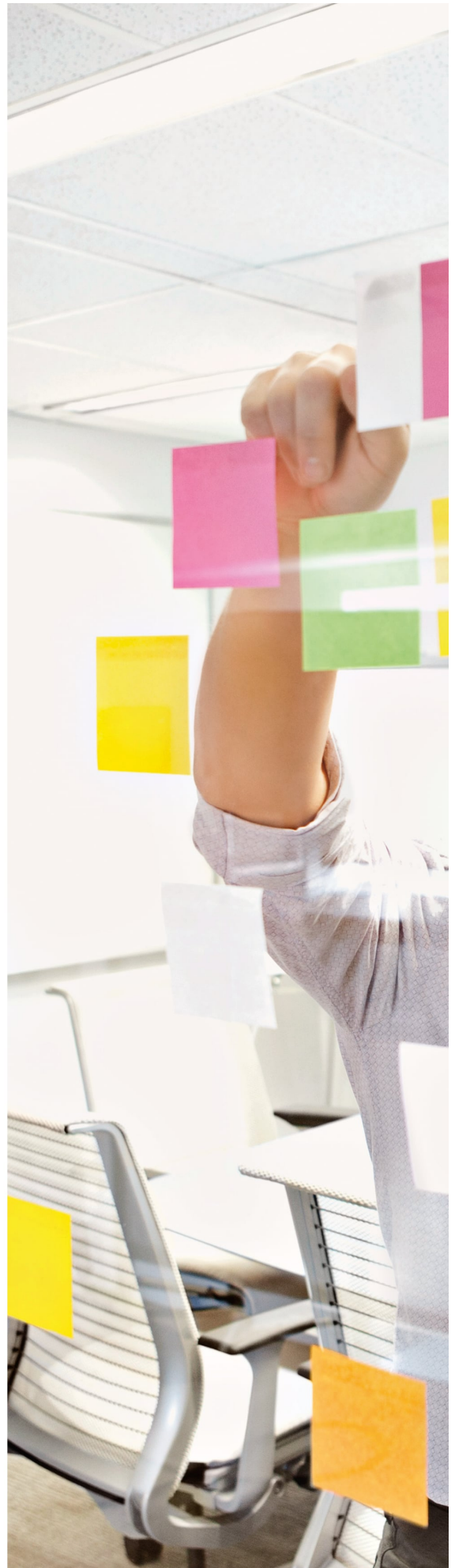


Our strategy

Creating value through reinsurance

The favourable outlook for the global reinsurance market forms the basis for our success over the medium to long term. We pursue ambitious economic growth targets and continue to expand our position as one of the world's leading reinsurers. In so doing, we pay close attention to the environmental, social and ethical aspects of our activities. Since we equate sustainable action with far-sightedness and future viability, we are also prepared to pass up on short-term profits if necessary to achieve our goals.





Strategy and Management

Group strategy

Our vision: Creating value through reinsurance

We have no doubts as to the favourable outlook for the worldwide reinsurance market going forward and our goal throughout the 2018 to 2020 strategy cycle is once again to further expand our position as one of the leading, most profitable globally operating reinsurers. We intend to achieve this by creating value through reinsurance for our clients, our shareholders and our employees. With this in mind, we have therefore formulated our Group strategy 2018 – 2020 to reflect our vision of "Creating value through reinsurance".

Our aim is to achieve commercial success in accordance with the needs of our stakeholders and with an eye to environmental considerations. Non-financial goals are specified, inter alia, in our Sustainability Strategy.

Our Group strategy encompasses ten strategic principles that apply to all business units and help to ensure that we can realise our vision for the strategy cycle 2018 to 2020.

At the heart of our Group strategy are our profit and growth targets. Profit and value creation are the cornerstones of our long-term development in the interest of our clients, shareholders, employees and business partners.

1. We have ambitious economic growth targets

- Generate a profit in excess of the cost of capital
- Grow the premium volume (by more than the market average)
- Generate an IFRS return on equity of at least 900 basis points above the risk-free interest rate
- Outperform the Global Reinsurance Index (GloRe) over a three-year period
- Consistently pay an attractive dividend

2. We are a preferred business partner

- Enhance the commercial success of our clients through our risk solutions and services (attractive value proposition)
- Maintain excellent ratings from the rating agencies most relevant to our industry

3. We aim for successful employees

- Harmonise the size and skills of our workforce with the current and future requirements of our global market presence as well as with the requirements of increasing digitalisation
- Foster motivation, dedication and teamwork through excellent leadership practices
- Facilitate the greatest possible delegation of tasks, responsibilities and authority
- Increase the proportion of women on all levels of management

4. We strive for an optimal balance between the stability and yield of our investments

- Achieve the target return – risk-free interest rate plus cost of capital

5. We manage risks actively

- Ensure protection of capital through quantitative and qualitative risk management

6. We maintain an adequate level of capitalisation

- Ensure that requirements for equity resources (economic capital model, solvency regulations etc.) are met
- Optimise the overall cost of capital
- Use special dividends to balance equity growth with profit growth

7. We conduct our business with lower costs than our competitors due to our high efficiency

- Ensure a lower expense ratio than our competitors through an effective and efficient organisation

8. We support our business through efficient information technology and take advantage of digitalisation and automation

- Develop new business opportunities on the basis of digitalisation and automation
- Optimise internal processes and shape the interaction with our clients as efficiently as possible

9. We are committed to sustainability, integrity and compliance

- Ensure conformity with all legal requirements, our own corporate policies and high ethical standards
- Support social objectives particularly in the area of qualified training, not only within but also outside the company
- Encourage sustainability in the transaction of our business, with a special focus on the avoidance of adverse impacts on the environment

10. We strive for Performance Excellence and continuous improvement

- Ensure the rigorous derivation of strategic objectives across all areas of the company

We work towards the goals of our Group strategy in accordance with our holistic management system Performance Excellence 2.0. Details are provided under "Value-based management" in the present Sustainability Report, in the respective sections of the current Annual Report and in our Strategy Brochure.

Our goals are reviewed in a three-year cycle and adjusted as necessary. This rotating strategy review was conducted in 2017 in keeping with our established practice.

The 2018 – 2020 strategy cycle reflects a number of factors, including the advancing digital transformation. For this reason we have adopted an additional digitalisation strategy that focuses in detail on the associated opportunities and risks – both with an eye to our business processes and as far as our work as a reinsurer is concerned. The challenges posed by digitalisation and automation quite rightly feature at the very top of our industry's agenda, since technological developments will lead to lasting changes in workflows and processes in the future. This aspect has therefore become an integral component of our corporate strategy: we support our business activities with efficient IT applications and we leverage the opportunities offered by digitalisation and automation.

More information

 About us

-  Website: Group Strategy
-  AR 2018: Group and sustainability strategy
-  Website: Sustainability Strategy
-  Website: Company presentation
-  Website: Strategic targets (target matrix)
-  AR 2018: Value-based management
-  Website: Digital strategy

Equity story

Somewhat different

Going about things differently to others – that is exactly what sets us apart. Established in 1966, we have evolved into one of the leading globally operating reinsurers with our lean structures and efficient organisation.

Long embodied in our daily practice, the claim to be "somewhat different" has served as an expression of the entire organisation's self-image since 2005. Drawing on our quick, flexible and undogmatic business approach, we have evolved into a professional reinsurer with extensive specialist expertise. We transact our insurance business with lower management expenses than our peers. This is to the benefit not only of our clients but also our shareholders.

In view of the fact that we write largely uncorrelated or scarcely correlated reinsurance risks across all lines of our business groups of Property & Casualty and Life & Health reinsurance and thanks to our global presence, we achieve broad diversification and hence an efficient risk balance. In conjunction with our capital management, this is the key to our comparatively low cost of capital.

We have a very robust capital base which is continuously reviewed with an eye to possible changes in the risk profile. Our rigorous risk management is geared to acting on business opportunities and hence securing our financial strength for the long term.

Tailor-made solutions for our business partners establish the basis for strengthening and further extending our position as one of the leading reinsurers. By identifying innovative business opportunities associated

with newly emerging risks, we constantly enlarge the scope of our commercial activities.

In this connection we extended an invitation to attend our first international "Innovation Camp" in Berlin in July 2018. The primary focus of the two-day internal workshop attended by 40 members of staff was on strengthening the interconnectedness of our innovation landscape, making targeted use of big data and exploring future partnerships with insurtechs.

Going forward, as we have in the past, we want to respond to new developments and challenges with innovative ideas and concepts. Following the successful project wrap-up of the international ideas competition "Journey Re", in which young teams developed new business models for primary insurance and reinsurance, we launched the "Hannover Re Intrapreneurship Programme" (HIPE) in 2019. The programme is intended to generate novel business ideas within our own organisation designed to increase the company's profitability, better assess risks, strengthen customer relations or boost employee satisfaction. All members of staff are encouraged to contribute ideas. In a 13-week project phase these will subsequently be refined into an initial pilot project by interdisciplinary teams.

More information

- [Website: Equity Story](#)
- [Website: History](#)
- [Website: Group Strategy](#)
- [Website: Hannover Rück-Gruppe erhält BaFin-Genehmigung für ihr internes Kapitalmodell \(German\)](#)
- [Website: Reinsurance and Solvency II \(Property & Casualty\)](#)
- [Website: Reinsurance and Solvency II \(Life & Health\)](#)
- [Website: Property and casualty reinsurance](#)
- [Website: Life and health reinsurance](#)
- [Website: Opportunities and risks](#)
- [Website: Outlook](#)

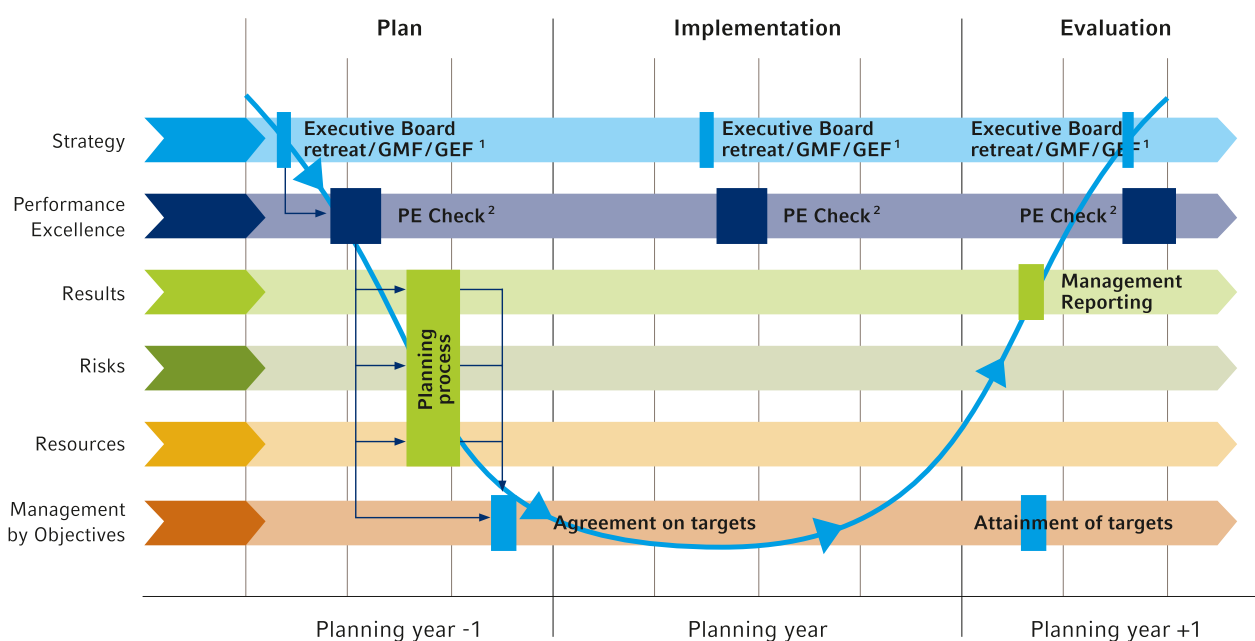
Value-based management

Our holistic management system Performance Excellence (PE) 2.0 ensures consistent implementation of our corporate strategy throughout the Group and across the various areas of business. PE enables us to steer and measure the development of the company and hence also to evaluate the extent to which we have achieved our strategic objectives.

It is based on the Excellence Model of the European Foundation for Quality Management (EFQM). The decentralised approach used by PE is of special importance in this context. It enables each of our Group's organisational units to define and examine its contribution to the Group strategy. In this way, we ensure that all initiatives and activities within our Group are rigorously linked to the corporate strategy.

Our integrated system of enterprise management constitutes the basis for accomplishment of our strategic objectives. Located at its core are, first and foremost, our profit and growth targets, which are summarised for the Group as a whole and the individual business groups in the target matrix. In addition to traditional performance indicators geared to the IFRS balance sheet, our system of strategic targets also includes economic targets derived from our certified internal capital model and from the economic equity pursuant to Solvency II reporting. These targets are regularly analysed and adjusted in the context of the strategy review conducted at periodic intervals. Thus, for example, with effect from the strategy cycle commencing in 2018 we added a target for our solvency ratio to the target matrix. In general terms, our primary focus is on medium- and long-term attainment of the strategic targets.

System of value-based management: Performance Excellence (PE) combines the strategic and operational levels



¹ The Global Management Forum (GMF) and the Global Executive Forum (GEF) bring together senior managers of the Hannover Re Group from around the world for the purpose of defining strategic orientations. The parameters developed here serve as the basis for the subsequent planning process.

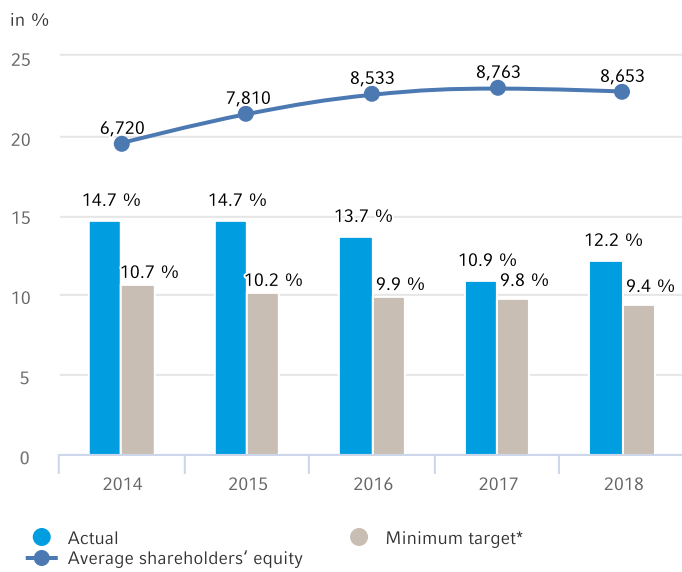
² Verification and elaboration of contributions to the Group strategy

Especially in terms of its return on equity, our Group has performed very favourably in recent years despite the intensely competitive environment faced by reinsurers and the heavy losses incurred in the financial year. Our return on equity target of 900 basis points above risk-free – which is enshrined in the Group strategy – already represents a substantial target value creation. Through our business operations on all continents and the diversification between our Property & Casualty and Life & Health reinsurance business groups we are able to

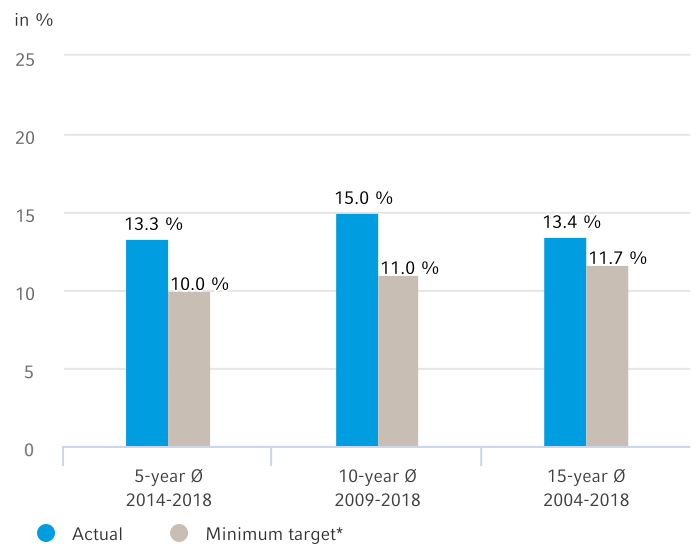
effectively allocate our capital in light of opportunity and risk considerations, which helps us inter alia to generate a higher-than-average return on equity. We have now reported double-digit returns on equity for ten years in a row.

The following chart shows that our annual return on equity in recent years comfortably surpassed the set minimum targets.

Return on equity: yearly



Return on Equity: average



* After tax; target: 900 bps above 5-year rolling average of 10-year German government-bond rate („risk free“)

More information

[Sustainability management](#)

- [Website: Group Strategy](#)
- [Website: Company presentation](#)
- [Website: Strategic targets \(target matrix\)](#)
- [AR 2018: Value-based management](#)
- [Website: Fact sheet](#)

Sustainability Strategy

For us, sustainability means a commitment to responsible and transparent corporate governance geared to lasting success. With this in mind, in 2011 we drew up a sustainability strategy for the first time. We specify here in more concrete detail the higher-order corporate strategy of the Group with an eye to sustainability considerations and commit explicitly to our strategic objective of sustainable value creation. Parallel to our Group strategy, the sustainability strategy is revisited every three years. The considerable importance attached to sustainability issues is reflected in the associated responsibility within the company: the sustainability strategy, goals and measures are reviewed and approved by both the Executive Board and the Supervisory Board.


Our stakeholder universe was defined as part of the elaboration of the sustainability strategy. The selection of relevant stakeholders is determined by our business activities and our geographical presence, and it is regularly reconciled with representatives of the business centres. Particularly important stakeholder groups for our company are as follows: clients, employees, the capital market, the public sector and non-governmental organisations (NGOs).

In 2017 we reviewed our corporate and sustainability strategy in keeping with our three-year strategy cycle. In conformity with the Group Strategy, the sustainability goals that had been set for the strategy cycle just ended were revisited and modified to reflect the current need for action. The materiality analysis was also updated. Our Sustainability Strategy for the years 2018 to 2020 defines four action fields.

GRI Disclosures

102-40 , 102-42



More information

-  Group strategy
-  Materiality analysis

Action fields at Hannover Re



In the context of our Sustainability Report we discuss the individual action fields at length in the following sections, describe the material topics and elaborate on our goals and measures.

-  Website: Sustainability strategy
-  AR 2018: Group and sustainability strategy

Materiality analysis

The material sustainability issues for our company can influence the Group's commercial success in the short, medium and long term. With a view to identifying material non-financial topics, we conducted another stakeholder survey with an external partner in 2018. Representatives of the stakeholder groups comprised of customers, brokers, the capital market, employees, non-governmental organisations (NGOs) and the public sector were surveyed by means of an online questionnaire and telephone interviews.

On this basis, our already existing materiality analysis was reviewed and adjusted. In this context, we took into account the various materiality approaches of the GRI, which constitutes the basis for our extensive annual Sustainability Report, and the German Commercial Code (HGB), on which the combined non-financial information statement is based. As a first step, potential issues were identified using internal sources and already received stakeholder feedback as well as information obtained from media analysis, a peer comparison and global stan-

dards. The issues were then categorised according to our four action fields in the context of the sustainability strategy. While the external survey developed on this basis focused on the relevance of these issues, the internal survey carried out among our employees included additional dimensions, namely "business relevance" and "impacts of business operations". All three dimensions were rated on a scale of 1 to 7, with the lowest figure indicating very low relevance and the highest reflecting a very high degree of relevance. We considered issues rated 5.0 and higher to be material for our company within the meaning of the CSR Directive Implementation Act (CSR-RUG). The survey findings were discussed and approved at an internal workshop attended by representatives of various specialist units and management.

In total, we identified 14 material sustainability issues in accordance with the Commercial Code and the GRI, which we discuss below in our Sustainability Report.

Material topics	Management Approach			Topic-specific and additional disclosures		
	103-1	103-2	103-3			
Governance and Dialogue						
Responsible enterprise management	Responsible enterprise management	Responsible enterprise management	Sustainability goals and measures 2018-2020	405-1 102-05 102-23 102-36	102-18 102-24 102-37	102-22 102-35 102-44
Compliance	Compliance	Compliance structure and report Legal framework Data privacy and information security Sanctions Code of Conduct	Sustainability goals and measures 2018-2020 Organisation and process of risk management	102-17 102-16	418-1	
Risk management	Risk management	Risk landscape Organisation and process of risk management	Sustainability goals and measures 2018-2020 Organisation and process of risk management	Own information: Structures for the systematic recording, identification, analysis and evaluation of risks 102-11 102-15		
Stakeholder dialogue	Stakeholder dialogue	Dialogue formats	Sustainability goals and measures 2018-2020	102-13 102-12 102-42 102-44	102-40 102-43 102-44	102-42 102-43

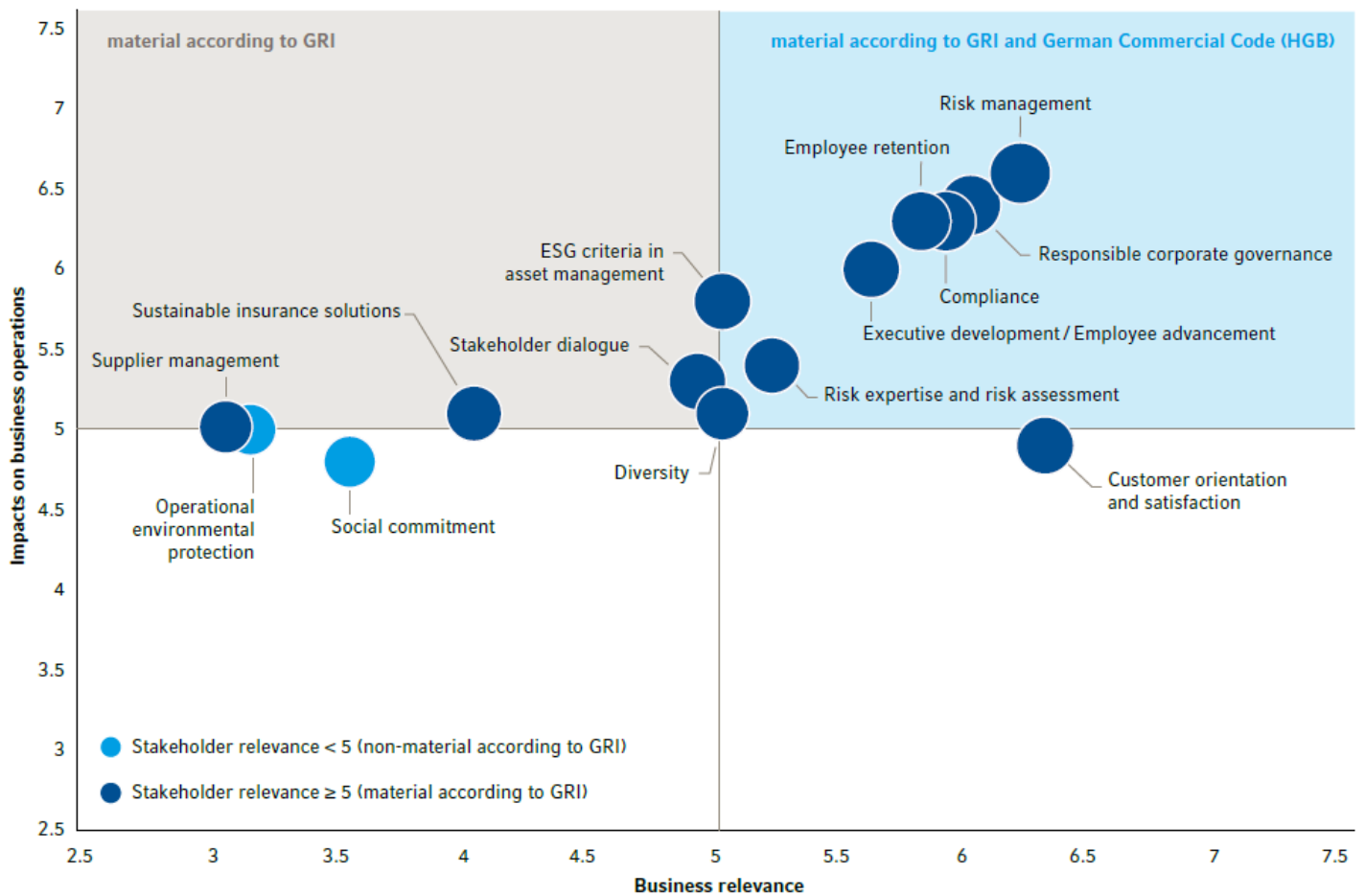
Product responsibility

Risk expertise	Risk assessment and risk expertise	Risk assessment and risk expertise	Sustainability goals and measures 2018-2020 Risk assessment and risk expertise Sustainable insurance solutions	Own information: Services and system-based applications related to risk expertise and assessment 102-12 102-13 102-15 201-2
Sustainable insurance solutions	Sustainable insurance solutions	Sustainable insurance solutions	Sustainability goals and measures 2018-2020 Sustainable insurance solutions	FS14 FS6 FS7 FS8 FS13 FS14
ESG in asset management	Sustainability in asset management	Sustainability in asset management	Sustainability goals and measures 2018-2020 Sustainability in asset management	Own information: Percentage of investment portfolio screened according to ESG criteria
Customer orientation and satisfaction	Customer orientation and satisfaction	Customer orientation and satisfaction	Customer orientation and satisfaction Sustainability goals and measures 2018-2020	Own information: Customer surveys
Employees				
Executive development and employee advancement	General information and employee indicators Executive development and employee advancement Health and wellness	General information and employee indicators Executive development and employee advancement Recruitment of new staff (Further) Training Performance and career development reviews Generation management and succession planning Health and wellness	Sustainability goals and measures 2018-2020 Executive development and employee advancement Health and wellness	403-1 102-8 102-41 202-2 402-1 403-1 403-2 403-3 403-3 403-4 404-1 404-2 404-2 404-2
Employee retention	Employee retention	Employee retention Work-life Balance Remuneration and fringe benefits	Sustainability goals and measures 2018-2020 Employee retention Employee satisfaction	401-1 102-41 202-1 401-2 401-3 405-2
Diversity	Diversity	Diversity	Sustainability goals and measures 2018-2020 Diversity	405-1 102-08 406-1

Environment and Society

Operational environmental protection	Operational environmental protection	Operational environmental protection Environmental management system Resource consumption	Environmental management system	304-3 302-4 305-1 305-4	302-1 303-1 305-2 306-2	302-2 303-3 305-3
Supplier management	Supplier management	Supplier management	Sustainability goals and measures 2018-2020 Supplier management	414-1 102-09	102-10	
Social Commitment	Social Commitment	Social Commitment	Social Commitment	413-1	415-1	

Materiality matrix



GRI Disclosures

102-42 , 102-43 , 102-44 , 102-46 , 102-47

More information

 Value-based management

 AR 2018: Group and sustainability strategy

Sustainability goals and measures 2018 - 2020

The goals defined under our Sustainability Strategy complement and/or specify in greater detail the objectives set out in our

Group Strategy – especially the ninth objective: "We are committed to sustainability, integrity and compliance".



I. Governance and Dialogue

Action field and goals	Measures	Status	Goal achievement/ Outlook
Responsible enterprise management			
Optimisation of sustainability management	<ul style="list-style-type: none"> Regular review and improvement of sustainability management 	<ul style="list-style-type: none"> Ongoing process; 2018: Peer comparison, review of new developments, processing of internal and external feedback 	Stage completed in 2018 Achievement by 2020 realistic
	<ul style="list-style-type: none"> Implementation of a Web-based database for central recording of sustainability information 	<ul style="list-style-type: none"> 2018: Evaluation phase 2019: Contract formation and beginning of implementation. 	Stage completed in 2018 Achievement by 2020 realistic
Raising employee awareness of the topic of sustainability by expanding internal communication and developing a training concept	<ul style="list-style-type: none"> Maintaining the intranet and corporate website 	<ul style="list-style-type: none"> Ongoing process, 2018: Regular updating and provision of information. 	Stage completed in 2018 Achievement by 2020 realistic
	<ul style="list-style-type: none"> Provision of further information on sustainability 	<ul style="list-style-type: none"> 2018: Development and publication of a CSR fact sheet. 	Done

	<ul style="list-style-type: none"> • Development of a training concept 	<ul style="list-style-type: none"> • 2018: Development of a training concept commences. • 2019: Elaboration of the training concept currently dormant. 	<p>Stage not completed in 2018</p> <p>Achievement by 2020 realistic</p>
Enhancing our appeal in the eyes of ethical and sustainability-minded investors by participating in major sustainability ratings	<ul style="list-style-type: none"> • Ongoing dialogue with rating agencies 	<ul style="list-style-type: none"> • Ongoing process, 2018: Regular dialogue in connection with sustainability ratings (CDP, FTSE4Good, Sustainalytics, Vigeo Eiris, MSCI, ISS). 	<p>Stage completed in 2018</p> <p>Achievement by 2020 realistic</p>
	<ul style="list-style-type: none"> • Inclusion in at least one sustainability index 	<ul style="list-style-type: none"> • 2018: Continued listing in the FTSE4Good index. • 2018: Prime investment status confirmed by oekom research. • Since March 2017 inclusion in the Global Challenges Index (GCX) administered by the Hannover Stock Exchange and oekom. • 2018: Continued listing in the major indices of the STOXX family based on participation in the CDP. 	<p>Stage completed in 2018</p> <p>Achievement by 2020 realistic</p>
Refinement and optimisation of reporting on sustainability topics in accordance with GRI standards	<ul style="list-style-type: none"> • Publication of a Sustainability Report in accordance with the GRI Standards 	<ul style="list-style-type: none"> • 2018: Publication of the annual GRI report. 	<p>Stage completed in 2018</p> <p>Achievement by 2020 realistic</p>
	<ul style="list-style-type: none"> • Perform GAP analysis to identify and close gaps in content 	<ul style="list-style-type: none"> • 2018: Revision of the management approaches and chapters based on the GAP analysis. 	<p>Done</p>

Compliance

Optimisation of compliance management	<ul style="list-style-type: none"> • Coordination of appropriate measures with the compliance officers at the international locations 	<ul style="list-style-type: none"> • Ongoing process, 2018: Exchange of views in the context of the European Compliance Officer meetings and regular teleconferences. 	Stage completed in 2018 Achievement by 2020 realistic
	<ul style="list-style-type: none"> • Timely implementation of new legislation 	<ul style="list-style-type: none"> • Ongoing process, 2018: Review of new legislation such as the legal requirements of the European Insurance Distribution Directive and implementation of corresponding processes at the Hannover location. Building on this, progressive implementation of the guidelines applicable Europe-wide at the European locations in accordance with local legal and timing requirements. • 2018: Detailed specification and creation of new processes in connection with implementation of the General Data Protection Regulation (GDPR), e.g. roll-out of a data protection impact assessment if a particular instance of data processing will likely pose considerable risks to the rights and freedoms of natural persons. 	Stage completed in 2018 Achievement by 2020 realistic
	<ul style="list-style-type: none"> • Intensified consideration of compliance issues at the international locations 	<ul style="list-style-type: none"> • 2018: Development of a Group-wide compliance plan and consistent Group-wide Compliance Risk Matrix begins in cooperation with the European locations. Work on creation of both documents begins. • Ongoing evaluation and analysis of the compliance reports of the international locations. 	Stage completed in 2018 Achievement by 2020 realistic
Stakeholder dialogue			
Intensification of the stakeholder dialogue	<ul style="list-style-type: none"> • Regular dialogue with stakeholders 	<ul style="list-style-type: none"> • Ongoing process. 2018: Further continuous exchange of views with our stakeholders. Through conferences, roadshows and one-to-one meetings we stay in constant contact with representatives of the capital market, rating agencies and private investors. • Member of the Insurance Development Forum, the Chief Risk Officer Forum and the "Extreme Events and Climate Risks" working group of the Geneva Association. • Sponsor of the Global Earthquake Model Foundation. 	Stage completed in 2018 Achievement by 2020 realistic

II. Product Responsibility

Action field and goals	Measures	Status	Goal achievement/ Outlook
Risk expertise			
Refinement of risk management, including in relation to ESG risks	<ul style="list-style-type: none"> Intensification of internal communication and expansion of expertise 	<ul style="list-style-type: none"> Ongoing process, raising of awareness about ESG risks in regular internal risk reporting, modification of the Emerging Risk Screening process in such a way that all local offices are included in order to improve expertise on the global level. Creation of a collaboration platform on "Emerging Risks" that is accessible to all employees. Information events are held regularly on emerging risks in general and on specialist topics. 	Stage completed in 2018 Achievement by 2020 realistic
Intensification of knowledge sharing about emerging risks with customers, partners, universities and research institutes	<ul style="list-style-type: none"> Intensification of external communication and knowledge transfer 	<ul style="list-style-type: none"> Active member of the Risk Management Steering Group of the Insurance Development Forum (IDF). Optimisation and expansion of the use of insurance solutions and related risk management skills in order to improve resilience and the protection of people, communities, companies and public institutions that are vulnerable to catastrophic events and the associated economic shocks. Support for the Global Earthquake Model Foundation to improve assessment of the earthquake risk. Support for the development of research programmes, regular publications and organisation of international meetings as a member of the Geneva Working Group on "Extreme Events and Climate Risks". The goal is to generate, share and strengthen specialist know-how and experience in the field of risk management and disaster readiness in order to boost society's resilience and ensure adequate mitigation of losses caused by extreme events and climate change. 	Stage completed in 2018 Achievement by 2020 realistic
	<ul style="list-style-type: none"> Knowledge sharing through publications 	<ul style="list-style-type: none"> 2018: Publication of further position papers on currently emerging risks in the areas of "Artificial Intelligence" and "Microplastics". Support for publications of the CRO Forum and research into climate-related risks. 	Stage completed in 2018 Achievement by 2020 realistic

Sustainable insurance solutions

Supporting, developing and expanding sustainable insurance solutions	<ul style="list-style-type: none"> Reduction of exposure to fossil fuels 	<ul style="list-style-type: none"> 2019: Policy decision in relation to individual risks (facultative reinsurance) to stop reinsuring any planned new coal-fired power plants or coal mines with immediate effect. Exceptions are permitted only in a few rigorously verified cases. In addition, no further reinsurance of coal-related risks in the entire property and casualty reinsurance portfolio in connection with coal mining and coal-fired power generation (progressive withdrawal by 2038 targeted). 	Long-term goal for 2038 Stage completed in 2018
	<ul style="list-style-type: none"> Support for various sustainable initiatives, including in developing and emerging countries 	<ul style="list-style-type: none"> Ongoing, 2018: Continued support for weather-related products as well as insurance solutions for renewable energy sources such as solar, hydro and wind. Support for energy-saving warranty products in California. Development of agricultural insurance products and acceptance of risks in the context of the African Risk Capacity, which provides insurance coverage against extreme weather risks for African countries. Development of index-based Disaster Finance concepts for countries in South America and Asia which guarantee rapid assistance in the event of natural disasters. 	Stage completed in 2018 Achievement by 2020 realistic
ESG criteria in asset management			
Refinement of the sustainability approach in asset management	<ul style="list-style-type: none"> Consideration of ESG criteria in asset management 	<ul style="list-style-type: none"> 2018: Exclusion of investments in issuers that generate 25% or more of their turnover from coal mining, coal-fired power generation or oil sands extraction. Permanent exclusion of issuers involved in the development and proliferation of controversial weapons. Ongoing, half-yearly negative screening of our fixed-income securities (government and semi-government bonds, corporate bonds and covered bonds) as well as listed equities. Implementation of a best-in-class investment approach. 	Stage completed in 2018 Achievement by 2020 realistic
Customer orientation/satisfaction			
Fostering customer dialogue, including on ESG-related topics	<ul style="list-style-type: none"> Sharing knowledge about ESG topics 	<ul style="list-style-type: none"> Ongoing, active promotion of knowledge sharing with our customers by way of product- and/or market-specific seminars and workshops. 2018: Customer seminars held in Istanbul and China on the topic of digitalisation. 2018: Development of the online platform "HRI aquarium" designed to enable customers and external business partners to exchange (re)insurance products and services on an independent basis in the future. 	Stage completed in 2018 Achievement by 2020 realistic





III. Employees

Action field and goals	Measures	Status	Goal achievement/ Outlook
Executive development and employee advancement			
Optimisation of further training measures for specialist staff and executives	<ul style="list-style-type: none"> • Training days per employee > 4 days (Group-wide). • Review of the range of training and development opportunities 	<ul style="list-style-type: none"> • 2018: The average number of training days per employee at the Hannover location was 4.4. The average number Group-wide was 2.7. 	Stage not completed in 2018 Achievement by 2020 will probably not be successful
		<ul style="list-style-type: none"> • Ongoing, 2018: Roll-out of a new workshop "Fit for Changes" in response to the changing world of work. 	Stage completed in 2018 Achievement by 2020 realistic
Promoting, preserving and restoring the physical and mental well-being of employees, including through our Employee Assistance Programme	<ul style="list-style-type: none"> • Implementation of an Employee Assistance Programme 	<ul style="list-style-type: none"> • Ongoing, 2018: The programme was continued and proved to be a helpful and popular support tool. • 2018: Continued offer of seminars and workshops geared to enhancing the resilience and relaxation skills of our staff and managers. 	Stage completed in 2018 Achievement by 2020 realistic
Employee retention			
Maintaining strong employee affinity	<ul style="list-style-type: none"> • Maintaining a low staff turnover rate of 3-5% at the Hannover location 	<ul style="list-style-type: none"> • The staff turnover rate as at 31 December 2018 was 4.1%. 	Stage completed in 2018 Achievement by 2020 realistic
Holding of Group-wide employee surveys on a recurring basis	<ul style="list-style-type: none"> • Participation rate of at least 60% of the workforce. 	<ul style="list-style-type: none"> • A Group-wide employee survey was not conducted in the year under review. A survey is planned for 2019. 	Stage not completed in 2018 Achievement by 2020 realistic
Diversity			
Promoting diversity and equal opportunities	<ul style="list-style-type: none"> • Achieving a proportion of women on the second and third levels of management of 18% at the Hannover location 	<ul style="list-style-type: none"> • The proportion of women on the second and third levels of management was 15.6% at the Hannover location on the reference date of 31 December 2018. 	Stage not completed in 2018 Achievement by 2020 will probably not be successful
	<ul style="list-style-type: none"> • Implementation of mentoring programmes for the advancement of women 	<ul style="list-style-type: none"> • 2018: Completion of the implementation round launched in 2017 and planning of the new implementation round for 2019/2020. 	Stage completed in 2018 Achievement by 2020 realistic
Improving the conditions needed to ensure a healthy work/life balance for our employees	<ul style="list-style-type: none"> • Promotion of measures for a healthy work/life balance by the employer 	<ul style="list-style-type: none"> • Ongoing, various support offers again available in 2018 including part-time and teleworking models, flexi-time arrangements and an in-house infant daycare centre. 	Stage completed in 2018 Achievement by 2020 realistic

IV. Environment and Society

Action field and goals	Measures	Status	Goal achievement/ Outlook
Operational environmental protection			
Continuous refinement of environmental management	<ul style="list-style-type: none">• Push towards a net zero carbon footprint for company locations	<ul style="list-style-type: none">• Hannover location has been carbon-neutral since 2016.• 2018: Expansion of offset payments to cover emissions caused by the air travel of employees in the Asia-Pacific region. Goal: From 2020 onwards complete offsetting of the CO₂ emissions caused by air travel at these locations.	Stage completed in 2018 Achievement by 2020 realistic
	<ul style="list-style-type: none">• (Re)certification of environmental management	<ul style="list-style-type: none">• Since 2012 certification according to DIN EN ISO 14001, recertification in 2019.• EMAS III Environmental Statements drawn up annually.	Stage completed in 2018 Achievement by 2020 realistic
	We report on our operational environmental goals in the context of our		
Supplier management			
Ongoing evaluation of ~90% of suppliers (measured by purchasing volume) according to environmental and social standards	<ul style="list-style-type: none">• Evaluation of suppliers	<ul style="list-style-type: none">• Ongoing, 2018: Evaluation of 80% of the purchasing volume in Facility Management and 100% of the purchasing volume in the IT sector according to ESG criteria.• All new and core suppliers are required to sign a Code of Conduct in which they undertake, among other things, to comply with environmental and social standards.	Stage virtually completed in 2018 Achievement by 2020 realistic
Social commitment			
Refinement of the concept for social commitment	<ul style="list-style-type: none">• Development of a concept	<ul style="list-style-type: none">• Development of a concept for social commitment currently dormant.	Stage not completed in 2018 Achievement by 2020 realistic
Expansion of reporting on social commitment and donations	<ul style="list-style-type: none">• Revision and consolidation of the national and international donations guidelines	<ul style="list-style-type: none">• The donations guidelines are currently undergoing revision.	Stage not completed in 2018 Achievement by 2020 realistic

More information

-  Governance and Dialogue
-  Product responsibility
-  Employees
-  Environment and Society

 AR 2018: Group non-financial information statement

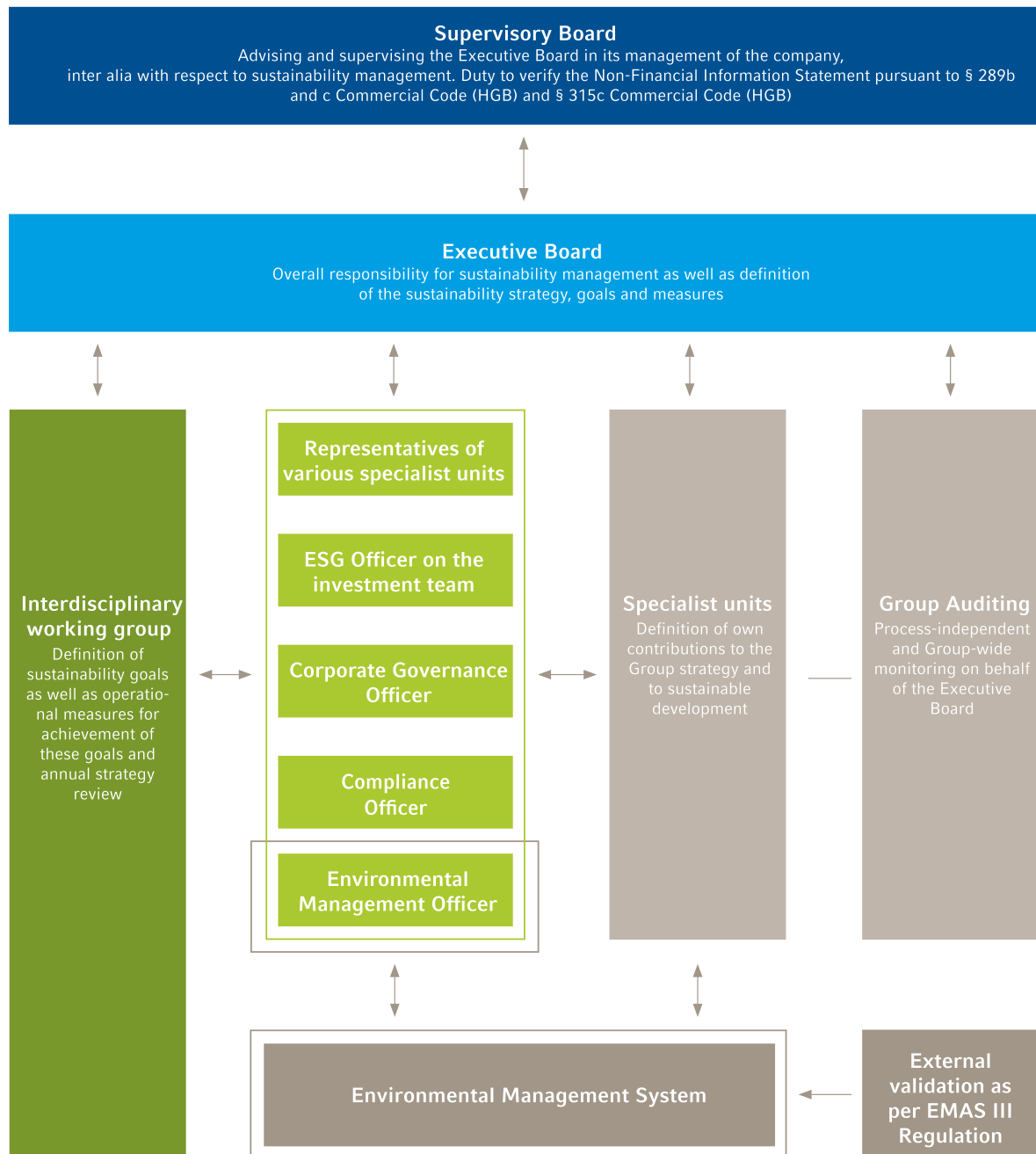
Sustainability management

Responsibility for the topic of sustainability rests with our entire Executive Board. The sustainability strategy, goals and measures are reviewed and approved by the Executive Board and the Supervisory Board. The Environmental Management Officer, the Compliance Officer, the Corporate Governance Officer and the ESG Officer on the investment team report on a regular basis to the Executive Board. Together with further representatives of various specialist departments, they form an interdisciplinary working group at the Hannover location that is responsible for preparing the orientation of our sustainability strategy as well as for defining and executing appropriate operational

measures. It meets annually to review the strategy and also on a case-by-case basis in varying constellations depending on the tasks to be dealt with. Each member has committed to advance the goals of the Sustainability Strategy within his or her own specialist area.

In addition, our sustainable value creation is ensured by a comprehensive risk management system with appropriate reporting structures. Our Group Auditing unit carries out process-independent monitoring throughout the Group on behalf of the Executive Board.

Central functions of sustainability management




We discuss management approaches to specific topics in the areas of "Governance and Dialogue", "Product responsibility", "Employees"

and "Environment and Society" within the respective chapter.

GRI Disclosures

102-18 , 102-19 , 102-20 , 102-26

More information

-  Governance and Dialogue
 -  Product responsibility
 -  Employees
 -  Environment and Society
 -  Value-based management
-  [Website: Sustainability management](#)