

# *Tax Policy 2020*

## **Introduction**

Swiss Life is a leading European provider of comprehensive life and pensions and financial solutions. Swiss Life enables people to lead a self-determined life and has more than 160 years of experience in affording people financial security. The Swiss Life Group operates in Switzerland, France, Germany, Luxembourg, Liechtenstein, Singapore and the United Kingdom. Swiss Life provides multinational corporations with employee benefits solutions and individuals with structured life and pensions products. The advisors of Swiss Life Select, Tecis, Horbach, Proventus, Chase de Vere and Fincentrum use the Best Select approach in various European markets to choose suitable products for customers. Swiss Life Asset Managers offers institutional and private investors in Switzerland, France, Germany and the United Kingdom access to investment and asset management solutions. The Group also comprises the subsidiaries Livit, Corpus Sireo, Mayfair Capital, Beos and Fontavis. At the end of 2019 the Swiss Life Group employed approximately 9300 people and had a network of some 14000 advisors.

## **Commitment to compliance**

Swiss Life takes its corporate responsibilities seriously, whether in its business operations, its role as an employer, as part of society or with respect to the environment and is a member of several sustainability initiatives as outlined in its Sustainability Report. As a taxpayer, Swiss Life aims to bear its fair share of the public budget, contributes to the economy and offers jobs and training opportunities. Tax compliance for us means paying the appropriate amount of tax in the right place on a timely basis. It involves disclosing relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

## **Tax governance and risk management**

Swiss Life complies with accepted standards of corporate governance and, in the interests of its shareholders, policyholders and staff, attaches great importance to the requirements entailed in terms of the management and organisation of the Swiss Life Group. The corporate governance of Swiss Life Holding Ltd (Swiss Life Holding) is based on the relevant directives issued by the SIX Swiss Exchange and the Swiss Financial Market Supervisory Authority FINMA. It is modelled on leading national and international corporate governance standards; in particular, the Swiss Code of Best Practice for Corporate Governance issued by the Swiss Business Federation “economiesuisse”, as well as the Organization for Economic Cooperation and Development’s (OECD) principles on corporate governance.

One pillar of Swiss Life’s responsible, sustainable business is its integrated, value-oriented risk management involving both quantitative and qualitative elements. The goal is to protect customers’ funds and ensure the best possible investment of risk capital, while complying with legal and regulatory requirements and considering the current capital market environment.

Risk management is a key component of Swiss Life’s management process. The respective committees of the Corporate Executive Board and the Board of Directors continually monitor and take decisions in the area of risk management.

Swiss Life sets great store by compliance with all applicable legal provisions and regulatory stipulations in all its activities. Its Code of Conduct is an important tool in this respect. It contains the values and principles of Swiss Life as well as the rules of conduct, which are binding for all employees. It stipulates that all employees of Swiss Life must comply fully with all applicable laws and regulations, all relevant internal directives and guidelines.

The management of the Group's tax affairs is based on Directives and Guidelines that are approved by the Corporate Executive Board.

Under the leadership of the General Counsel, the Head of Corporate Tax supports the Board of Directors and the Group Executive Board in all tax matters pertaining to the Swiss Life Group. The General Counsel and the Head of Corporate Tax jointly have overall functional responsibility, overseeing and coordinating the activities of the local Tax Services Functions.

The local CFO and Tax Services Functions are responsible at their level for day-to-day tax questions and compliance with the overall tax policy of the Group. The local CFO and Tax Service Functions report functionally to the Head of Corporate Tax. In certain tax questions, it remains at the discretion of the Group Tax Services Function to take over responsibilities from the local Tax Services Functions.

### **Attitude towards tax planning**

Tax is one of a range of topics that the Swiss Life Group will consider when deciding how to organize its commercial activities to create sustainable value for its stakeholders. All tax planning must support genuine commercial activity and comply fully with all applicable tax laws and regulations as well as reflecting legislative intent. The Group will not enter into transactions that are purely tax driven or that result in an artificial or contrived outcome. Where the interpretation or application of tax laws is not clear, we take well-reasoned approaches based on available legal authorities and administrative positions of tax authorities, engaging external advisors where considered necessary.

All cross-border intercompany transactions within the Group must be in line with the international and national Transfer Pricing rules and requirements, in particular the «Arm's Length Principle» as stipulated in Art. 9 of the OECD Model Tax Treaty. These standards apply to all Swiss Life entities. However, local rules and requirements specify how to implement the Transfer Pricing Guideline in each jurisdiction. Where such domestic law provides stricter rules, Swiss Life follows such rules.

### **Level of tax risk the group is willing to take**

Swiss Life is a highly regulated international financial group with a broad variety of stakeholders. Hence, its internal governance accepts only a low level of tax risk appetite, which must be monitored and reported to Group Tax. Tax risks are considered as part of the Group's wider internal control system (ICS). It involves the identification and assessment of several potential tax risks as well as the controls required to mitigate those risks and ensure they fall within the approved risk appetite.

### **Working with tax authorities**

Swiss Life builds and maintains professional and constructive relationships with tax authorities in all the jurisdictions where it operates. For material transactions or tax events Swiss Life may engage with relevant tax authorities on a real time basis to agree or clarify the application of tax legislation to such a transaction or tax event. As a large business Swiss Life is subject to annual tax audits in several countries, during which Swiss Life may discuss and agree the status of current, future and past tax risks.

**Other information**

On 24 November 2020 the Corporate Executive Board approved this document with effect as of 01 December 2020 and it will be renewed annually after its first publication. Swiss Life is of the opinion that this document and its publication represent compliance with paragraph 16(2) of Schedule 19 of the United Kingdom Finance Act 2016 to publish an external tax policy.