

Engaging our people

Our vision is to be an attractive, inclusive organisation with a clear purpose, staffed by a flexible, global workforce of diverse talents. We want to attract and retain the best people and to develop the best leaders who are passionate about “making the world more resilient”.

To fulfil this ambition, we are committed to building a diverse organisation in which our leaders inspire and engage their teams to unleash their full potential.

At Swiss Re we aim to collaborate in the spirit of “Let’s be smarter together”, because together we can achieve much more than we ever could alone. Our organisation constantly looks for new ways to improve the wellbeing of society and prepares for the changing needs of the future, drawing on the know-how and experience of a diverse, multi-generational group of employees. We aspire to be a place where a flexible and inclusive culture is the norm and where everyone can contribute. We are passionate about building an environment of trust, respect, cooperation and responsibility. Where *how* we achieve results is every bit as important as *what* we achieve.

To meet these goals, we developed and embedded a new People Strategy. Looking back on 2016, we can see that this strategy has borne fruit – the engagement level of our employees has increased significantly (+9 percentage points vs 2015) and we achieved the Aon Hewitt Best Employer status in nine out of 17 eligible countries.

Swiss Re is a global company with a presence in all major markets. As of 31 December 2016, we employed 14 053 people (regular staff) from 109 nationalities: 60.7% work in Europe, incl. the Middle East and Africa (EMEA), 25.6% in the Americas and 13.7% in the Asia-Pacific region.

Our People Strategy

We regard our new People Strategy as our “North Star”: It provides us with clarity and direction, is embedded in everything we do and defines our ambition for the future of Swiss Re.

In 2016, we brought our People Strategy to life through a number of changes that were positively recognised by our internal and external stakeholders:

- New employer brand to attract the best talent: Our brand promise “Let’s be smarter together” reflects the renewed energy and aspirations that Swiss Re has. It signals our ambition, as a best-in-class employer, to create an even better workplace by building on our strengths, while seeking opportunities to evolve and differentiate ourselves from our competitors.

Employee data, Swiss Re Group

| | 2014 | 2015 | 2016 |
|---|--------|--------|---------------|
| Total headcount regular employees | 12 224 | 12 767 | 14 053 |
| Full-time | 11 159 | 11 652 | 12 960 |
| Part-time | 947 | 973 | 1 093 |
| Temporary employees | 271 | 376 | 330 |
| Turnover rate (incl. company sales) | 9.8% | 10.6% | 9.7% |
| Voluntary | 6.6% | 6.8% | 6.7% |
| Involuntary | 3.2% | 3.8% | 3.1% |
| Average tenure regular staff (in years) | 9.3 | 9.0 | 8.8 |

 For more information see [swissre.com/careers/](https://www.swissre.com/careers/)

- New recruiting experience: Attracting the right talent and delivering a positive recruiting experience for our candidates and line managers is key for our success and our employer brand. Our new recruiting experience leverages digital technologies such as video recruiting in Bangalore, and will be further embedded in 2017, enabling candidates and hiring managers to interact seamlessly and effectively.
- Develop our leaders: We expect our leaders to have the skills to inspire and engage our people. Therefore, we have spent considerable time embedding our Leadership Imperatives (Swiss Re's behavioural principles) and developed critical leadership skills through excellence programmes and master classes.

In the following sections, we provide more insights on how our new People Strategy is embedded in everything we do, from our culture of diversity and inclusion, to the way we develop and mentor our people.

Employee Engagement Surveys

In 2015, we introduced a newly designed Employee Engagement Survey to find out what we can collectively improve to live the spirit of our People Strategy. We ran the survey for the second time in May 2016, with a response rate of 86% (1% up from last year) with close to 20 000 written comments. Our overall engagement score increased 9 points from 58% to 67%, putting us well above the Global Financial/Insurance Average benchmark of 61% and close to the Global High Performance benchmark of 71%.

We progressed significantly in the improvement areas we identified in the 2015 survey: Improve job rotation opportunities and opportunities across geographies, increase transparency around rewards and focus on retaining key talent – all went up 10–14%. Now our aim is to meet or exceed the high performance norm by retaining the gains we have achieved and continuing our progress in priority areas.

In terms of our key strengths, 82% of surveyed employees feel that Swiss Re values diversity and has an open, inclusive culture. All questions about manager effectiveness are above or close to the high performance



In 2016, we were recognised by our engagement survey providers Aon Hewitt as a Best Employer in several countries and the whole Europe region.

benchmark and 80% of participants agree that they are given the flexibility to balance work and personal life. Finally, 76% agree that their job is a good fit, and 71% feel a strong sense of accomplishment in their work.

Our engagement survey provider Aon Hewitt (www.aon.com) has a well-established and globally recognised Best Employer programme. This measures employer excellence worldwide by analysing survey results and benchmarking them against their other client companies. In 2016, Swiss Re was recognised as Aon Best Employer in nine out of 17 eligible countries: Australia, France, Germany, Italy, Japan, Mexico, Slovakia, South Africa and Switzerland. In addition, the overall region Europe has qualified for the Aon Best Employer regional recognition.

Diversity and inclusion

One of the key aspirations of our People Strategy is to attract and engage talented employees from different backgrounds by living a flexible, inclusive and open culture where dialogue and different perspectives are valued. This aspiration is reflected in our diversity and inclusion (D&I) vision: "See, feel and live diversity – diversity of gender, race, ethnicity, generation, sexual orientation (LGBT), physical abilities, personalities and experiences – at all levels, functions and regions of Swiss Re".

We are committed to this vision because it supports an environment in which our employees value each other's differences and where they can all bring their authentic selves to the workplace – an environment in which our inclusive culture enables us to truly live our "smarter together" brand promise.

Living up to this promise, our global D&I community, a committed group of business D&I Champions, local D&I Councils and employee networks, continued their strong efforts to ensure our diversity and inclusion framework is firmly embedded in our corporate culture. These efforts are reflected in our 2016 employee engagement results, which tell us that our employees are positive about Swiss Re's open and inclusive culture, and that they see the value we place on diversity.

Advancement of women

Almost half of Swiss Re's global workforce are women and we are steadily improving gender balance at management levels. To underline our commitment to reducing bias in talent decision-making, this year we integrated line manager training and tools into the recruiting process and across the talent life cycle. As part of our new employer brand positioning, we systematically apply D&I best practices, such as forming diverse hiring panels and using gender-sensitive language and visuals in all job advertisements.

Externally, Swiss Re continues to contribute to the advancement of female talent in the communities in which we operate. One such partnership is with the association Advance – Empowering Women in Swiss Business, of which Swiss Re is a founding member. We hosted their 2016 Annual Conference at our Centre for Global Dialogue. It was devoted to "The Future of Work" and the role women play, making clear that companies must create progressive working conditions and cannot afford to ignore the expectations of women in the workplace.

Women in management positions, Swiss Re Group (in %)

| | 2014 | 2015 | 2016 |
|--|------|------|-------------|
| Executive/senior management positions* | 21.4 | 22.1 | 22.9 |
| All management positions* | 31.5 | 32.2 | 32.9 |
| Total workforce | 46.3 | 46.4 | 46.9 |

* "Executive/senior management positions" comprises the management levels of Director/Senior Vice President upwards.

"All management positions" refers to Vice President and above.

 For more information see swissre.com/about_us/diversity/



Our Centre for Global Dialogue near Zurich provided the stage for the 2016 Annual Conference of "Advance - Empowering Women in Swiss Business". Under the heading of "The Future of Work", the event focused on how to create attractive working conditions meeting women's expectations.

Bridging generations

To ensure Swiss Re attracts and retains the talent needed for the future and remains an employer of choice, it is important we understand the diverse needs of the multiple generations making up our workforce. Swiss Re's generational diversity is expected to increase across all our locations, and our new employer brand reflects our aspirations to embrace a balanced workforce.

In particular, we are focusing on building dialogue across different age groups to break the stereotypes attached to generational preferences and workstyles. In 2016, we held workshops across the Asia-Pacific, Americas and EMEA regions. Combining internal dialogue with external trends, we are working on creating workplace solutions that take into account employee life cycles (eg parents, retirement, career starters) and the increasing demand for flexible work solutions.

Agile working

Our future success depends on our ability to create a flexible, global workforce that is responsive and highly resilient in responding to the needs of our business. Swiss Re follows an integrated, future-focused strategy that brings together our physical workplace, technology and people management practices.

We have made considerable efforts to ensure our employees own the way they work and can effectively collaborate in an agile and flexible working environment. This is reflected in a variety of formal and informal flexible working arrangements that focus on performance outcomes versus face time. Our trademarked programme, Own the Way You Work™, is a cultural change initiative which gives managers and employees autonomy to decide how, when and where work is carried out, in compliance with the applicable laws, rules and regulations of their particular



Swiss Re employees attending the Workplace Pride 2016 International Conference in Amsterdam. We have recently launched several initiatives focusing on LGBT inclusion at Swiss Re.

2016 launch “Together with Pride”: LGBT at Swiss Re

In 2016, Swiss Re increased its focus on sexual orientation inclusion by forming a worldwide LGBT (Lesbian, Gay, Bi-sexual, Transgender) steering group. For the first time, we participated in the Workplace Pride 2016 Global Benchmarking (www.workplacepride.org) that scores international companies on their LGBT inclusion policies and practices across the globe. These insights and our close collaboration with best practice companies and LGBT associations, such as Stonewall (www.stonewall.org.uk) and OUTstanding (www.out-standing.org), are shaping our future strategy.

After the very successful launch of the UK LGBT ally and network programme, Together with Pride, and building on the long-standing Swiss LGBT chapter Woolf n’Wilde, LGBT initiatives were launched in the Asia-Pacific and Americas region. Swiss Re is proud to have celebrated this year the 15-year anniversary of our Swiss Woolf n’Wilde LGBT club with members, allies and several members of our global senior leadership. As part of Together with Pride, Woolf n’Wilde is one of the first LGBT networks established in a Swiss company and acts as a local employee resource group open to everyone at Swiss Re.

region. This has become a differentiating part of Swiss Re's employee value proposition.

Inclusive culture

Given the important role each of our managers plays in fostering an inclusive culture and benefiting from its strengths, inclusive leadership behaviours are essential at Swiss Re.

We have developed clear expectations of how managers can foster an inclusive work environment for all employees. To make these principles tangible for all our employees, we embedded them in our Leadership and Personal Imperatives.

A key aspect of our People Strategy is to prevent stereotyping of individuals based on any dimensions of diversity. It centres on raising awareness of the "unconscious biases" that every one of us have, which can unintentionally influence our decision-making and our behaviour towards others.

We design and organise events as well as face-to-face and web-based training so that employees can participate in dialogues to increase their self-awareness of unconscious biases, such as those related to generations, sexual orientation and gender. Our leadership development and management training also highlights the importance of overcoming unconscious bias in all kinds of decision-making situations in people processes, such as recruiting, talent nomination and performance evaluation.

Code of Conduct

In line with Swiss Re's policy of fostering diversity, we have strong provisions in place to penalise any infringing behaviour. Our Code of Conduct, of which we published an updated version in 2016 (see pages 76–77), clearly states that discrimination in the workplace against any employee or job applicant based on the person's age, (dis)ability, origin, gender, religion or sexual orientation, or any other characteristic protected by local law, is not tolerated under any

circumstances. We encourage our employees to report violations of the Code of Conduct, laws, rules or regulations, and make it clear to them that reporting in good faith is treated with discretion and that retaliation will not be tolerated.

Development and training

The effective development of our people and leaders is key for our enduring success. For this reason we have continued to significantly invest in this area during 2016 by reinforcing our 70/20/10 approach to development and upgrading our leadership development architecture. The 70/20/10 approach advocates a shift from formal training (10% of activity) to actions that reflect "on-the-job experiences" (70%) and "learning from others" (20%).

Leadership and management development

Our ambition is to accelerate the development of leadership and managerial skills in order to inspire a multi-generational workforce. Our leadership development architecture supports the execution of our ambition through focused development of critical leadership and management skills. We have significantly increased our investment in developing managerial and leadership skills (+27% compared to 2014) and spent considerable time embedding our Leadership and Personal Imperatives to drive a high performance and feedback culture. Given our focus on this area, we are pleased to see evidence of an improved feedback culture and quality of development conversations, as supported by a +20% increase in our 2016 Employee Engagement Survey results. Thus, our employees feel significantly more positive about their career opportunities.

To support our growth ambitions in high growth markets, we have introduced targeted training to equip leaders with the necessary skills to create an impactful recruitment experience. Furthermore, we developed our



For more information see
[swissre.com/careers/professionals/
development_opportunities/](https://www.swissre.com/careers/professionals/development_opportunities/)

leadership capabilities in high growth regions through targeted development programmes.

Going forward, we will further strengthen the capabilities of our line managers and prepare them to meet the challenges of a rapidly changing environment. We will integrate our existing programme offerings into a new leadership development architecture with a manager curriculum at every management level, complemented by our specific programmes suited to develop our talent pipeline.

Employee development and growth

Implementing effective programmes to further develop and train our employees and leaders lies at the heart of our People Strategy. This is also something that employees clearly want, as reflected in the Employee Engagement Survey results. While 70% of surveyed employees said we strongly support their learning and development (above the Global High Performance benchmark), respondents still asked for more development opportunities at Swiss Re.

Therefore, we made a number of changes to more effectively embed our 70/20/10 approach to development and growth.

We introduced a new initiative, PersonalGrowth@SwissRe, highlighting the role line managers and employees play in supporting personal growth and career development. In support of this new development, we launched an online support tool called e-Zine for the EMEA region to spur more direct ownership of individual development. We also introduced social learning

through the use of technology at our Bratislava and Bangalore offices, where the average employee age is lower than in the Group as a whole.

We also offered new skill development solutions for leaders, including revamping our Talent Broker platform, to provide more visibility and simpler access to job rotations. In 2016, around 800 employees per month used the platform and around 100 rotation opportunities were advertised. We also piloted reverse mentoring with 13 members of the Reinsurance Management Team, which will be expanded across other business areas in 2017 (see www.youtube.com/watch?v=Bs-e1Q9pC38). In addition, we continued our "speed mentoring" offers.

Formal training

Formal training at Swiss Re combines technical, professional and leadership skills training. We design our training internally or in collaboration with leading external partners and deliver it through our long-established Swiss Re Academy. In late 2016, we introduced some new "blended learning" professional skills training which embraces the 70/20/10 principle.

Swiss Re Academy provides a portfolio of blended learning, combining face-to-face learning, eLearning, peer-to-peer coaching and virtual classrooms. Together, they offer a flexible approach to learning. Our courses are well received by our employees; for instance, in leadership skills training we scored 4.39 out of 5 in 2016 (highest score ever recorded). Swiss Re Academy has developed extensive professional and personal development curricula to respond to changing business needs.

Learning data, Swiss Re Group

| | 2014 | 2015 | 2016 |
|--------------------------------------|---------|---------|---------|
| Total learning hours recorded | 159 551 | 204 225 | 231 826 |
| Learning hours per employee | 13.1 | 15.5 | 15.3 |
| Learning costs per employee (in USD) | 1 500 | 1 024 | 919 |



ACCA approved employer status

The Association of Chartered Certified Accountants, the global body for professional accountants, awarded Swiss Re approved employer status. Therefore, participation in the Swiss Re

Academy's development options are now credited with Continuous Professional Development points, enabling our people to retain their professional qualifications.

Currently, we offer more than 1 000 different training courses. Our employees attend training in areas as diverse as underwriting, finance, sales and negotiation, leadership, diversity and inclusion, interpersonal skills, project management, office tools and language skills. Certain courses, such as compliance training, are mandatory.

In 2016, all our employees took part in our development and training programmes. They completed 231 826 hours of training overall, averaging 15.3 hours and USD 919 per employee. This drop in per-capita training expenses is directly related to the increase in online learning and the decrease in classroom trainings. In addition, each of our Business Units organises a considerable amount of specialist training.

A total of 836 employees participated in sales training during 2016, with the average feedback score of 4.45 (out of 5). This standard exceeds industry benchmarks. We recommend that employees who work directly with our clients invest at least two days per year in formal sales training. Also in 2016, we launched a tailored three-year development plan "Reinsurance Finance: Own your development" for our finance employees. These courses were attended by more than 1 500 employees in 2016.

In line with our flexible development and training philosophy, the Swiss Re Academy intranet site gives our employees easy access to our global learning catalogue, links to regional learning offerings and a multimedia library. Close to 78% of our training is delivered through eLearning formats. This reduces the need for our employees to travel and spend time away from the office, while supporting our commitment to reducing our carbon footprint.

Embedding the behaviours we need for the future

Our Leadership Imperatives and Personal Imperatives set out the behaviours we need and expect from our leaders and employees. Embedding them into our culture and processes is key. However, we are aware that this cannot be achieved by simply communicating them to employees. For this reason, we continue to embed them and systemically integrate them into other human capital processes.

We have also integrated the Leadership Imperatives and Personal Imperatives into both our performance management process and leadership development programmes.

Our Early Joiners programmes

Each year, the graduates@swissre programme provides entry positions for around 50 university graduates who have little or no work experience.

It offers an excellent opportunity for young talents to discover the exciting world of a leading global re/insurer.

Over a period of 18 months, the graduates receive on-the-job training in their respective functions. They also attend a number of classroom-based training sessions which are specifically designed for the programme and focus on Swiss Re's core business areas. By the end of 2016, around 379 graduates had either completed the programme since its launch in 2007 or were still participating in it. They are employed across many different functions and regions.

In 2016, we employed 61 interns through the interns@swissre programme. This includes seven internship positions for students from the African Leadership Academy (ALA) in support of our high growth market talent strategy. The interns programme is mainly aimed at university students who are pursuing a Bachelor's or Master's degree, and at graduates with less than one year of full-time work experience. Interns join teams in core business areas, where they take on specific tasks and various projects. In India, South Africa, the US and the UK we offer traditional summer internships that typically last between eight and 12 weeks, while in Germany and Switzerland the internships usually span three to six months.



Three of our former graduates attended the awards ceremony at the Intercontinental Hotel in London to collect a 2016/2017 Top Company award from TheJobCrowd.

Award from TheJobCrowd

In 2016, Swiss Re won the award for “Top Company for Graduates to Work for in the Accountancy & Insurance Sector” for the second time in a row. We received this award from TheJobCrowd (www.thejobcrowd.com), a popular graduate job review website in the UK.

Our graduates were asked to complete a survey on their work experience at Swiss Re. The survey covered questions such as: what are the best things about your company, what attracted you to the company, how do you rate the work-life balance, training and ethical/environmental balance. The results from our graduates were overwhelmingly positive.

For more information see swissre.com/careers/apprenticeships/

For more information see swissre.com/careers/graduates/

For more information see swissre.com/careers/interns/

Our Actuarial Development Programme (ADP) is designed to provide students with work assignments and projects that are challenging, educational and promote personal and professional development. We view superior actuarial expertise as a vital factor for our success. That's why we place great emphasis on recruiting top talents for our programme. We help develop actuaries in many ways – from study allowances to mentoring and career development. In 2016, we hired 15 ADP interns to join the programme running from April/May to August. Those students worked in Fort Wayne (9), Armonk (5) or Dallas (1).

In three locations we offer a Junior Power programme. Originally launched in Zurich in 1981, the programme was extended to Munich in 2008 and to London in 2014. In total, we have trained over 650 apprentices and trainees through the programme. Currently, 100 apprentices and trainees, aged between 15 and 25, are being trained in a broad range of occupations. We provide them with an innovative and high-quality learning environment that enables them to build up the competencies and skills they need for the labour market. In this way, we also make a positive contribution to youth employment.

In turn, our apprentices and trainees contribute to the success of their respective teams, add new perspectives to Swiss Re and challenge established practices. We offer training for business roles, computer specialists, chefs, hotel housekeepers, waiters and media specialists. About 20–25% of all our former apprentices and trainees are still working at Swiss Re.

Participants of our Early Joiner programmes have said that they particularly appreciate the multicultural and open environment we offer, as well as the daily exchange with specialists from various disciplines.

Our employees' wellbeing

We set high standards in terms of caring for the physical and mental wellbeing of our employees and offer a broad range of solutions on topics like crisis intervention, counselling, health care and diverse engagement activities.

We know that the nature of these activities is sensitive to local specifics – such as culture or local regulations. Therefore, we have decided to implement a consistent model across all regions where these services will be provided out of the local Human Resources units, supported by external partners when required.

Health and wellbeing

We aim to provide a healthy workplace that helps our employees take a constructive approach to their own wellbeing, while improving and retaining their ability to perform.

A healthy mind is as important as a healthy body. We offer free, locally available Employee Assistance Programmes, through which our employees can get confidential, impartial and professional assistance on issues of a personal or work-related nature. In this way, our employees can benefit from personalised support on emotional, family, financial and legal issues.

We also hold various local events on topics such as work stress, mental health and awareness trainings. For example,

in Australia we organised various activities that focused on physical and mental health such as a stress & resilience workshop, a "Happy Body at Work" seminar and we invited guest speakers from new medical facilities and the local gym. In Bangalore we offered a health & nutrition session and a bone density check to help detect possible mineral deficiencies and take corrective action. In Hong Kong a special week was dedicated to increasing awareness of work-life balance. We also offer free flu jabs in various countries, such as Switzerland, the UK and the United States.

To help our people stay fit, we provide onsite fitness centres or classes and encourage employees to join the local gym. For instance, in Switzerland we provide fitness rooms where employees can work out or join lessons such as yoga or spinning. We also have a sport complex with a swimming pool, tennis courts and soccer court where our employees, their partners and children have unrestricted, free access. Our employees regularly enjoy spending quality time there, especially over the summer period when a number of social events take place.

Parents@Swiss Re

It is important to us that our employees can always put their families first. Therefore, we offer a range of programmes, services and support in a number of locations.

The Parents@Swiss Re brochure provides parents with important information on pregnancy and parenthood. From how to inform their line manager to balancing family and work, the brochure contains helpful background information on labour law and the solutions Swiss Re offers.

Employee health data:

Sick leave days, Switzerland regular staff

| | 2014 | 2015 | 2016 |
|--|-------|-------|--------------|
| Number of employees | 3 321 | 3 326 | 3 267 |
| Number of employees who have recorded absence due to illness | 1 900 | 1 979 | 1 809 |
| Average number of sick days | 7.4 | 7.2 | 7.9 |

In general, our employees can count on diverse options such as additional family allowance, one-off childbirth allowance, additional paid maternity and paternity leave, or the option to take unpaid leave. These benefits are tailored to the local needs of our workforce and therefore differ from region to region. In Bratislava – one of our high growth locations – we introduced the concept of “maternity buddies” in 2015: Every mother on maternity leave has a maternity buddy who informs her about current activities in the team while she is on maternity leave. In 2016, we increased the communication flow to maternity leavers providing them with regular updates about news concerning the organisation as well as open positions to encourage their return. Furthermore, we are currently evaluating the feasibility of establishing a kindergarten in the new Swiss Re premises.

To accommodate the needs of working parents, we have a number of initiatives in place. Last year, approximately 165 children in Switzerland attended our one-week vacation programmes during the spring and summer school holidays, enabling their parents to continue working. We also offer a number of reserved places at day care centres in and around Zurich. Furthermore, our external childcare provider helps parents find emergency nannies and gives guidance in all questions related to childcare.

In 2016, we organised two events in Singapore that were dedicated to families. We held a “Kids at Work” workshop where children could experience a day in the office with their parent and join in various fun activities with other children. Furthermore, employees and their children could enjoy a range of activities at the “Family Day” event, which our CEO Reinsurance Asia also joined.

Employee relations

We are a signatory to the UN Global Compact and support its ten principles in the areas of human rights, labour, the environment and anti-corruption. Many of our locations have active employee groups. These employee representatives play an important part in the company’s success by contributing valuable perspectives and by helping to identify employment-related challenges.

These bodies are elected by local employees and have clearly defined information and consultation rights. Although there are significant local differences in the applicable legislation, their rights typically concern:

- Working conditions
- Benefits
- Reorganisation and restructuring
- Redundancies
- Disciplinary actions and conflict cases

At our Zurich headquarters, where almost a third of our total workforce is employed, we work closely with the Personnel Committee (PECO). Representing the interests of all Zurich employees, PECO aims to create and maintain a positive working environment. It is involved in changes or adaptations to the General Working Conditions or other important policies such as the Social Plan. The Committee also seeks to ensure the de facto equality of men and women, and places special emphasis on the challenges faced by employees with family obligations.

In the UK, Swiss Re has an Employee Liaison Group (ELG), made up of representatives from across all functions, who are elected by employees for a two-year term. The ELG provides a forum for employee representatives and managers to discuss company policy and practices which affect all employees. It is legally recognised as the collective consultation body for redundancy

purposes. When a Business Unit is likely to be affected by proposed collective redundancies, the respective employee representatives are consulted.

At our Munich office we have a Works Council, with clearly defined co-determination rights in several areas. It has the legal obligation to support topics such as diversity, development and training, career opportunities and work-life balance. The eleven members of the Works Council are elected by employees for a four-year term.

Our smaller branches in Europe (eg in France, Italy, Luxembourg and Denmark) also have Works Councils or Staff Delegates, depending on the size of the branch and local regulations.

Alumni networks

Our former employees have helped to make Swiss Re what it is today and form an essential part of our extended employee community. They remain important stakeholders for Swiss Re. Furthermore, as many of our alumni work for our clients, they also help to deepen our client relationships.

Through the Swiss Re Alumni Network, we offer our former employees the opportunity to continue sharing their knowledge and experience, and to keep in contact with colleagues. Currently, we have more than 3 700 active members.

The network also includes our retirees. This important group of stakeholders continues to take great interest in the company. Through extended access rights, we enable them to utilise resources that are normally available to employees only.

 For more information see [swissre.com/about_us/alumni/](https://www.swissre.com/about_us/alumni/)

Compensation and benefits

Swiss Re is committed to maintaining a compensation framework that is balanced and performance-oriented, and which aligns the interests of both shareholders and employees. Our compensation framework is designed to attract, motivate and retain the qualified talent that the Group needs to succeed, while creating a tangible link between performance and pay. The aim is to provide compensation that is competitive in local labour markets, while ensuring that employees focus on delivering outstanding results in line with our business strategy, targets, risk awareness and corporate values.

For most employees, total compensation comprises the base salary and the Annual Performance Incentive (API), which is linked to both individual and business/company performance.

Swiss Re uses additional incentive programmes which reflect the longer-term nature of our business: Both the Value Alignment Incentive Plan (VAI), which is the deferred part of the API, and the Leadership Performance Plan (LPP) aim to reward sustained performance and long-term company success, rather than short-term results. This helps to align shareholder and employee interests more closely. The VAI applies to employees who have a total API in excess of a defined threshold, and the LPP is awarded to our senior executives and select key employees.

We also encourage our employees to own Swiss Re shares by providing the Global Share Participation Plan and the Incentive Share Plan. Our employees can get a comprehensive overview of all their incentive plans online whenever they wish.

The balanced compensation package is generally complemented by competitive pension plans and other employee benefits. Such benefits include, for example, the Continuous Contribution Award, which recognises the loyalty, commitment and continuous contribution of our employees by offering them opportunities at defined milestones to enjoy additional, paid time off. Health benefits and financial protection in case of ill-health are also an important part of our overall packages. We provide medical, life and disability insurance in excess of state provisions in many of our locations. Furthermore, we support employees in accumulating retirement benefits to supplement any state provisions.

In addition, the CO_{you2} Programme continues to offer our employees the opportunity to claim subsidies from the company for a range of emissions cutting investments they want to make in their private lives (see page 60).

Further information on Swiss Re's approach to compensation and benefits can be found in our 2016 Financial Report (pages 138–163).

Simplifying performance management

We have undertaken significant work to improve our performance management process over the last three years, with the aim of focusing on both *what* people achieve and *how* they achieve their goals. We are leveraging our Leadership and Personal Imperatives to create more focus on the outcome of performance management through improved employee discussions, better performance differentiation and more transparent pay-for-performance.

Our approach has allowed us to better clarify behavioural expectations, simplify processes and make the tools more flexible. 2016 was the second consecutive year we successfully applied the two-dimensional approach to all eligible employees and which significantly helped us to differentiate performance.