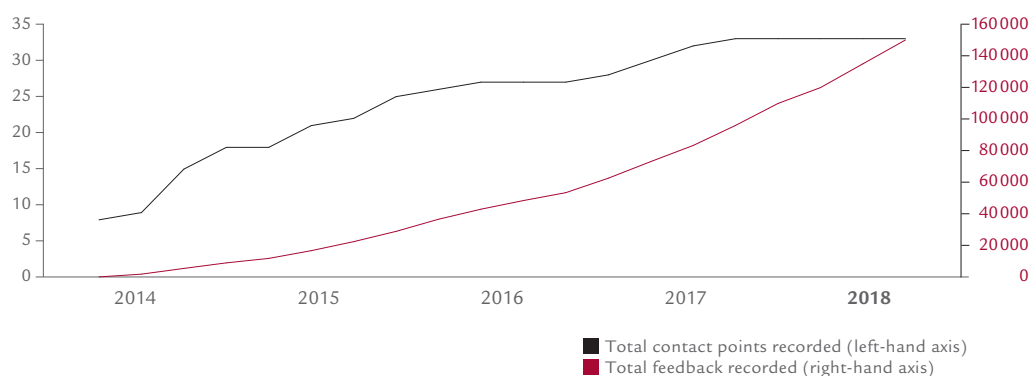
### Progress on customer satisfaction

Customers are asked about their experience, satisfaction and willingness to recommend Swiss Life directly following an interaction with the company at selected contact points. Anyone who gives a negative response is contacted within 48 hours. This allows Swiss Life to ensure it has understood the reasons for a negative review and to offer the customer a solution. Customer satisfaction is surveyed in close collaboration with an independent market research institute.

Swiss Life aims to use customer feedback to detect systemic problems and drive appropriate process optimisation measures. Findings and lessons learned are shared at Group level.

Swiss Life has continuously expanded its Direct Customer Feedback programme in recent years. Since launching it in 2014, Swiss Life has received and analysed around 150 000 customer communications.

#### Development of Direct Customer Feedback programme



Swiss Life depends on the Net Promoter Score (NPS) for its quantitative measurement of customer satisfaction, which indicates a customer's willingness to recommend a provider to family and friends. The NPS is surveyed continuously and reported internally on a quarterly basis. What is more, the NPS is a component of the objectives-setting and performance review of employees with customer contact.

Over the past four years, the NPS at Swiss Life has trended favourably at the key contact points Consulting and Service Center, thanks to regular customer feedback analysis and the appropriate improvements derived from it.

#### The development of the NPS in consulting at contact points

	Switzerland Individual life	Switzerland Swiss Life Select	France	Germany Swiss Life Select	Austria Swiss Life Select	UK Chase de Vere
2018	+51	+41	+52	+62	+49	+52
2017	+52	+39	+46	+53	+44	+56
2016	+43	+29	n/a	+45	+34	+52
2015	+36	+26	n/a	+39	+22	+48

The referral rate at the Service Center contact point has also enjoyed a positive trend. Thus for example, while at the outset of assessment in 2014 in Switzerland every third person surveyed was willing to actively recommend Swiss Life, today's rate is already one out of two.

Swiss Life Switzerland, for instance, has repeatedly determined in recent years that willingness to recommend dropped at the turn of the year. Special focus placed during this period on personnel capacity has proved successful in counteracting this effect.

#### The development of the NPS at the Service Center contact point

	Switzerland Individual life	France	Germany Individual life	Germany Swiss Life Select
2018	+33	-13	+10	+11
2017	+23	-17	+4	+10
2016	+13	-28	+3	-7
2015	+3	-27	-2	-9

#### Promoting and consolidating a customer-oriented work culture

In addition, Swiss Life surveys the perception of customer orientation in-house through a biannual online questionnaire. The Employees' Customer Centricity Index (ECCI) summarises the results. The Index rose in the last assessment, in 2017, by three index points over the previous year, to 81. Internal perception of customer centricity improved in 2017 in relation to all areas surveyed.

The reporting year saw a revision of the Group Competency Model, which sets out the behaviour principles for all employees and additional responsibilities for members of management. A consistent customer perspective is an integral component of objectives-setting between management and employees.



## *Products and Services*

Swiss Life has over 160 years of experience in consulting and developing products and services in its life insurance and pensions business. In this endeavour, Swiss Life's activities are always based on its customers and their needs. Swiss Life aims for its customers to lead their lives in an assured and self-determined way.

Swiss Life's consulting and product strategy 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, are crucial in this endeavour.

The company offers private and corporate clients comprehensive and individual advice plus a broad range of proprietary 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 advisers of Tecis, Horbach, Proventus, Chase de Vere and Fincentrum, use the Best Select approach to let their customers choose the product from the market that suits them best. This provides customers with access to the product range of the best providers in the market. In Germany, Swiss Life has developed a product for people who cannot afford conventional occupational disability insurance that allows them to insure their labour at favourable rates. Swiss Life thus does its part to help those living on lower incomes optimise their provisions and close gaps in coverage.

### **Transparent product information and promotion of financial literacy**

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. Thus there are supporting video sequences on the various insurance and provisions topics available on the local internet pages or customer portals, along with publications for download.

Swiss Life would like to help people acquire financial literacy so they can make better decisions. Trust in one's own finances and understanding how they work are basic conditions for a self-determined life and financial confidence, which is why Swiss Life has supported the Swiss financial literacy platform [fintool.ch](http://fintool.ch) for years now. The internet start-up uses short videos to get to the heart of complex economic, financial or political issues. In Germany, by way of the Swiss Life Stiftung für Chancenreichtum und Zukunft (Foundation for opportunities and the future), Swiss Life also advocates projects that promote the growth of financial literacy.

### **Customer centricity and Group-wide value proposition standards**

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.

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 the local Compliance teams 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.

Product management is regulated through a number of directives at Group level. Swiss Life has established a uniform, auditable product development process to that end. 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.

## Compliance at Swiss Life

Swiss Life sets great store by compliance with all applicable legal provisions and regulatory stipulations in all its activities. The Code of Conduct is an important tool. It contains Swiss Life's values and principles, valid throughout the Group, as well as the rules of conduct, which are binding for all employees.

The Code of Conduct contains behavioural guidelines on the following themes:

Integrity and trustworthiness	Avoidance of conflicts of interest, mandates and secondary commercial activities as well as benefits in kind and invitations, insider information
Representing Swiss Life externally	Competencies and authorisations, corporate communication and corporate identity
Confidentiality and data protection	General information on data handling, special protection of personal data and commercial secrets, need-to-know principle, data security and use of IT resources
Prevention of money laundering, combating terrorism financing, sanctions and embargos	Customer identification and monitoring of business relationships for money-laundering, the financing of terrorism, sanctions and embargos
Conduct towards customers	Due diligence in advising and how to deal with complaints
Cooperating with business partners	Due diligence in the selection of business partners
Products	Review of products
Contracts and agreements	Contracts, anti-competitive behaviour and copyright
Personal conduct and security at the workplace	Non-discrimination, dealing with private activities, collegiality and handling access rights
Reporting of material misconduct and implementing the Code of Conduct	Identifying and reporting misconduct, notification of investigations or proceedings and implementing the Code of Conduct

The Code of Conduct valid throughout the Group was revised in 2018 and published on 1 January 2019. It is available for consultation at [www.swisslife.com/en/coc](http://www.swisslife.com/en/coc).

Swiss Life has a comprehensive directives system as well as a Code of Conduct. The directives contain binding Group-wide minimum standards implemented in all business units and included in the regulations for the local offices. Regular training ensures that the employees are kept informed about the relevant compliance themes and directives. All new employees are given Group-wide Code of Conduct training within six months of beginning their position, and are instructed in the essential rules of conduct as well as data protection and data security provisions. All new employees are also trained within the same period in money-laundering prevention, combating terrorism financing, and sanctions and embargos, where relevant for their particular activities. Furthermore, all employees undergo a refresher course in these topics every two years. Participation in such training courses is mandatory and subject to monitoring, and the aim is a 100% attendance and success rate. Divisions for which the regulator has prescribed more frequent training must undergo refreshers more often.

Swiss Life has established processes to ensure adequate identification, management and control of compliance and data protection risks. The duties, responsibilities and competencies in terms of compliance are also included in the directives system.

### **Data protection**

Swiss Life takes data protection very seriously and implements all legal, regulatory and internal requirements. Group-wide standards for data protection have been defined, which are specified and implemented by way of divisional guidelines. These last govern the processing, storage, deletion, archiving and transfer of data and documents, uniform data classification, the handling of personal data and highly sensitive information and trade secrets. Data protection infringements must be reported to Compliance, while information security incidents are dealt with consistently on a Group-wide basis as part of operational risk management. There were no significant data protection infringements within the Swiss Life Group during the reporting year.

The individual divisions have their own data protection officers and ensure that their employees are all provided with regular mandatory training in the material. The line implements these requirements and assesses their observance in collaboration with the relevant divisional Compliance teams, as well as at Group level. Compliance regularly assesses the implementation and observance of applicable provisions. Corporate Internal Audit regularly reviews data protection as part of its auditing activities and addresses any weak spots with the appropriate measures.

Data are secured and protected with the appropriate organisational and technical protection measures and are a part of risk management. More information on the subject of risk management can be found in the Annual Report in the “Risk Management” chapter.

### **Lawful business activity**

Compliance monitors and assesses the legal and regulatory environment, taking account of local legislation. The aim is not to infringe any legal and/or regulatory requirements, and to prevent all forms of corruption and bribery. Swiss Life also considers it very important to comply with sanctions and embargos. 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 and within the business units. The compliance framework is subject to periodic review and is reworked and adapted to new prerequisites as necessary.

Swiss Life incurred no monetary penalties or significant fines during the year under review, nor did the company make any settlements in connection with corruption charges.

## *Sustainable Profitability*

The economic performance and sustainable profitability of Swiss Life are fundamental requirements for the long-term success of its corporate management. The consistent implementation of its plans has allowed Swiss Life to successfully complete its last three Group-wide programmes and to continuously develop its business model in a difficult political, social and economic environment.

Swiss Life's operations are oriented towards the long term. We must be able to keep promises we make to our customers for decades. That is why long-term investing plays a central role in the life insurance business. Swiss Life has crafted its investment strategy to ensure that the interest margin remains positive even when interest rates stay low for more than three decades. In addition, Swiss Life has continuously developed its business model in recent years. With its successful enhancement of asset management for third parties, owned IFA channels, modern products and new initiatives, Swiss Life has over the past years significantly increased the contribution made to its result by so-called fee business, and thus reduced its dependency on investment results. In addition to the focus on profitability, capital efficiency remains a relevant control parameter in new business.

Swiss Life reports regularly on its strategic priorities. At its Investor Day in November 2018, Swiss Life presented the plans for its Group-wide programme into 2021. With "Swiss Life 2021" the company is aiming at a continuous and yet ambitious further development of its profit sources, efficiency and distribution to shareholders, based on four strategic thrusts and comprising practical financial objectives for the period from 2019 until 2021.

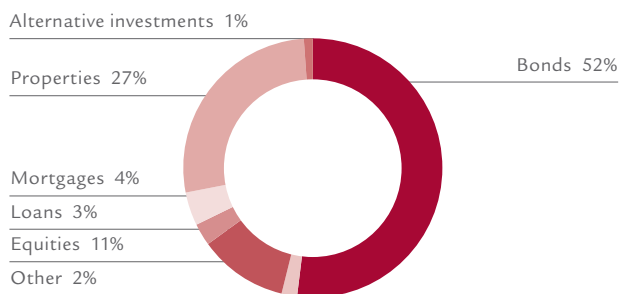
Further information on the Group-wide programme and the Swiss Life Group strategy may be found in the Annual Report in the "Strategy & Brand" chapter.

## Responsible Investing

At the heart of Swiss Life's mission as an asset manager for its proprietary insurance companies and for third parties – such as pension funds, other insurers and private investors via collective investments – are the protection of customer funds and the optimal allocation of risk capital. Invested assets must be secure, profitable and liquid in their entirety. Due to the long-term nature of its liabilities, Swiss Life invests predominantly in fixed-income securities, such as government and corporate bonds, real estate and equity and infrastructure investments. And its investment decisions have always been informed by a long-term assessment of risks and returns.

### Assets under management<sup>1</sup> – breakdown by asset class

As at 31.12.2018



<sup>1</sup> total assets under management for insurance business and third-party-clients

In keeping with this investment philosophy, Swiss Life systematically integrates environmental, social and governance (ESG) factors into its investment process and the risk management of all asset classes. This will in turn address and enhance the sustainability aspects of its risk management approach and investment decisions and assess potential consequences for climate change, among other things.

Swiss Life also orients its investment objectives to the individual requirements of its customers, who would increasingly like to consider more than simply financial matters when making investment decisions. This also means a better quality of investment portfolio. Such specific customer solutions include for example Swiss Life in Germany's investment in 2018, via a special fund in Germany, of EUR 100 million in a bond launched by the World Bank for the financing of sustainable water projects.

As for investments in securities – including equities or corporate and government bonds – Swiss Life depends on analyses prepared by an independent international ESG research and assessment provider. This affords Swiss Life access to ESG information from over 13 000 issuers around the world, as well as early detection of risks arising from social controversy, involving such things as violations of labour law, faulty corporate governance and signs of corruption or environmental risks in relation to climate change.

With its integration of ESG information, Swiss Life aims to establish a broader information basis for its investment decisions, and thus to achieve more balanced risk coverage in its investment portfolios. Swiss Life has set out its principles for responsible investing in a position paper, available at [www.swisslife-am.com/responsible-investment](http://www.swisslife-am.com/responsible-investment).

In 2018, Swiss Life signed the Principles for Responsible Investment (PRI) supported by the United Nations. As a result, Swiss Life is publishing its first publicly accessible PRI Transparency Report in the first quarter of 2019. During the year under review, Swiss Life also joined the Institutional Investors Group on Climate Change (IIGCC) and the European Sustainable Investment Forum (EuroSIF).

As an asset manager, Swiss Life also represents its customers' interests in the exercise of voting rights, to which end it also follows ESG criteria in its voting guidelines and subjects votes on sustainability issues to close scrutiny.

## *Sustainable 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 conservation, appreciation and protection of sustainable earnings is of central significance to Swiss Life. All decisions are thus oriented to a long-term property life cycle.

ESG criteria are a part of the acquisition process for real estate transactions and serve to detect risks and sharpen risk awareness. Sustainability aspects play a central role in real estate development, from feasibility studies to building decisions. This involves defining minimum energy standards, reviewing ecological risk profiles and analysing the socio-economic consequences of property development projects. Such an approach demands that real estate holdings are continuously optimised with regard to social and environmental concerns. In this endeavour Swiss Life aims to steadily reduce its energy consumption to have a positive effect on, among other things, climate change. ESG criteria are taken into account in property upkeep, in both the maintenance and renovation cycles. Swiss Life uses strategies adapted to each location to monitor attainment of financial objectives and optimisation of building sustainability.

Since 2018, Swiss Life has evaluated the sustainability of its property management using the Global Real Estate Sustainability Benchmark (GRESB), which allows it to consistently measure the sustainability aspects of parts of its real estate portfolio and to integrate them into its management.

In addition to the annual GRESB review, all risks in the real estate area are continuously monitored at the property level and subject to detailed oversight using cutting-edge analytical and benchmarking methods. The focus of this scrutiny is on property and market risks as well as the early detection of structural and socio-economic changes.

Swiss Life has tested the energy efficiency of its directly held real estate portfolio in Switzerland and aims at its continuous improvement. For the latest available accounting period, 2016/2017, the energy consumption (excl. tenant electricity) of real estate holdings amounts to 103.6 kWh/m<sup>2</sup> energy reference area (ERA), while their CO<sub>2</sub> emissions are 19.9 kg/m<sup>2</sup> ERA. The proportion of renewable energy is around 7%. Thanks to strategic operations optimisation measures, such as the use of more efficient building services facilities and repairs, energy consumption and CO<sub>2</sub> emissions are to be reduced by 2023 by some 8%. In addition, with a targeted reduction of fossil fuels (gas: 54% and oil: 29%) in favour of renewable energy sources (photovoltaic, geothermal, use of river and seawater etc.), the aim is a reduction of CO<sub>2</sub> emissions.

The growing scarcity of available building land makes increasing density a sensible strategy from an economic and an ecological standpoint, with an eye to supplying supplementary requirements for land and realising portfolio growth. An internal analysis of around 800 properties in Swiss Life's Swiss real estate portfolio has shown that there is sustainable consolidation potential in 15% of its real estate holdings. Some 50 properties have a reserve of more than 1000 m<sup>2</sup> of main surface area, while the remaining properties have a reserve of 300 to 1000 m<sup>2</sup>.

An example of successful consolidation is the replacement new construction at Baslerstrasse 71 in Zurich, where an aging commercial construction of 4200 m<sup>2</sup> from 1960 is being replaced with a new residential high-rise comprising 161 apartments and commercial space of 1100 m<sup>2</sup>. By 2021, the property will comprise over 14 000 m<sup>2</sup> of new residential and commercial space.

The Buckhauserstrasse 41 project in Zurich, where offices are also being converted into residential space, is a further example of increased density. In place of the existing office building with its 5943 m<sup>2</sup> of office space, a new building is to go up comprising 8790 m<sup>2</sup> of residential space, divided among 109 apartments, and 1142 m<sup>2</sup> of commercial space.



Interior courtyard, residential property at Buckhauserstrasse 41 in Zurich



In France in 2018, Swiss Life refined its ESG evaluation grid as part of its sustainable real estate strategy and applied it to all properties in the office, retail, apartment, hotel, healthcare facility and student housing use classes. At the same time a system for the measurement of energy efficiency was introduced. The climate risk of all properties was also analysed, with both the current risk and risks associated with the energy transition taken into account.

A calculation of the carbon footprint of all properties is planned for 2019, alongside the launch of a reporting portal to enable a uniform and comprehensive view of the sustainability performance of individual funds and mandates.



32-storey office building in Marseille in conformity with environmental certifications such as HQE Excellent and Leed Gold © AJN

In Germany the Corpus Sireo subsidiary enjoys comprehensive expertise in sustainable property management and project development. Numerous energy-efficient new building projects have been realised, both in apartment construction and in the commercial segment. One example is the acquisition of a new construction project with LEED Platinum pre-certification in Augsburg. The property is distinguished by the following sustainability features: open-space design, a rooftop solar plant and concrete core activation to optimise heating costs. Lighting is entirely LED, while six electric filling stations are available as a contribution to ecological mobility.



The LEED Platinum pre-certified office building in Augsburg is part of a Corpus Sireo real estate fund

At Mayfair Capital in the United Kingdom, ecological and economic sustainability aspects are also a regular element of the investment process and risk management. This involves the deliberate selection of properties that are already sustainable and enjoy good public transport connections, or those whose potential can be better exploited by means of improvements. In addition, energy consumption, waste recycling and water use are all monitored and measured. As a rule, operational optimisation measures are implemented once a property has been purchased. Such measures include the optimisation of building management systems (heating and cooling), the installation of LED lighting and motion detectors, the use of water-saving devices and the improvement of recycling facilities.

### **Risk and trend monitoring**

All risks in the real estate area are continuously monitored at the property level and subject to detailed oversight using cutting-edge analytical and benchmarking methods. The focus of this scrutiny is on property and market risks as well as the early detection of structural and socio-economic changes.

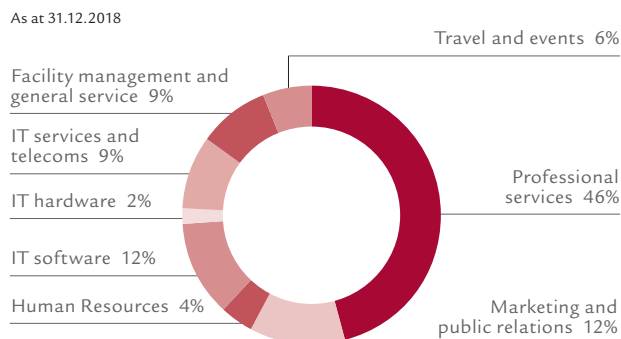
## Sustainable Procurement

As a leading European provider of comprehensive life and pensions and financial solutions, the Swiss Life Group places strong emphasis on complying with environmental and social standards in its own operations. Swiss Life also demands compliance with these high sustainability standards from its external service providers and suppliers, which extends to their responsibility towards their employees, society and the environment.

Swiss Life mainly accesses products and services from the following categories:

- Professional services (advisory services for example)
- Marketing and public relations
- Human Resources
- IT services and telecoms
- IT software and IT hardware
- Facility management services (e.g. security personnel, building maintenance, cleaning) and general services (refreshments, electricity, gas etc.)
- Travel and events

Percentage split of purchasing volume by category based on the Swiss location (excl. Asset Managers)



Swiss Life is one of Europe's leading real estate investors and has the biggest private real estate portfolio in Switzerland. As part of this activity, Swiss Life mainly uses external services for architecture and expert planning services plus general construction services.

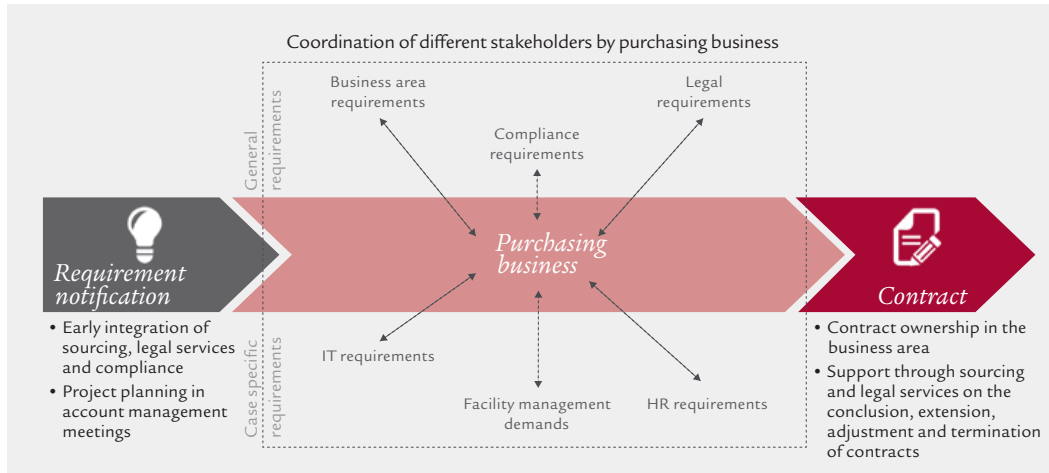
### Local distribution of suppliers and role of sourcing

Most of the suppliers and service providers in Switzerland are domestically based. About 20% are from the EU.

Swiss Life also works mainly with national suppliers in its other core markets of France and Germany. Foreign suppliers account for under 5% in both countries.

When working with major international companies in the IT area, Swiss Life works with its national companies wherever possible in all locations.

## Sourcing at Swiss Life

**Guidelines for suppliers and service providers**

When concluding contracts with suppliers and service providers in France and Switzerland, Swiss Life stipulates that they must guarantee the following standards as a rule:

- Compliance with legal guidelines on working hours and ensuring working conditions that do not endanger employee health or security.
- Fulfilment of legal regulations relating to salaries, compensating overtime and payouts.
- Ensuring that their employees can work in an environment free of discrimination on the basis of race, gender, religion, origin, disability, age, sexual orientation, handicap or other attributes.
- Respect for employees' rights of association and collective bargaining.
- Renunciation of child and forced labour.
- Compliance with applicable environmental and climate protection standards.

Swiss Life Germany stipulates, for example, in its contracts with partners that they must guarantee all health and safety regulations and payment of the minimum annual salary. Moreover, Swiss Life Germany checks the sustainability and recyclability of purchased products.

All companies in all locations that wish to work with Swiss Life ensure compliance with the standard statutory provisions. Evaluation of key suppliers and service providers is integrated in the Swiss Life Group risk management framework.

Swiss Life demands corrective action against any violations of agreed standards. The cooperation is terminated in the event of serious or repeated violations.

In France, Swiss Life commits to monitoring its strategic suppliers' environmental, social and ethical risks based on the EcoVadis methodology, which is derived from a framework of 21 corporate social responsibility criteria. The methodology is oriented towards leading and recognised standards, such as the Global Reporting Initiative (GRI), "UN Global Compact" and ISO 26000, and is supervised by an international scientific committee.

Swiss Life contractually asserts its right to conduct audits of suppliers and service providers. That includes requesting, for example, confirmation of ISO certification, the validity of such certification and analysis of the underlying reports.

At its Swiss location, Swiss Life also gives priority to products and services from companies that can prove they hold a certified environmental management system (ISO 14001 or EMAS) and a general quality certification (e.g. ISO 9001 or ISAE 3402).

When issuing tenders, Swiss Life France asks standard questions on any available rating results in the area of corporate responsibility and ISO certification and decides on a case-by-case basis whether certification is required as a basis for cooperation.

#### Group-wide principles for sustainable procurement

<p>Our standards as a consumer</p>	<ul style="list-style-type: none"> <li>✓ We treat our suppliers and service providers fairly</li> <li>✓ We communicate clearly and understandably</li> <li>✓ We are neutral</li> </ul>
<p>Our expectations of our suppliers and service providers</p>	<ul style="list-style-type: none"> <li>✓ Compliance with Swiss Life principles</li> <li>✓ Compliance with legal regulations must be assured at all times</li> <li>✓ Open and honest communication with the principal</li> </ul>
<p>Our expectations for products and services</p>	<ul style="list-style-type: none"> <li>✓ Satisfaction of Swiss Life's general expectations regarding the person, society and the environment</li> <li>✓ Environment-friendly distribution, transport and production appropriate to the product</li> </ul>

## *Responsibility in Society*

*Swiss Life promotes projects and institutions in the fields of culture, science, education and the environment and research that promote self-determination and confidence. Swiss Life also observes its socio-political responsibility through exchange with politicians and associations.*

Insurance companies are a crucial pillar of the economy, whether as employers, tax payers or investors. Furthermore, the insurance sector offers young people an attractive starting point for a career. With gross added value of CHF 30 billion in Switzerland, the insurance sector as a whole accounts for almost 5% of Switzerland's economic performance, a significant contribution.

But Swiss Life's economic contribution is much more than that. Swiss Life covers risks and, with its products and services, offers people the chance to focus on their strengths and skills and look to the future with confidence. At the same time, as a long-term investor, Swiss Life contributes to the stability of the financial centre. And in its role as one of Europe's leading institutional real estate investors and owner of Switzerland's largest private real estate portfolio, Swiss Life invests several hundred million francs every year in the renewal of its properties, and is thus also a key principal on the Swiss construction scene. By investing in its properties and with its active property management approach, Swiss Life shapes the urban character of Switzerland, creates residential and office space and makes the country an attractive place to live. As a tax payer, Swiss Life contributes to the economy and offers many people jobs and training opportunities.

Swiss Life's activity is of social relevance as well, since the consequences of the demographic trend are largely underestimated and pose new challenges. If people are living ever longer and state pension systems reach their limits, every single individual will have to take on greater personal responsibility for their own future provisions. At the same time, self-determination is a basic human need, and the source of the Swiss Life purpose: we enable people to lead a self-determined life.

## *Politics*

Swiss Life's operational environment is significantly defined by political and regulatory conditions. 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.

Public Affairs is responsible for monitoring matters of political significance, guiding and coordinating Swiss Life's positions on such matters both internally and externally, and strategically developing and expanding a network among the involved parties. The Political Communications Steering Committee is the relevant strategic body. Its members are the Group CEO and the Group CFO, the CEOs of divisions headquartered in Switzerland, General Counsel, the Chief Risk Officer and the head of Group Communications. The Head of Public Affairs manages this STC and provides operational leadership. The Steering Committee, chaired by the Group CEO, meets four times a year and defines its political communication priorities.

Swiss Life fosters contacts with representatives from the political, administrative and business communities as well as supervisory authorities. In its direct exchanges with political groups, Swiss Life aims to better understand their opinions, expectations and perceptions while at the same time gauging how the enactment or amendment of legal principles could affect its business.

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 around CHF 500 000. No (significant) support was provided to parties or politicians in the markets outside Switzerland. Dealings with politicians are 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.

Political work and communication in Switzerland, France and Germany are closely coordinated with trade associations. Moreover, a number of company executives are members of various national trade associations. Swiss Life Chairman of the Board Rolf Dörig serves as chairman of the Swiss Insurance Association (SIA). In addition, members of the Corporate Executive Board and Swiss Life employees work on various SIA committees.

Swiss Life France is a member of the French Insurance Federation (Fédération française de l'assurance, FFA), France's largest trade association in the insurance sector. The company is represented through a number of employees who actively participate in the committees for different insurance-related themes.

Swiss Life Germany is represented on the major committees of the German Insurance Association (GDV) and is a member of various associations of intermediaries. It is in regular professional dialogue with the AFW Bundesverband Finanzdienstleistung e.V. (German federal association of financial service providers) as well as with the Verband unabhängiger Finanzdienstleistungs-Unternehmen in Europa e.V. (Votum, an association representing the interests of financial service providers operating throughout Europe).

In 2018, Swiss Life further consolidated the position of Public Affairs within the Asset Managers division. One focus of this department is Swiss real estate policy.

Swiss Life is committed to promoting a competitive business location and appropriate regulation density in all its markets. That includes adequate capital requirements: excessive capital requirements are forcing Swiss life insurers to carry significantly higher operational capital costs than their foreign competitors.

Swiss Life is committed to the militia principle in Switzerland and supports its employees in the performance of public and political mandates. Swiss Life holds regular events for employees in Switzerland with public or political mandates. During the reporting year, Swiss Life organised for the third time an event known as “Transfer” in conjunction with Avenir Suisse, Swiss Re, Zurich Insurance Group, Helvetia and Axa. Over 60 mandate holders from different companies discussed current political issues at this event.



Renato Piffaretti, Head of Real Estate Switzerland at Swiss Life Asset Managers, gave his views on regulation in the residential market at the annual event for insurance professionals with public and political mandates.



## *Social and Cultural Engagement*

Swiss Life supports projects and institutions in the fields of culture, science, education and the environment and research, and operates seven of its own foundations. In all social activities of the Swiss Life Group, the focus is on projects that promote self-determination and confidence.

### **Switzerland**

In 2005, Swiss Life founded the “Perspectives” Foundation, which supports charitable initiatives in the fields of health, science, education, culture and sport and spends CHF 1.3 to 1.5 million every year on sociable-charitable projects in Switzerland. In 2018, 142 projects were supported with around CHF 1.4 million. All funds are made available in their entirety by the founder, Swiss Life.



The “Perspectives” Foundation supported among other things in 2018 an institution that distributes foodstuffs to the needy.  
© Silvia Bretscher

A second foundation Swiss Life runs in its home market of Switzerland is the Anniversary Foundation for Public Health and Medical Research, founded in 1957 on the occasion of the company’s centenary. It supports medical research projects and specific charitable organisations for people with physical and mental disabilities. Swiss Life has made annual donations to this foundation in the amount of some CHF 400 000 in recent years.

In addition to its foundation work, Swiss Life promotes Swiss film-making and helps artists follow their own path. For example, Swiss Life is committed to the Solothurn Film Festival, the Locarno Festival and the Zurich Film Festival. Moreover, Swiss Life in Switzerland supports classical music through its financial commitment to Tonhalle-Orchester Zurich, Zurich Opera House, the Lucerne Festival and the Davos Festival.

The Swiss Life Select distribution company operates the Foundation Confidence for Children in Switzerland, which aims to improve the life and development opportunities of disadvantaged children and give them a better chance at leading a self-determined and independent life. Among its key undertakings are two projects in Kyrgyzstan providing medical care to children with cleft lips and palates. The foundation is essentially supported by Swiss Life Select financial advisors and employees, who donated CHF 123 100 to the foundation in 2018. Swiss Life Select Switzerland pays all administrative costs.

Swiss Life Asset Managers has sponsored the “Swiss Life Thesis Award” for the past five years. The Award, presented in cooperation with the Institute for Financial Services Zug (IFZ), part of Lucerne University of Applied Sciences and Arts, and the business paper Finanz und Wirtschaft, provides a platform for innovative and practice-oriented research work at Swiss institutes of higher education. The best theses in the fields of financial investments, financial markets, financial services companies, financial instruments and corporate finance are singled out for awards each year. The Swiss Life Thesis Award comes to CHF 20 000 in total.

## France

In France, the company gives support to the Fondation Swiss Life, which supports among other groups France Alzheimer, an association that organises museum and concert visits for Alzheimer patients and their carers. Furthermore, thanks to a sizeable solidarity network within the company, it also finances cancer research carried out by the Institut Curie.



Alzheimer patients visit an exhibition at the Palais de Tokyo in Paris.

The Fondation Swiss Life supports culture and artistic work as well, with the “Prix Swiss Life à 4 mains” (Swiss Life Prize for 4 Hands), which brings together a photographer and a musician, or with concerts by young artists in the various regions of France. The Foundation also supports projects and associations in which Swiss Life employees are actively involved. The Fondation Swiss Life donated a total of around EUR 291 000 to all initiatives during 2018.

## Germany

With the Swiss Life Stiftung für Chancenreichtum und Zukunft (Foundation for opportunities and the future), Swiss Life Germany does its part for educational equity and equal opportunity in Germany. It works towards having as many people as possible – regardless of their social background – remain curious, acquire knowledge and, as a result, lead a self-determined life. The Foundation is mainly financed with donations from employees and financial consultants. Swiss Life Germany covers staff and administrative costs, thus allowing 100% of donation revenues to go towards pure project work. In 2018, in the second year of its existence, the Foundation was already able to donate EUR 120 500 to various initiatives.



For more self-determination: one of the Foundation's projects provides counselling to people in Germany with basic subsistence problems, and offers them new hope.

Swiss Life Germany also sponsors an event venue in Hanover, the Swiss Life Hall, where since 2005 there have been up to 100 concerts, sporting and corporate events held every year. The Swiss Life Hall has become a popular venue over the years and its reputation extends beyond Hanover.

Corpus Sireo, a German Company of Swiss Life Asset Managers, supports the charitable Cornelius Stiftung für Kinder suchtkranker Eltern (Foundation for children of parents suffering from addiction). The Foundation focuses on the advancement of children from underprivileged homes afflicted by addiction, and thus offers them better perspectives for the future. Its average yearly donation volume is EUR 100 000.

### **Other locations**

Swiss Life Select in Austria also runs a foundation under the name Stiftung Zuversicht für Kinder, which supported 16 local and international aid projects as well as medical aid in specific cases during the reporting year. Donations in the amount of EUR 58 800 were collected in the previous year, mainly from Swiss Life Select financial advisors. With their help and the support of partner companies, customers and private individuals, numerous children were given a new outlook on life. In addition, Swiss Life Select in Austria has for the past four years been the main sponsor of the “Junge Philharmonie Wien” (Vienna young people’s philharmonic orchestra).

In Luxembourg, employees of Swiss Life International initiated “Rock Against Cancer” five years ago, a benefit concert sponsored by Swiss Life Global Solutions. This annual event raises money for two foundations: Fondation Cancer Luxembourg and Fondation Kriibskrank Kanner (children with cancer). Both foundations are committed to fighting cancer. Although they were not founded by Swiss Life International, the foundations have been supported with donations for years.

## *Sport Sponsorship*

Swiss Life Switzerland has been a partner of the Swiss Football Association since 2004 and supports the men’s national teams (all teams from U-15s to the A-team) as well as the national women’s teams (all teams from U-16s to the A-team). As of the 2015/16 season, Swiss Life is also the general sponsor of ZSC Lions ice hockey club. The Lions are one of the biggest ice hockey clubs in Europe with a well-respected youth development programme.

Together with the distribution companies Swiss Life Select and Proventus, Swiss Life Germany supports mass sports for regional amateur clubs. The company is also a regular supporter of sporting occasions, such as the football benefit event “Münchener Legendenspiel”, the proceeds of which go to charitable organisations.

## *Responsibility for Employees*

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

The Swiss Life purpose, enabling people to lead a self-determined life, also provides the framework for performance-driven collaboration within the company. Building on this, Swiss Life offers its employees and management a work environment in which they can act with self-determination and personal responsibility and shape their professional career and further development in every phase of life.

A successful management and communication style is set out in the Swiss Life Group's people leadership competencies. Management and communication mean in day-to-day work the creation of credibility and trust, providing direction and perspective, and making goals reality together.

Swiss Life revised its behavioural principles in 2018. One of their focuses is self-determination and personal responsibility on the part of employees – qualities expected by the employees of themselves. Management give their employees confidence, provide them with competencies and responsibilities and encourage independent work and activities. The resulting autonomy has a positive effect on employee engagement and promotes innovation.

The following behavioural principles are valid for all Swiss Life Group employees as of January 2019:

- I think consistently from the customer's perspective.
- I collaborate effectively in the best interests of the company.
- I act in an efficient and goal-oriented way.
- I work in a committed and agile manner.
- I build trust.
- I pursue continual self-development.

The following principles are valid for management as of January 2019:

- I think and act in an exemplary manner and in the best interests of the company.
- I create meaning and understanding within the context of our purpose.
- I trust my employees.
- I encourage appreciative collaboration.
- I promote the development of my employees.
- I set and achieve ambitious goals.

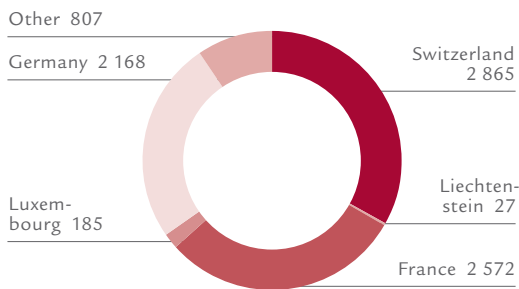
Group-wide standard processes are used to provide optimal support to managers and employees.

Swiss Life's management processes in overview:

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

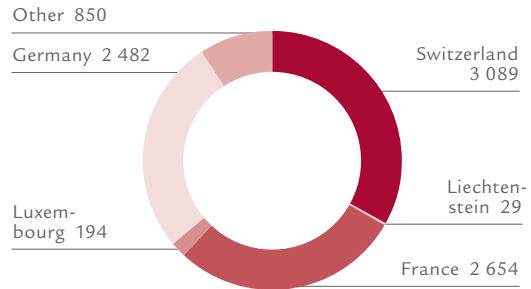
**Full-time equivalents by country**

Total 8 624 as at 31.12.2018



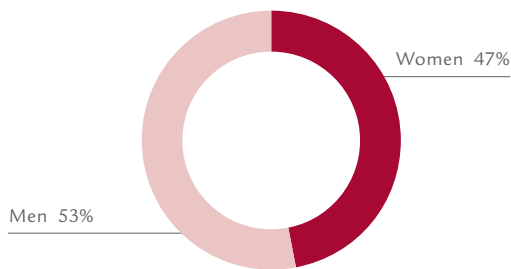
**Employees by country**

Total 9 298 as at 31.12.2018



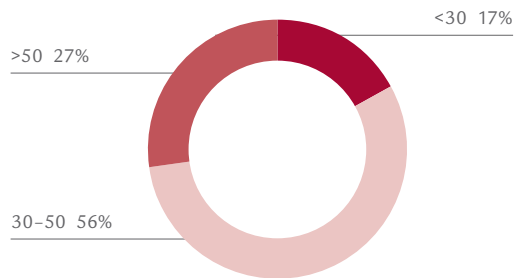
**Employees by gender**

Total 9 298 as at 31.12.2018



**Employees by age group**

Total 9 298 as at 31.12.2018



### Newly hired employees by gender per segment

Number as at 31.12.2018

	Men	in %	Women	in %
Switzerland	198	69.2	88	30.8
France	160	47.2	179	52.8
Germany	132	54.8	109	45.2
International	105	43.4	137	56.6
Asset Managers	198	49.9	199	50.1
Other	2	33.3	4	66.7
<b>TOTAL</b>	<b>795</b>	<b>52.6</b>	<b>716</b>	<b>47.4</b>

### Departures of employees by gender per segment

Number as at 31.12.2018

	Men	in %	Women	in %
Switzerland	188	74.6	64	25.4
France	171	48.3	183	51.7
Germany	114	51.3	108	48.7
International	109	46.6	125	53.4
Asset Managers	131	45.3	158	54.7
Other	2	66.7	1	33.3
<b>TOTAL</b>	<b>715</b>	<b>52.8</b>	<b>639</b>	<b>47.2</b>



## Employee engagement

The Swiss Life Group performs periodic employee surveys in cooperation with an independent research institute.<sup>1</sup> The last survey was carried out in 2017 and enjoyed a participation rate of 87% (+1 percentage point compared to the 2015 survey). At 86%, employee engagement at the Swiss Life Group is above average (+1 percentage point compared to the 2015 survey), 14 percentage points over the “Financial industry in Europe” external benchmark.

## Employer initiative – “Actively shaping your career”

Since 2016, Swiss Life has been publicly committed to the issue of a “self-determined life”. As part of this commitment, the company has been running its “Actively shaping your career” campaign over the past three years. The initiative aims to support employees as they optimally steer their professional lives throughout all phases of their career. To this end, three success factors have been identified: “Ensuring employability through constant development”, “Valuing and exploiting diversity” and “Maintaining long-term work ability”. These three focuses will ensure that employees’ individual resources are enhanced while at the same time various operational demands and personal requirements are taken into account and harmonised with one another during the various phases of an employee’s professional and personal life. That is how Swiss Life meets the current and future challenges of the working world. By the end of 2018, all of the initiative’s measures had been implemented according to plan at the Swiss location, and implementation is also well under way in the divisions. The measures include:

### “Ensuring employability through constant development”

- Continuous training and development for employees of all ages
- Systematic career analyses and situation reviews for employees of all ages
- Enabling part-time work in old age

### “Valuing and exploiting diversity”

- Flexible working hours and sites offered
- Promoting cooperation among generations
- Childcare offerings and support for those caring for relatives

### “Maintaining long-term work ability”

- Offering time-out models
- Diverse range of offerings for the promotion and maintenance of health
- Social counselling offers

<sup>1</sup> Ipsos (Switzerland) SA, 2017

## *Training & Development*

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

In France, for example, all employees have received training on the topic of “digitalisation”. The initiative, the brainchild of the “Fédération française de l’assurance”, intends to train employees in the use of digital communication and teach them tips and tricks for their work in the digital age. Since the so-called “Digital Passport” received by participants is recognised in the industry, this measure also serves to maintain employability.

Swiss Life International launched its “Self-Career Management” programme at all locations in 2018, intended to sensitise employees to the continuous evolution of professional demands. To this end, regular assessments and coaching sessions are held featuring constructive consulting to allow employees to keep up to date with the times in a strategic and responsible manner.

Young employees with potential have the opportunity to undertake all sorts of vocational courses, apprenticeships, placements, graduate programmes and combined university degrees. An average of around 350 employees (apprentices and trainees) take part in the courses offered every year. The Swiss Life Group employs this measure to help ensure its future management and professional requirements. The rate of transfers to a continuing employment relationship is 80% on average.

Expenses for training and development within the Group amount on average to CHF 28 million (including around CHF 9.5 million for staff in training), or some CHF 2080 per employee annually. As a proportion of staff costs, the outlay for training and development is approximately 2%. The investment is earmarked for a varied, needs-based training offering.

Supplementary to the classic training options, learning content is also offered on a digital platform to allow management and employees to add to their training without regard to time or place. The platform permits quick access to standardised management processes, skills-oriented training and other topics associated with social and methodological skills. Swiss Life enhances these offerings with customised training, advising and coaching.

## *Talent Development*

Swiss Life provides targeted support to junior staff with potential. For example, employees displaying a high level of performance and potential are nominated each year for a talent programme. The initiative supports efforts to open up career paths within the company – in management, project management or specialist functions. This lays the groundwork for key positions to be filled with budding and qualified young managers from within the company.

The talent pools in the individual divisions 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.

The Key Persons Programme (KPP) is intended for Swiss Life Group management, specialists and project managers who are already in a key function or show potential for such a function. The aim of the Group-wide 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 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 most important business areas within the Swiss Life Group, give and receive new impulses and apply what they have learnt to their daily work. The KPP's four focus themes are as follows:

- Personnel management and communication
- Finance
- Innovation
- Corporate strategy

Alumni of the Key Persons Programme meet the participants every year at the “Shaping the Future Day”, at which the strategy and implementation status of the current Group-wide programme are discussed in detail with the Corporate Executive Board.

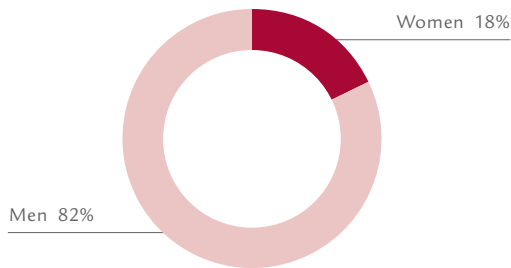
## Well-Being

Mutual respect is the precondition for a work environment based on trust, in which employees are comfortable. Personal well-being, which includes the aspects of diversity and inclusion, work-life balance, mutual respect, workload and workplace atmosphere, was also a topic of the last Employee Survey, carried out in 2017. 83% of employees gave these factors an overall positive rating. This value is 11 percentage points over the “Financial industry in Europe” external benchmark.

Equal opportunities and non-discrimination are also observed on a daily basis at Swiss Life, with 89% of employees saying they feel very respected in their team (+3 percentage points over 2015). This value is 12 percentage points over the “Financial industry in Europe” external benchmark.

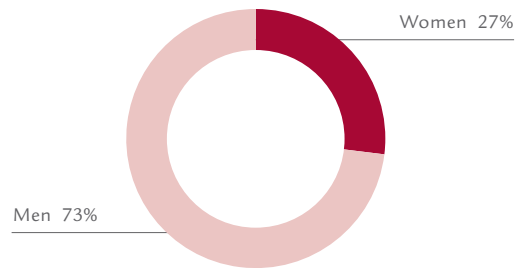
Board of Directors by gender

Total 11 as at 31.12.2018



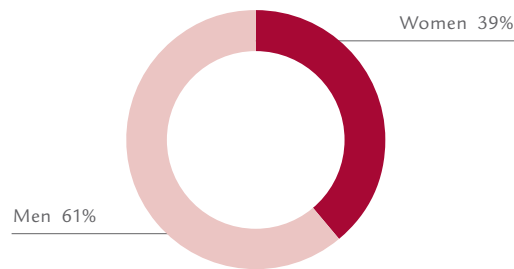
Employees with management functions by gender

Total 1 568 as at 31.12.2018



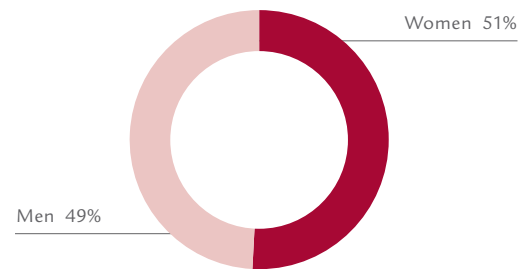
Employees with rank by gender (management and senior management)

Total 4 370 as at 31.12.2018



Employees without management functions by gender

Total 7 730 as at 31.12.2018



Swiss Life employs a number of specialists with great sector-specific knowledge and ability. Both managers and specialists are of prime importance to the corporate success of Swiss Life.

The fostering of both female and male employees as part of diversity activities is thus reflected not only in the careers of managers, but also in those of specialists.

The principles by which we work together at the Swiss Life Group are set down in the Code of Conduct, valid Group-wide. Swiss Life offers its employees a work environment characterised by respect and esteem. 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.

The Swiss Life competency model valid for all employees is applied to the Group-wide management processes. It was comprehensively revised and updated in 2018. The competency model sets out among other things responsible behaviour, particularly as regards compliance standards, laws and risks. Employees are regularly informed about the legal framework in which they operate, backed up by training courses to ensure they behave with integrity and in conformity with the law. Swiss Life has established management processes and informal channels (e.g. an Ombudsman managed by a third party) for reporting and dealing with cases of discrimination or complaints.

### Fair employment procedures free of discrimination

In accordance with valid national and international law, the Swiss Life Group follows fair employment procedures free of discrimination. Recruitment or promotion is based exclusively 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 has used processes and instruments for a number of years in all its national companies to review and ensure equal pay for men and women. In Switzerland, for example, Logib software from the Federal Office for Gender Equality is used to review equal treatment. This year's review, with the involvement of the staff committee, indicates no significant deviations among the functional groups under analysis.

### Employees by contract type

Total 9 298 as at 31.12.2018

	Men	in %	Women	in %	Total in %
Employees full-time	4 596	59	3 174	41	84
Employees part-time	345	22	1 183	78	16
Permanent employment contracts	4 171	46	4 832	54	97
Temporary employment contracts	103	35	192	65	3

## *Health and Security*

The Swiss Life Group aims to ensure and maintain a safe and healthy working environment for all employees. The nature of the work it performs as a service provider means that general health and safety risks are relatively low in a service provider like Swiss Life. The framework conditions for health and security at the workplace are provided by the local regulatory measures governing each Swiss Life company. Furthermore, all companies implement measures and initiatives aimed at preserving employee health.

### **Occupational safety and health management**

Security at the workplace (fittings, work stations, instructions) is continuously monitored and adapted to changing requirements.

Good working conditions influence employee health. Swiss Life supports this strategically by promoting uniform work structuring, providing a variety of tasks, fostering social interaction, enabling autonomy, room to manoeuvre and learning and development opportunities, ensuring meaningfulness and showing appreciation for its employees and their performance and contributions.

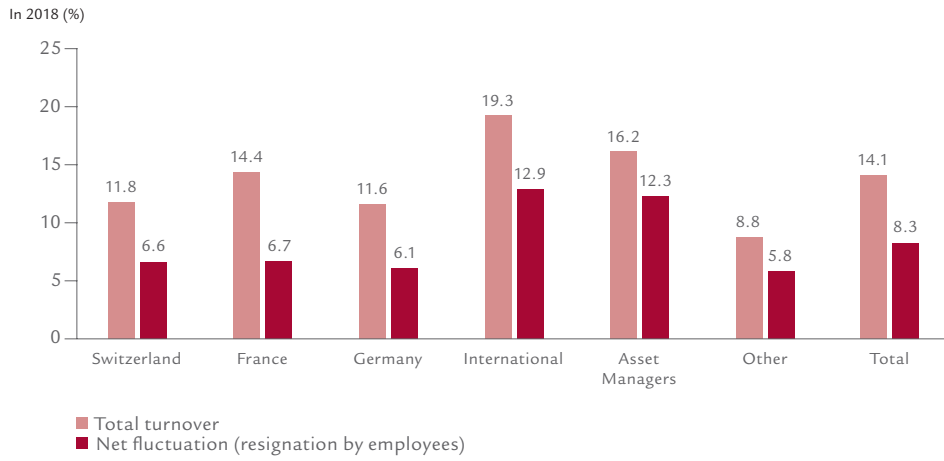
The measures to maintain employee health, promote good working conditions and prevent incapacity to work are based on three pillars:

- Prevention
- Early intervention
- Reintegration

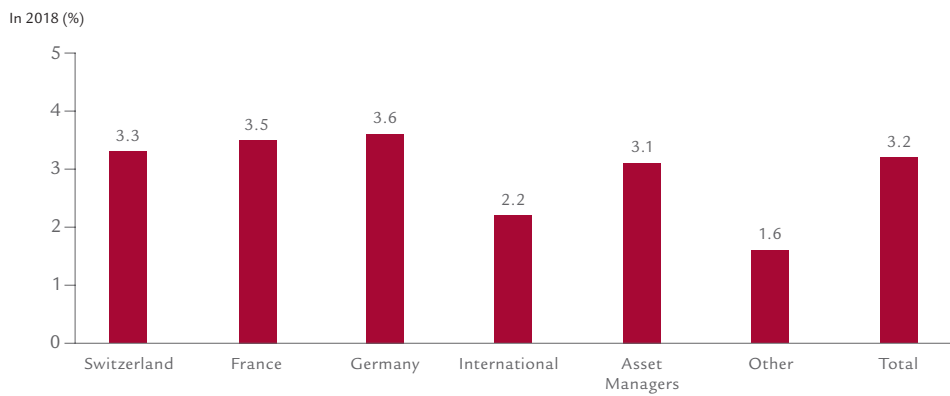
All employees of the Swiss Life Group have access to online offerings consisting of text content, short videos, checklists and learning programmes on the topic of “Health and well-being”, which they can use anytime and anywhere they like. The topics on the online platform are divided among three groups: meaningfulness, dealing with stress and dealing with others (line managers, colleagues).

In addition, the divisions – in collaboration with their social partners – provide supplementary services in movement and sport, massages and therapy, relaxation rooms and all types of consulting, such as nutritional and social counselling and prevention.

### Turnover by segment



### Absences by segment



## *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 (pursuant to EU Directives 94/45/EC and 2009/38/EC).

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. The focuses in 2018 were: Strategy 2021, personnel management, digitalisation and employee qualification, the new competency model, performance testing, employee surveys, compensation, maintenance of employee marketability, diversity and inclusion, promotion of health and well-being.

What is more, Swiss Life maintains local employee representation in numerous countries as legally required.

### **Number of agreements signed**

#### **Switzerland**

Swiss Life Switzerland

- The agreement concerning simplified recording of working hours, which entered into force on 1 April 2016, was formally confirmed at the annual review and will be continued.
- In 2018 the staff committee continued to work on various sub-projects of the “Actively shaping your career” initiative.
- As part of the 2019 salary review, the staff committee made a formal application to the Executive Board for a salary increase.
- The regulations of the staff committee of Swiss Life Ltd in Switzerland were specified in certain particulars and amended as needed, at the behest of the staff committee. They enter into effect on 1 January 2019.
- The staff committee initiated the revision and expansion of the guideline for the protection of non-smokers (entry into force on 1 January 2019), proposed building measures to better define smoking areas and supported raising awareness of the issue among employees.



## France

Swiss Life France

A total of 13 agreements were reached in 2018:

- Three annual wage negotiations 2018 (NAO): salary agreements
- Agreement on electronic voting
- Third addendum to the hotline agreement to ensure attention to the special requirements of Customer Services
- Addendum to the agreement on trade union rights
- Agreement on the reimbursement of healthcare costs
- Agreement on distribution of profits
- Agreement on the functioning of employee representation bodies
- Agreement on trade union rights
- Agreement on the recognition of an economic and social entity (UES)
- Pre-electoral agreement

Asset Managers France

Swiss Life Asset Management Ltd

- Mobile Office agreement

Swiss Life Real Estate Management SA

- Agreement on distribution of profits
- Confirmation of the staff committee

## Germany

Swiss Life Germany

In spring 2018, cyclical elections were held in Germany for the various Works Council committees.

- In addition to various adjustments to the works agreements due to the GDPR, the Works Council made a strong commitment to health management and, via its health team in cooperation with HR, is further expanding its comprehensive portfolio of health campaigns.
- As part of the principles of remuneration, the Works Council and the employer renegotiated salary adjustments. The result of the negotiations reflects both the cost factor and the salary adjustment due to cost of living.
- The VertriebsWerk programme in intermediary distribution takes strategic challenges of the future into account. It was necessary to conclude a reconciliation of interests and a redundancy agreement in order to implement the measures. The parties carried out negotiations and implementation constructively and with an eye to the relevant requirements.

Asset Managers Germany

The following works agreements were reached in 2018 for Swiss Life Asset Management GmbH and Swiss Life Invest:

- Mobile Office
- Team portfolio
- Calculation of variable compensation (bonus payment) for 2017
- Basic salary adjustment process for non-management, non-pay-scale employees

### Corpus Sireo

#### Works agreements 2018:

- Regulation concerning working hours at Corpus Sireo
- Dealing with working time regulations from old contracts prior to 1 July 2017
- Mobile Office
- Supplementary framework conditions for employment relationships at Corpus Sireo
- Voluntary social security benefits – Spendit Card
- MITE project time recording
- Deployment and use of “Competence Booster” at Corpus Sireo
- Company framework agreement IT

### Luxembourg

#### Swiss Life Luxembourg

In the Luxembourg financial sector as well as in the insurance sector, salary agreements are agreed at sector level. A new agreement was signed between employee and employer representatives in June 2018. The most recent negotiations concerned two objectives, supported by both parties:

- Maintaining the competitive position enjoyed by the Luxembourg insurance sector on the labour market, especially in times in which financial institutions have decided, owing to Brexit, to move their activities to Luxembourg or to expand into Luxembourg
- Ensuring appropriate investment in the retraining of insurance workers and adapting skills to future workplace demands

#### Asset Managers Luxembourg

The staff committee of Swiss Life Fund Management (LUX) S.A. met a total of six times in 2018. Three of these meetings featured a conversation with the Executive Board. The staff committee also organised several employee events. No formal agreements were reached between the staff committee and the Executive Board in 2018.

### Number of Works Council members broken down by full-time and part-time

#### Switzerland

##### Swiss Life Switzerland

Nine members; the chairwoman enjoys up to 20% work dispensation for work on the staff committee, the vice chairwoman up to 15% and the members up to 10%.

#### France

##### Swiss Life France

61 part-time members

##### Swiss Life Asset Managers France

##### Swiss Life Asset Management Ltd

A total of six members since 10 March 2016, of whom none has dispensation.

##### Swiss Life Real Estate Management SA

Eleven members since 27 April 2018, of whom none has dispensation.

**Germany**

## Swiss Life Germany

The Works Council Internal Services (responsible for the German branch in Garching as well as Swiss Life Partner GmbH and Schweizer Leben PensionsManagement GmbH) is composed as follows:

- Eleven members, of whom the Works Council chair with 100% work dispensation for Works Council activities.

The Works Council Sales Force is responsible for intermediary distribution at the branch office and is composed as follows:

- Seven persons, of whom none has dispensation.

The Central Works Council as the overarching body of all operations consists of five persons (2 representatives of Works Council Internal Services, 2 representatives of Works Council Sales Force, 1 representative of the severely handicapped). The Central Works Council chair is also chair of the Works Council Internal Services, member of the business committee and national representative to the Europa Forum.

## Asset Managers Germany

In March 2018, the workforces of Swiss Life Asset Management GmbH and Swiss Life Invest elected their own Works Council, consisting of three Works Council members. All members work without dispensation.

## Corpus Sireo

The Works Council of Corpus Sireo Real Estate GmbH consists of eleven members, one member with 100% work dispensation (Works Council chair), all other members without dispensation.

**Luxembourg**

## Swiss Life Luxembourg

The number of employee representatives and the time required for their work are directly proportional to the number of employees. In the Global Solutions area in Luxembourg the future employee representation consists of five ordinary representatives and five deputies. The employee representatives have at their disposal 16 hours a week to exercise their mandate.

The Swiss Life Products team in Luxembourg has reached the threshold of 15 employees and will thus elect its own employee representation in 2019.

## Asset Managers Luxembourg

The staff committee of Swiss Life Fund Management (LUX) S.A. consists of two active delegates, two deputy delegates and one security delegate. All delegates work without dispensation.

## *Environmental Responsibility*

*The Swiss Life Group cares for the environment and aims to continuously reduce its carbon footprint. To this end, Swiss Life now depends on Group-wide goals for operational ecology.*

Swiss Life set out Group-wide goals for operational ecology in 2018. This measure is intended to shore up Swiss Life's efforts to make an active contribution to climate protection and to the reduction of CO<sub>2</sub> contamination. At the same time, the company also wants to further increase employee awareness of environmental and climate protection and has introduced measures to enhance operational ecology and environmental management in its own activities.

### **Operational ecology goals of the Swiss Life Group**

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#### **Overarching operational ecology objective**

In its operational ecology, Swiss Life focuses on climate protection and aims to continuously reduce its carbon footprint.

#### **Greenhouse gas**

Swiss Life wants to reduce its greenhouse gas emissions by 10% by 2021.

#### **Electricity**

Swiss Life wants to increase the share of electricity it uses in its buildings from renewable energy sources with an eye to reaching 100% by 2021.

#### **Fossil fuels**

Swiss Life wants to continuously reduce its use of fossil fuels in its business premises within its investment cycles.

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### **Operational ecology indicators**

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). Its annual data collection allows Swiss Life to determine where progress has been made, where risks lie and where steps must be taken. The VfU key figures conform to the international Greenhouse Gas Protocol (Scope 1, 2 and 3) standards, and thus to the CDP (formerly Carbon Disclosure Project) as well. The data are gathered, evaluated and analysed across the Group. All the major Swiss Life locations have environmental officers and the individual divisions work closely together.

## Absolute environmental indicators

	2018	2017	2016 <sup>1</sup>
TOTAL ENERGY CONSUMPTION (IN MWH)	49 500	47 819	49 075
Electricity (in MWh)	32 011	31 557	33 501
Heating (in MWh)	15 933	14 759	13 965
District heating/cooling (in MWh)	1 556	1 503	1 609
RENEWABLE ELECTRICITY (IN MWH)	15 890	17 868	13 905
Proportion of renewable electricity (in %)	50	57	42
BUSINESS TRAVEL (IN MILLION KM)	68.8	63.1	62.0
PAPER CONSUMPTION (IN T)	934	1 031	1 084
Proportion of paper with FSC label (in %)	66	63	60
WATER CONSUMPTION (IN M <sup>3</sup> )	100 940	84 361	73 677
WASTE (IN T)	1 009	1 132	1 002
WASTE RECYCLING (IN T)	542	655	613
Waste recycling (in %)	54	58	61
TOTAL GREENHOUSE GAS EMISSIONS (IN T)	24 436	22 788	26 647
Greenhouse gas emissions Scope 1 (CO <sub>2</sub> equivalents in t)	9 341	8 667	8 660
Greenhouse gas emissions Scope 2 (CO <sub>2</sub> equivalents in t)	3 439	2 935	6 578
Greenhouse gas emissions Scope 1 and 2 (CO <sub>2</sub> equivalents in t)	12 780	11 601	15 239
Greenhouse gas emissions Scope 3 (CO <sub>2</sub> equivalents in t)	11 656	11 186	11 408

## Relative environmental indicators per full-time position (FTP)

	2018	2017	2016 <sup>1</sup>
TOTAL ENERGY CONSUMPTION (IN KWH/FTE)	5 614	5 823	6 098
Electricity (in KWh/FTE)	3 631	3 843	4 163
Heating (in KWh/FTE)	1 807	1 797	1 735
District heating/cooling (in KWh/FTE)	176	183	200
RENEWABLE ELECTRICITY (IN KWH/FTE)	1 802	2 176	1 728
BUSINESS TRAVEL (IN KM/FTE)	7 804	7 686	7 709
PAPER CONSUMPTION (IN KG/FTE)	106	126	135
WATER CONSUMPTION (IN M <sup>3</sup> /FTE)	11	10	9
WASTE (IN KG/FTE)	114	138	125
WASTE RECYCLING (IN KG/FTE)	61	80	76
TOTAL GREENHOUSE GAS EMISSIONS (IN KG/FTE)	2 771	2 775	3 311
Greenhouse gas emissions Scope 1 (CO <sub>2</sub> equivalents in kg/FTE)	1 059	1 055	1 076
Greenhouse gas emissions Scope 2 (CO <sub>2</sub> equivalents in kg/FTE)	390	357	817
Greenhouse gas emissions Scope 1 and 2 (CO <sub>2</sub> equivalents in kg/FTE)	1 449	1 413	1 893
Greenhouse gas emissions Scope 3 (CO <sub>2</sub> equivalents in kg/FTE)	1 322	1 362	1 418

<sup>1</sup> Following the recording of environmental data in 2018, minor corrections were also made to the assessment of the 2016 data.

With the acquisition of new companies, the Swiss Life Group's greenhouse gas emissions increased by 7% in 2018, although emissions per employee remained stable. And, while the absolute consumption of energy and water, as well as the absolute volume of business travel, also increased due to business development, relative consumption per employee basically remained stable. Paper consumption, on the other hand, is also being affected by digitalisation at Swiss Life, having declined continuously in recent years, in 2018 absolutely by 10% and per employee by 16% compared to the previous year.

## Local initiatives and focuses

### Switzerland

In Switzerland, Swiss Life is a member of the Zurich Energy Model and has been drawing all its electricity from renewable energy sources for over ten years. This has enabled the company to reduce its annual greenhouse gas emissions by over 1300 tonnes. With its energy model, Swiss Life has pledged to improve energy efficiency at its Zurich location by 1.76% every year until 2020. Swiss Life's head office is practically CO<sub>2</sub> neutral. Since the early 1990s, the building has been cooled with water from Lake Zurich. Around three years ago, the system was further developed to make use of lake water for heating as well, by means of a heat pump. Over 95% of the building's heating needs are now supplied in this fashion. All the sanitary facilities at both Zurich locations are equipped with water-saving installations, which allows Swiss Life Switzerland to save some three million litres of water each year. Rainwater has also been one of the water sources used for the sanitary facilities since 1999. All printers and copiers use paper with FSC label from environmentally and socially friendly forestry. Employees are instructed to keep their paper consumption to a minimum.

Swiss Life wants to make an active contribution to climate protection through operational ecology, for which reason it set up the Swiss Climate Foundation in 2008 in cooperation with other Swiss companies. The foundation supports SMEs in becoming more energy efficient and reducing their CO<sub>2</sub> emissions.

### France

Theme days are held regularly in France, with an eye to sensitising employees to environmental protection. In 2018, employees were urged to take part in campaigns focusing on waste sorting.

The greatest proportion of greenhouse gas emissions in France is still from business travel. An Employee Survey was carried out in 2018 on the topic, whose findings have been evaluated by working groups and transformed into proposed measures. Thus for instance the working groups have proposed in future setting greater store by video conferences and "Mobile Office" and suggested enlarging the proportion of ecologically friendly vehicles in the company's fleet. The measures proposed are being subjected to more detailed analysis in 2019 and implemented where possible.

Moreover, in November 2018, Swiss Life France switched to 100% electricity from renewable energy sources in all its business premises (previous year: 0%).

### Germany

In Germany, the two main Swiss Life 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 efforts to reduce CO<sub>2</sub> emissions and save resources. Swiss Life uses green electricity at both branches.

Swiss Life Germany has also been represented in the Klima-Allianz der Stadt Hannover (Climate Alliance of the City of Hanover) network for over ten years and undertakes, in cooperation with other companies, to reduce CO<sub>2</sub> emissions and increase energy efficiency in urban areas.

Corpus Sireo, a German company of Swiss Life Asset Managers, is gradually switching its business premises to 100% electricity from renewable energy. The company is also implementing measures in its motor pool to help improve its carbon footprint.

### Swiss Life International

At Swiss Life International, with offices in Liechtenstein, Luxembourg, the UK, Austria, the Czech Republic and Singapore, all areas work in modern, energy-efficient office buildings. Optimal workspace occupancy and digitalisation measures help to consistently reduce the company's environmental impact. Employees are sensitised about keeping their paper consumption and generation of waste to a minimum. Furthermore, the number of parking spaces is limited to encourage staff to use public transport, and thus to help reduce CO<sub>2</sub> emissions.

### Carbon Disclosure Project

Since 2011, the Swiss Life Group has taken part in the CDP (formerly Carbon Disclosure Project) survey. The CDP is an independent charitable organisation which holds the world's most comprehensive collection of corporate information on climate change. In its first submission, Swiss Life scored 70 out of 100 index points for transparency (climate disclosure score). In 2018, Swiss Life was rated B-, a slight improvement over the previous year (2017: C).

# GRI Content Index



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GRI 102-4	Location of operations	p. 5
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GRI 102-10	Significant changes to the organisation and its supply chain	p. 41
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REPORTING PRACTICE		
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GRI 102-47	List of material topics	p. 86
GRI 102-48	Restatements of information	No significant changes
GRI 102-49	Changes in reporting	No significant changes
GRI 102-50	Reporting period	01.01.-31.12.2018
GRI 102-51	Date of most recent report	CR Report 2017, published in May 2018
GRI 102-52	Reporting cycle	Annual
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GRI 102-56	External assurance	None

The GRI is reviewing for the Materiality Disclosures Service whether the GRI Content Index is clearly displayed and whether the references of items 102-40 to 102-49 correspond with the relevant contents of the Report.



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GRI 203: 2016	INDIRECT ECONOMIC IMPACTS		
GRI 103: 2016 103-1/103-2/103-3	Management approach	p. 108	
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GRI 403-2	Injuries, occupational diseases, lost days and work-related fatalities	p. 125	Other key figures being established
GRI 403-4	Health and safety topics covered in formal agreements with trade unions	p. 124	

TOPIC-SPECIFIC STANDARDS		Page number in Annual Report 2018	Omission
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GRI 404-3	Percentage of employees receiving regular performance and career development reviews	p. 117	
GRI 405: 2016	DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: 2016 103-1/103-2/103-3	Management approach	p. 122-123	
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GRI 405-2	Ratio of basic salary and remuneration of women to men	p. 123	
GRI 406: 2016	NON-DISCRIMINATION		
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GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	p. 99	
GRI 419: 2016	SOCIOECONOMIC COMPLIANCE		
GRI 103: 2016 103-1/103-2/103-3	Management approach	p. 97-99	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	p. 99	

## Key Sustainability Indicators

Topic	Metric	2018	2017	2016	2015	Reference
<b>ENVIRONMENT</b>						
<b>GHG EMISSIONS</b>						
	Total GHG emissions (in 1000 t)	24.44	22.79	26.65 <sup>1</sup>	26.23	AR, p. 131
	Scope 1 emissions (in 1000 t)	9.34	8.67	8.66 <sup>1</sup>	8.46	AR, p. 131
	Scope 2 emissions (in 1000 t)	3.44	2.94	6.58 <sup>1</sup>	6.42	AR, p. 131
	Scope 3 emissions (in 1000 t)	11.66	11.19	11.41 <sup>1</sup>	11.35	AR, p. 131
	Targets to reduce GHG emissions	yes	yes	yes	yes	
<b>ENERGY</b>						
	Total energy consumption (in 1000 MWh)	49.50	47.82	49.08 <sup>1</sup>	52.28	AR, p. 131
	Electricity used (in 1000 MWh)	32.01	31.56	33.50 <sup>1</sup>	35.16	AR, p. 131
	Renewable energy used (in MWh)	15.89	17.87	13.91 <sup>1</sup>	15.63	AR, p. 131
	Targets to reduce energy consumption	yes	yes	yes	yes	AR, p. 131
<b>WATER</b>						
	Total water use (in 1000 m <sup>3</sup> )	100.94	84.36	73.68 <sup>1</sup>	79.62	AR, p. 131
<b>WASTE</b>						
	Total waste (in 1000 t)	1.01	1.13	1.00 <sup>1</sup>	1.35	AR, p. 131
	Paper consumption (in 1000 t)	0.93	1.03	1.08 <sup>1</sup>	1.21	AR, p. 131
	Share of paper with FSC label	66%	63%	60% <sup>1</sup>	54%	AR, p. 131
<b>CLIMATE CHANGE VULNERABILITY</b>						
	Climate change listed as a business risk factor	yes	yes	yes	yes	AR, p. 86, p. 100–104, p. 130–133
	Participation CDP (formerly Carbon Disclosure Project)	yes	yes	yes	yes	AR, p. 130–133
<b>ENVIRONMENTAL POLICIES &amp; INITIATIVES</b>						
	Energy efficiency policy	yes	yes	yes	yes	AR, p. 130
	Emissions reduction initiatives	yes	yes	yes	yes	AR, p. 86, p. 90–91, p. 101–104, p. 130–133
	Guidelines for environmental assessment of suppliers	yes	yes	yes	yes	AR, p. 105–107
	Green building policy	yes	yes	yes	yes	AR, p. 86, p. 101–104, p. 130–133
	Waste reduction policy	yes	yes	yes	yes	
	Climate change opportunities discussed	yes	yes	yes	yes	AR, p. 86, p. 100–104, p. 130–133
	Risks of climate change discussed	yes	yes	yes	yes	AR, p. 86, p. 100–104, p. 130–133
	Environmental information verified	no	no	no	no	

<sup>1</sup> Following the recording of environmental data in 2018, minor corrections were also made to the assessment of the 2016 data.

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Topic	Metric	2018	2017	2016	2015	Reference
<b>SOICAL</b>						
<b>HEALTH &amp; SAFETY</b>						
	Health and safety policy	yes	yes	yes	yes	AR, p. 124–125
	Health and safety policy is group-wide	yes	yes	yes	yes	AR, p. 124–125
	Workforce absences employees, total	3.2%	3.1%	2.8%	2.7%	AR, p. 125
	Workforce absences per segment	yes	yes	yes	yes	AR, p. 125
<b>EMPLOYMENT</b>						
	Total number of employees	9298	8457	7801	7595	AR, p. 117
	Total number of part-time employees	1528	1380	1285	n/a	AR, p. 123
	Employee turnover	8.3%	8.1%	6.3%	7.5%	AR, p. 118, p. 125
	Major layoffs in the last three years (affecting 10% of staff or over 1000 employees)	no	no	no	no	
	Major merger or acquisition in the last three years (affecting large proportion of staff)	no	no	no	no	
<b>LABOUR &amp; HUMAN RIGHTS</b>						
	Company monitors employee satisfaction on a regular basis	yes	yes	yes	yes	AR, p. 119
	UN Global Compact Signatory	yes	no	no	no	AR, p. 80, p. 84
	Human rights policy	yes	yes	yes	yes	AR, p. 80, p. 84, p. 86–87, p. 97–99, p. 100–101, p. 105–107
<b>TRAINING &amp; HUMAN CAPITAL DEVELOPMENT</b>						
	Costs spent for training per employee (in CHF)	2080	2082	2034	1749	AR, p. 120
	Formal talent pipeline development strategy (forecasts hiring needs, actively develops new pools of talent)	yes	yes	yes	yes	AR, p. 121
	Graduate/trainee apprenticeship program	yes	yes	yes	yes	AR, p. 120–121
	Job-specific development training programs	yes	yes	yes	yes	AR, p. 120–121
	Leadership training and skills development	yes	yes	yes	yes	AR, p. 120–121
<b>SUPPLY CHAIN</b>						
	Guidelines for social assessment of suppliers	yes	yes	yes	yes	AR, p. 105–107
	Sustainable supplier guidelines encompassing ESG areas that are publicly disclosed	yes	yes	yes	yes	AR, p. 105–107
<b>PHILANTHROPY</b>						
	Company has foundations	yes	yes	yes	yes	AR, p. 111–115
	Total Group-wide spending on foundations (in CHF million)	2.6	2.5 <sup>1</sup>			AR, p. 111–115
<b>ANTI-CORRUPTION/ETHICS</b>						
	Business ethics policy	yes	yes	yes	yes	Code of Conduct
	Anti-bribery/pecuniary policy	yes	yes	yes	yes	Anti-bribery policy: Code of Conduct
	Anti-corruption policy	yes	yes	yes	yes	Code of Conduct
	Employee protection/Whistleblower policy	yes	yes	yes	yes	Code of Conduct
	Board oversight of anti-corruption/ethics	yes	yes	yes	yes	AR, p. 33 and Swiss Life Holding Ltd, Articles of Association, Article 11
	Employee training on anti-corruption/ethics	yes	yes	yes	yes	AR, p. 97–99
<b>DIVERSITY &amp; INCLUSION</b>						
	Women in workforce	47%	45%	45%	45%	AR, p. 117
	Women in management	27%	25%	25%	n/a	AR, p. 122
	Equal opportunity policy	yes	yes	yes	yes	AR, p. 123

<sup>1</sup> A more detailed survey now includes the expenses for a total of seven foundations. As a result, the 2017 value had to be corrected upwards.

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Topic	Metric	2018	2017	2016	2015	Reference
<b>RESPONSIBLE INVESTMENT - INTEGRATION</b>						
	Exclusion criteria exist	yes	yes	yes	yes	AR, p. 100-101
<b>RESPONSIBLE INVESTMENT - PARTICIPANT OR SIGNATORY</b>						
	Principles for Responsible Investment (PRI)	yes	no	no	no	AR, p. 80, p. 84
<b>UNDERWRITING RISK MANAGEMENT</b>						
	Obesity and emerging health issues listed as a business risk factor	yes	yes	yes	yes	AR, Notes of the Consolidated Financial Statements, Note 5 "Risk management policies and procedures" and Note 5.5 "Insurance risk management objectives and policies"
	Aging population and demographic change listed as a business risk factor	yes	yes	yes	yes	AR, Notes of the Consolidated Financial Statements, Note 5 "Risk management policies and procedures" and Note 5.5 "Insurance risk management objectives and policies"
<b>PRIVACY &amp; DATA SECURITY</b>						
	Data privacy policy	yes	yes	yes	yes	AR, p. 76-78, p. 97-99 Code of Conduct
<b>CUSTOMER PRIVACY POLICY</b>						
	Company has customer privacy policy	yes	yes	yes	yes	AR, p. 76-78, p. 97-99 Code of Conduct and further directives
	Provide means for verifying and correcting individuals' data	yes	yes	yes	yes	Applicable law and internal guidelines
	Prevents unauthorised access to personal data	yes	yes	yes	yes	AR, p. 76-78, p. 97-99
<b>GOVERNANCE</b>						
<b>BOARD OF DIRECTORS</b>						
	Total directors	11	11	11	11	AR, p. 33, p. 122
	Board independence	100%	100%	100%	100%	AR, p. 32-33
	Board duration (years)	7	7	7	6	AR, p. 33
	CEO duality	no	no	no	no	AR, p. 32
	Independent chairperson	yes	yes	yes	yes	AR, p. 32
	Former CEO or equivalent on Board	yes	yes	yes	yes	AR, p. 34
	Voting shares held by largest shareholders or block	>5%	>5%	>5%	>5%	AR, p. 27-28
<b>BOARD &amp; EXECUTIVE DIVERSITY</b>						
	Number of women on Board	2	2	2	2	AR, p. 33
	Women on Board	18%	18%	18%	18%	AR, p. 122
	Director average age	58	59	60	59	AR, p. 34-40
	Stated commitment to Board diversity	yes	yes	yes	yes	AR, p. 34-40
<b>CSR GOVERNANCE</b>						
	CSR/Sustainability committee	yes	yes	yes	yes	AR, p. 82
<b>COMPENSATION</b>						
	CEO total summary compensation (in CHF million)	4.3	3.4	3.8	3.6	AR, p. 65-66
	Clawback policy	yes	yes	yes	yes	AR, p. 57-59, p. 257-258
	Equal remuneration policy	yes	yes	yes	yes	AR, p. 53
<b>OWNERSHIP &amp; CONTROL</b>						
	Controlling shareholder	no	no	no	no	
	Deviation from one share one vote	yes	yes	yes	yes	AR, p. 30, p. 71
<b>RISK MANAGEMENT</b>						
	Company has a risk management framework	yes	yes	yes	yes	AR, p. 76-78
	Risk management framework covers ESG risks	yes	yes	yes	yes	AR, p. 100-101
	Board oversight of risk management	yes	yes	yes	yes	AR, p. 189

AR = Annual report

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