

Strategy and Management



Our Group strategy encompasses ten strategic principles that ensure the realisation of our vision "Long-term success in a competitive business" across the various business units. We implement the strategy in accordance with our holistic management system Performance Excellence 2.0. With the aid of the internal Strategy Guide and the Strategy Cockpit tool, each organisational unit defines its own contribution to the Group Strategy. In this way, we ensure that all initiatives and activities within the company are rigorously linked to our strategic objectives.



Strategy and Management

Our vision: Long-term success in a competitive business

Tailor-made solutions for our business partners form the basis for strengthening and further expanding our position as one of the leading, globally operating reinsurance groups. They enable us to achieve sustainable success over the long term and to assert our standing as one of the world's most profitable reinsurers. By identifying the opportunities for business innovation offered by emerging risks, we consistently expand the scope of our activities.

We are passionate about reinsurance and chart our own course. We are quick, flexible and undogmatic and we strive for excellence. Our organisation is geared to efficiency and operates with lean structures, enabling us to transact our insurance business with lower administra-

tive expenses than our competitors and to offer our business partners an attractive value proposition.

As a leading player in the reinsurance industry, our commercial success is crucially dependent on the correct assessment of present and emerging risks. This process of evaluating risks is growing in complexity due to the constant monitoring and analysis of new and emerging risks, trends and future-related factors; sustainability aspects are also playing a greater role in this context. In some instances these have direct strategic and operational relevance to our reinsurance products and the management of our investments.

Our goal is to achieve economic success without losing sight of the needs of our staff, social concerns, protection of the environment and the conservation of natural resources. In conformity with our Group Strategy, we define sustainability goals and implement appropriate measures.

More information on the topic at

-  Website: Group Strategy
-  Website: Sustainability Strategy
-  AR 2016: Strategy

Group strategy

Our Group strategy encompasses ten strategic principles that apply to all business units and help to ensure that we can realise our vision of "Long-term success in a competitive business".

1. We have ambitious profit and growth targets

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

2. We are a preferred business partner

- Offer an attractive value proposition that makes us the preferred business partner for our clients
 - Foster customer relationships to both parties' mutual benefit irrespective of the size of the account
-

3. We aim for successful employees

- Offer attractive workplaces
 - Foster the qualifications, experience and commitment of our staff
-

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 risk management
 - Ensure protection of capital through 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
-

7. We ensure low costs through an efficient organisational set-up

- Ensure a lower ratio than our competitors
-

8. We use information technology to achieve a competitive advantage

- Information and communication systems assure optimal support for business processes in light of cost / benefit considerations
-

9. We are committed to sustainability, integrity and compliance

- Ensure conformity with all legal requirements
 - Encourage sustainable actions with respect to all stakeholders
 - Support considered and pragmatic principles of corporate governance and recognise their central role in guiding our activities
-

10. We strive for Performance Excellence and continuous improvement

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

We implement the goals of our Group strategy in accordance with our holistic management system Performance Excellence 2.0. We use key indicators in our target matrix to map the status of goal accomplishment. Details are provided under "Value-based management", in the respective sections of the Sustainability Report 2016 and in our Strategy Brochure.

We subject our Group strategy to regular scrutiny. This strategy review, which is carried out on a rotating basis, is taking place at the current time. We expect to present the updated Group strategy for the new strategy cycle 2018 – 2020 in October 2017.

More information on the topic at

-  [Value-based management](#)
-  [Company portrait](#)
-  [Organisational profile](#)
-  [Strategy and Management](#)
-  [Website: Group Strategy](#)
-  [Website: Company presentation](#)

Equity story

Going about things differently to others – that is exactly what sets us apart. And it has done from the very outset. With lean structures and an efficient organisation, we have established ourselves as one of the leading globally operating reinsurance groups.

Somewhat different

Right from our earliest days we were a somewhat different reinsurer: we had to secure a footing with comparatively tight capital resources in a market dominated by long-standing players. Drawing on our quick, flexible and undogmatic business approach, we evolved into a professional reinsurer with extensive specialist expertise. To this day we still operate with the lowest administrative expense ratio in the industry – a competitive edge that enables us to persevere even in protracted soft market phases. In order to grow we often had to break new ground and take on a pioneering role. We were one of the first companies in Europe to receive an S&P rating, for example, and the first German reinsurer to adopt capital-market-oriented accounting principles in its financial reporting. In 1994 we were the first reinsurer to securitise natural catastrophe risks for the capital market. In 1998 this was followed by the first transfer of new business acquisition costs associated with life and health reinsurance. Long embodied in our daily practice, the claim to be "somewhat different" has served as an expression of the entire group's self-image since 2005.

In 2015 we received approval from the Federal Financial Supervisory Authority (BaFin) to calculate our solvency requirements according to our internal partial capital model following the implementation of Solvency II. In this way we can best map the risk structure of our reinsurance business – unlike with the standard model. We are thus able to identify attractive business, optimally allocate capital to business groups, regions and lines and maximise opportunities for diversification, while continuing to efficiently fulfil our supervisory capital requirements in accordance with Solvency II.

Our ideas and know-how make it possible for our partners to open up new markets. Energy-saving warranties in building rehabilitation and

bonus programmes for a healthy lifestyle may be cited as just two examples.

Going forward, too, we intend to tackle new developments and challenges with innovative ideas and concepts. In 2016 we held a competition under the name "Journey Re" in which teams of talented young people developed new business models for the insurance and reinsurance industries. Following the six-month project duration eight teams presented their product and business ideas, all of which were found to be promising by the Executive Board. Prize money of EUR 80,000 was awarded to the three concepts offering the greatest prospects of success. The fruits of this initiative are now being transformed into projects and will be refined into marketable commodities during 2017.

A highly profitable reinsurer

A special hallmark of our business philosophy is that we do not fall back solely on standardised reinsurance solutions. We offer our clients financing solutions and customised concepts designed to provide relief for capital and reserves that are individually tailored to their needs.

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 assume reinsurance risks with largely little or no correlation across all lines of our Property & Casualty and Life & Health reinsurance business groups 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 over the long term.

Business model

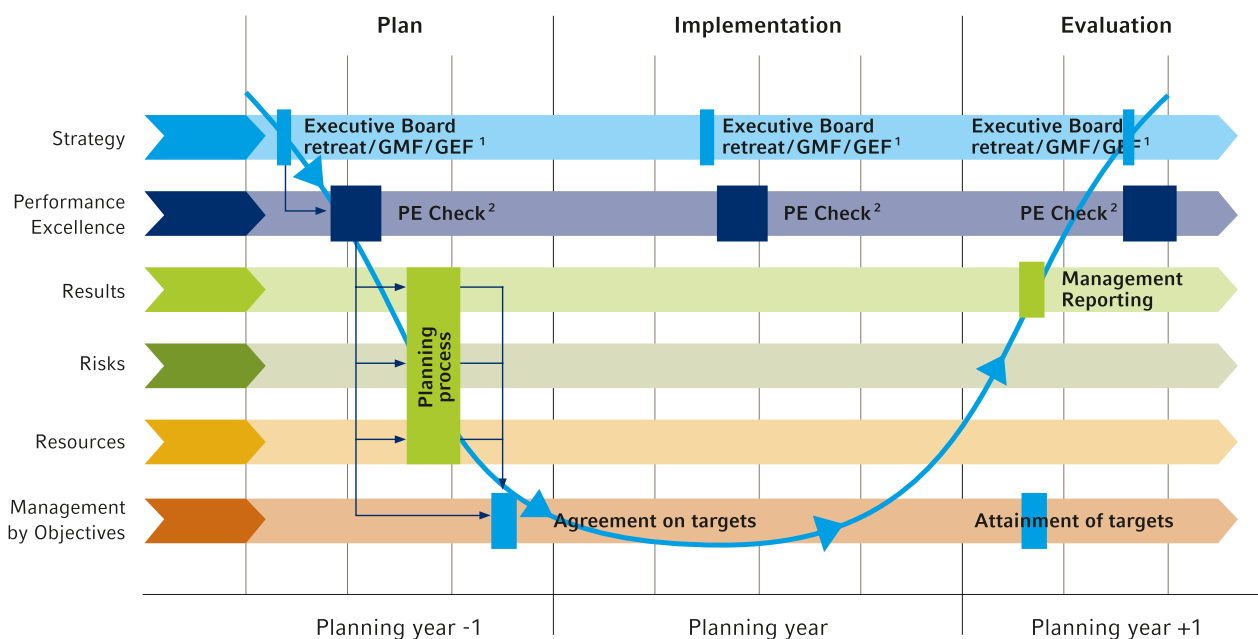


Value-based management

Our holistic management system Performance Excellence 2.0 ensures implementation our Group strategy across the various areas of business. Based on the Excellence Model of the European Foundation for Quality Management (EFQM), it enables each of our Group's organisa-

tional units to define and examine its own contribution to the Group strategy. In this way, we ensure that all initiatives and activities within our Group are rigorously linked to the Group strategy.

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 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

Target Matrix

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 and the individual business groups in the so-called 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. These targets are analysed annually and adjusted in the context of the strategy review conducted at regular (three-year) intervals – which is ongoing at the present time. When it comes to adjusting the target parameters, our focus is on long-term strategic target attainment.

Target attainment

Business group	Key data	Targets for 2016	Target attainment			
			2016	2015	2014	Ø 2014 - 2016 ¹
Group	Investment return ²	≥ 2.9	3.0%	3.5%	3.3%	3.3%
	Return on equity ³	≥ 9.9%	13.7%	14.7%	14.7%	14.3%
	Growth in earnings per share (year-on-year comparison)	≥ 6.5%	1.8%	16.7%	10.1%	9.4%
	Value creation per share ⁴	≥ 7.5%	18.6%	13.6%	34.4%	21.0%
Property & Casualty reinsurance	Gross premium growth	3 – 5% ⁵	-0.2%	8.1%	1.2%	3.0%
	Combined ratio	≤ 96% ⁶	93.7%	94.4%	94.7%	94.3%
	EBIT margin ⁷	≥ 10%	16.8%	16.6%	17.0%	16.8%
	xRoCA ⁸	≥ 2%	7.1%	7.4%	10.7%	8.4%
Life & Health reinsurance	Gross premium growth	5 – 7% ⁹	-4.3%	9.5%	4.9%	3.2%
	Value of New Business (VNB) ¹⁰	≥ EUR 220 million	EUR 893 million	EUR 543 million	EUR 448 million	-
	EBIT margin ⁷ Financial Solutions / Longevity	≥ 2%	9.4%	11.0%	5.0%	8.6%
	EBIT margin ⁷ Mortality / Morbidity	≥ 6%	3.4%	3.6%	4.8%	3.9%
	xRoCA ⁸	≥ 3%	3.5%	8.9%	7.3%	6.5%

¹ Average annual growth, otherwise weighted averages

² Excluding effects from ModCo derivatives

³ After tax; target value: 900 basis points above the 5-year average return on 10-year German government bonds

⁴ Growth in book value per share including dividend paid

⁵ Average over the reinsurance cycle; at constant exchange rates

⁶ Including major loss budget of EUR 825 million

⁷ EBIT / net premium earned

⁸ Excess return on allocated economic capital

⁹ Organic growth only; annual average growth (5 years); at constant exchange rates

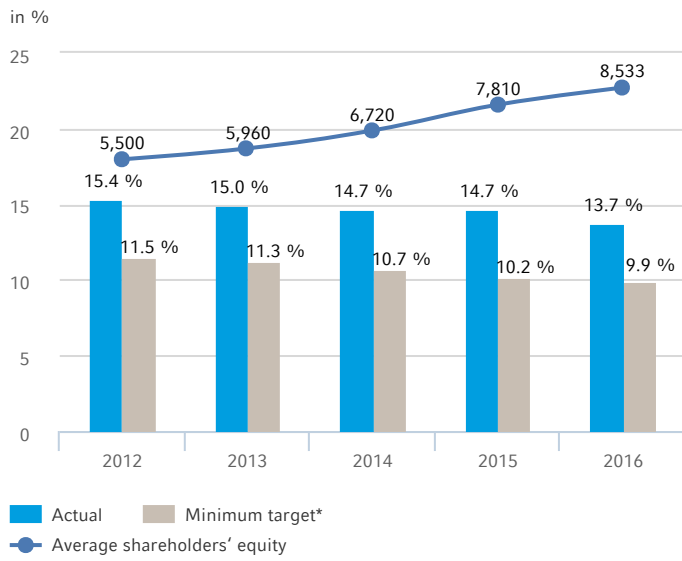
¹⁰ Since 2016 based on Solvency II principles and pre-tax reporting; until 2015 MCEV principles (cost of capital already increased from 4.5% to 6% in 2015) and post-tax reporting

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. 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

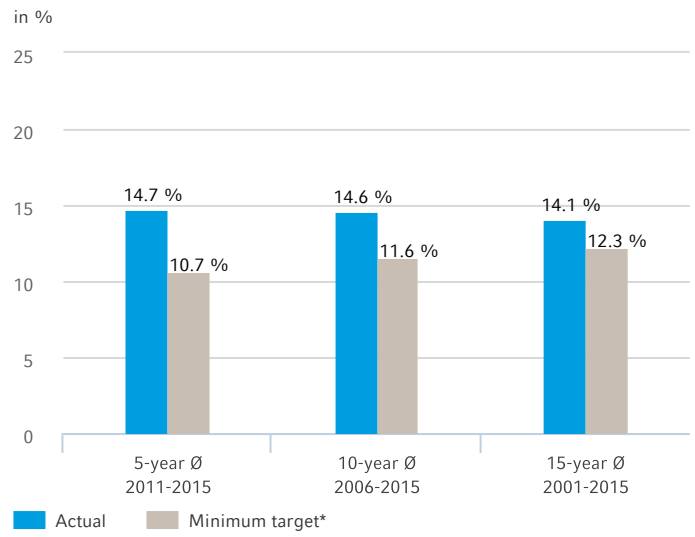
are able to effectively allocate our capital in light of opportunity and risk considerations which generates a higher-than-average return on equity.

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 on the topic at

- [🔗 Sustainability management](#)
- [🔗 Website: Group Strategy](#)
- [🔗 Website: Company presentation](#)
- [🔗 Website: Fact sheet](#)
- [🔗 Website: Hannover Re at a glance](#)
- [🔗 Website: Hannover Re 1966 – 2017](#)
- [🔗 Website: 50 years somewhat different](#)
- [🔗 AR 2016: Value-based management](#)

Business performance

In the 2016 financial year we generated gross premium income of EUR 16.4 billion, a decrease of 4.2% compared to the previous year. The operating profit (EBIT) stood at EUR 1.7 billion (previous year: EUR 1.8 billion). Earnings per share amounted to EUR 9.71.

Altogether, we distributed around 50% of Group net income to our shareholders. The total amount paid out came to EUR 603.0 million, split into a basic dividend of EUR 3.50 plus a special dividend of EUR 1.50 per share.

The equity attributable to our shareholders rose by 11.5% relative to the previous year to reach EUR 9.0 billion (previous year: EUR 8.1 billion). The total policyholders' surplus (including non-con-

trolling interests and hybrid capital) similarly grew by 9.4% to EUR 11.2 billion (previous year: EUR 10.3 billion). The book value per share increased accordingly to stand at EUR 74.61 (previous year: EUR 66.90). The return on equity declined slightly year-on-year to 13.7% (previous year: 14.7%).

Personnel expenditure on wages and salaries amounted to EUR 258.1 million (previous year: EUR 246.4 million) in the last financial year, a modest increase relative to the previous year.

Our indirect economic impacts are linked to the product-related goals and measures of our Sustainability Strategy and Group Strategy and fall within the scope of responsibility of the Executive Board.

More information on the topic at

-  Company portrait
-  AR 2016: Key figures
-  AR 2016: Other information

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 that reflects in concrete terms the higher-order Group strategy of the Group and in which we explicitly commit to our strategic objective of sustainable value creation.

In 2014 we reviewed our Group 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 therefore similarly revisited and modified in light of a materiality analysis and to reflect the current need for action. Sustainability goals that had still to be achieved were carried over to the new strategy cycle. Our current Sustainability Strategy for the years 2015 to 2017 defines four action fields and specifies 14 concrete goals and 42 measures.

Our Sustainability actions fields



The revised Group Strategy 2018 – 2020, which is expected to be unveiled in September 2017, sets in motion a new strategy cycle in the context of which the Sustainability Strategy will also be revisited.

Governance and Dialog

The considerable importance attached to the issue of sustainability is also reflected in the associated responsibility within the enterprise. Our Executive Board jointly bears responsibility for and tracks implementation of the sustainability strategy. The German Corporate Governance Code and our company’s Corporate Governance principles are the foundations of our actions. From our employees and especially from managers we expect systematic compliance with our Code of Conduct, which is applicable worldwide. Both as part of our company’s strategic orientation and in day-to-day business we act with integrity in dealings with our business partners, employees, shareholders and the public at large. We seek an open and wide-ranging dialogue with our stakeholders. Their trust is a vital prerequisite for our entrepreneurial success.

Product Responsibility

Our reinsurance offerings are geared to the needs of the market and our clients. In view of changing social challenges, we shall increasingly offer products designed to protect against new economic, social and ecological risks. We attach special importance to protection against risks resulting from climate change as well as insurance coverage for socially vulnerable groups.

The responsible management of our investments is a high priority. In the interests of our clients and shareholders, our investment strategy strives to generate a commensurate risk return. In accordance with our Sustainability Strategy this is done by incorporating environmental, social and governance criteria (ESG criteria) into our investment policy.

Employees

Given that our employees are a crucial factor in the success of our company, we have defined strategic principles for human resources management. We always want to be perceived as an attractive em-

ployer by both existing staff and potential new recruits alike. Special attention is paid to the skills enhancement and further development of our workforce. With this in mind, we offer our employees the best possible framework conditions and foster both their professional and personal growth.

The physical and mental well-being of our employees is an essential prerequisite for the sustainable development of our business and for safeguarding our high quality standards. Our company physician advises our employees on matters of health protection and health promotion. The focus is on the prevention of diseases, e.g. through medical check-ups, workplace inspections, advice and treatment on matters of general medicine as well as vaccinations and vaccination advice.

Along with skills and dedication, a high level of diversity ranks among the cornerstones of our successful business operations. The diversity of our workforce assures our high global quality standard.

More information on the topic at

-  [Materiality analysis](#)
-  [Website: Sustainability Strategy 2015 – 2017](#)

Environment and Society

We take our responsibility to the environment and the social sphere in which we operate very seriously. We have therefore made a worldwide commitment to these issues.

The supply of energy and heat to our premises and the business travel that we undertake give rise to CO₂ emissions. The focus of our environmental conservation efforts is on reducing these emissions. Above and beyond this, we strive towards the economical and environmentally friendly use of (raw) materials and resources such as paper and water in our offices. When it comes to choosing products and selecting suppliers, we pay close attention to compliance with social and environmental standards.

Our social involvement extends beyond our Home Office in Hannover to include our international subsidiaries, which conduct their own specific projects targeting social concerns in the individual countries. In terms of content, our efforts are concentrated on the areas of research, learning and art as well as on supporting the voluntary social engagement of our staff.

Materiality analysis

G4-18, G4-19

Our major sustainability issues can influence the Group's commercial success in the short, medium and long term. With this in mind, we carried out an internal materiality analysis in 2014. In the context of several workshops held with the involvement of representatives from all relevant specialist units and external consulting, we identified relevant topics along the value creation chain, compulsory and voluntary standards as well as long-term trends. We then weighted the topics using an evaluation tool to determine their materiality.

Core issues associated with Environmental, Social and Governance ratings (ESG ratings) and UN initiatives are of special relevance to us. In 2015 we therefore expanded our list of material issues accordingly. Even though our company's environmental impacts are comparatively minor, we also include them – along with social concerns – in our considerations.

Subsequent clustering then adds to the clarity of differentiation between the selected topics and helps to avoid duplications. In this way, we have identified 15 material sustainability issues that are set out accordingly in the Sustainability Report:

Action field	Clustering of material issues
Governance and Dialogue	
	Responsible corporate governance
	Compliance
	Risk management
	Stakeholder dialogue
Product Responsibility	
	Risk expertise
	Sustainable insurance solutions
	ESG in asset management
	Customer orientation and satisfaction
Employees	
	Executive development / Employee advancement
	Employee retention
	Diversity
	Co-determination
Environment and Society	
	Operational environmental conservation
	Supplier management
	Social commitment

In the context of the materiality analysis we also identified nine material issues in the area of financial performance. These are covered by

the Group strategy. We report extensively on the progress of goal achievement in the Annual Report 2016.

More information on the topic at

 Value-based management

 AR 2016: Sustainability at Hannover Re

Sustainability strategy and goals

Table of goals for 2015 – 2017 (sustainability goals and measures)

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

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

I. Governance and Dialogue

Goals and measures	Contribution to goal achievement since 2015
Compliance	
Goal: Expansion of compliance concepts and guidelines in relation to specific topics	
<ul style="list-style-type: none"> • Extension of compliance requirements in IT 	This is an ongoing measure.
<ul style="list-style-type: none"> • Expansion of the international compliance network 	Each year we organise a European Compliance Officer Meeting and additionally hold three teleconferences within this body on an annual basis. Furthermore, a review of the compliance requirements under Solvency II was conducted.
Responsible, value-based enterprise management	
Goal: Value creation for our shareholders	
<ul style="list-style-type: none"> • Our goals and performance indicators for value-based enterprise management are set out as part of our Group strategy. 	For further information see the section > Value-based management of the Annual Report.
Goal: Attractive investment for sustainability-minded investor groups	
<ul style="list-style-type: none"> • Active dialogue with rating agencies for sustainability with a view to ongoing inclusion in at least one recognised sustainability index as well as maintaining the oekom "Prime" rating 	A regular, active dialogue is conducted with rating agencies. In 2016 we were again listed in the FTSE4Good Index and retained the "Prime" rating from oekom research.
<ul style="list-style-type: none"> • Enlarge on rating-specific sustainability topics 	In the context of the online Sustainability Report 2016 we have been more responsive to the information requirements of rating agencies and included various additions, for example on topics such as reinsurance solutions.

Goals and measures	Contribution to goal achievement since 2015
Transparency and Disclosure	
Goal: Expansion of reporting on sustainability issues	
<ul style="list-style-type: none"> Changeover to GRI G4 reporting, in accordance with the "Core" option. 	<p>The changeover was completed in 2016 with the compilation of the Sustainability Report for the 2015 financial year. The present Sustainability Report has similarly been drawn up in accordance with the GRI G4 Guidelines, "Core" option.</p>
<ul style="list-style-type: none"> Bringing forward of the publication date of the Sustainability Report 	<p>This is an ongoing measure.</p>
<ul style="list-style-type: none"> Setting up of a sustainability competence team and appointment of a sustainability officer 	<p>The interdisciplinary working group has been set up and meets several times a year to reconcile strategic goals and measures and also at shorter intervals in sometimes smaller constellations depending on matters at hand.</p>
<ul style="list-style-type: none"> Expansion of the sustainability information provided on the website 	<p>This is an ongoing measure.</p>
<ul style="list-style-type: none"> Extension of Environmental, Social and Governance data (ESG data) collection to include the Group's international locations 	<p>This is an ongoing measure.</p>
<ul style="list-style-type: none"> Group-wide recording of sustainability projects 	<p>This is an ongoing measure.</p>
Goal: Purposeful stakeholder dialogue	
<ul style="list-style-type: none"> Systematic expansion of the stakeholder dialogue, e.g. with investors practising socially responsible investment (SRI) through participation in SRI conferences / roadshows, with rating agencies and by means of regular stakeholder surveys 	<p>In November 2016 we participated in an SRI conference. A regular dialogue takes place with SRI investors and rating agencies.</p>
<ul style="list-style-type: none"> Compilation of a fact sheet on sustainability at our company 	<p>This is an ongoing measure.</p>

II. Product Responsibility

Goals and measures	Contribution to goal achievement since 2015
Customer orientation / satisfaction	
Goal: Step up our dialogue with customers	
<ul style="list-style-type: none"> Expand avenues for international dialogue 	<p>Our "Building Bridges" seminar series in the Property & Casualty reinsurance business group serves to intensify customer relationships and is regularly expanded to cover current issues.</p> <p>In 2016 our subsidiary E+S Rück held a specialist conference on "Autonomous driving: Legal framework and liability obstacles" for its customers in the German-speaking, Italian and US markets. In the Life & Health reinsurance business group the "ReCent Medical News" newsletter has been an established fixture for some years now, providing insights into medical research findings, case studies and underwriting methods.</p> <p>Multiple customer surveys have been carried out since 2015 (Australia, Italy and worldwide). Work has begun on implementation of our own CRM (Customer Relationship Management) application "CoRe".</p>
Sustainable insurance solutions	
Goal: Development and expansion of "sustainable" products	
<ul style="list-style-type: none"> Closer cooperation with primary insurers to develop and expand sustainable products Development of products that promote, for example, renewable energies 	<p>Cooperation with primary insurers in Pakistan, the Philippines, Indonesia and India is being steadily expanded in the growing market for microinsurance products.</p> <p>We encourage the expansion of products relevant to climate change, such as weather insurance and covers for energy-saving warranties, to additional European countries.</p> <p>Index-based disaster finance concepts have been developed for countries in South America and Asia that guarantee prompt financial aid in the event of a natural disaster.</p>
<ul style="list-style-type: none"> Further expansion of microinsurance products 	<p>In India we play an active part in the expansion of microinsurance solutions and reinsure a growing business volume there. We also work together with primary insurance partners in markets such as Pakistan, the Philippines and Indonesia to provide suitable microinsurance products for the market. In Malaysia we are supporting an initiative intended to expand state-subsidised insurance covers against accident and disability risks.</p>
<ul style="list-style-type: none"> Expansion of the dialogue on emerging risks 	<p>This is an ongoing measure.</p>
ESG criteria in asset management	
Goal: Extension of ESG guidelines for asset management	
<ul style="list-style-type: none"> Signing of the UN Principles for Responsible Investment (PRI) to be reviewed 	<p>This is an ongoing measure.</p>
<ul style="list-style-type: none"> Refinement of the ESG Investment Policy incl. development of positive screening 	<p>The existing ESG Investment Policy has already been refined and supplemented with a best-in-class investment approach, including positive screening. Practical implementation of this measure is pursued jointly with the asset management team. The goal is to have integrated positive screening into the investment processes by the end of 2017.</p>
<ul style="list-style-type: none"> Appointment of an ESG officer on the Investment Team 	<p>In April 2015 we appointed an ESG officer on the Investment Team.</p>

III. Employees

Goals and measures	Contribution to goal achievement since 2015
Health management	
Goal: Preserve and restore the performance capability of our staff	
<ul style="list-style-type: none"> Continuation of existing health programmes / check-ups 	In 2016 we held our first "Wellness Day", offering employees at the Hannover location a wide-ranging programme on health and prevention topics. As a result, we rolled out an additional training concept addressing relaxation skills.
<ul style="list-style-type: none"> Development of a counselling service for professional and personal crises (Employee Assistance Programme at the Hannover location) 	Since August 2016 we have made an external and – if so desired – anonymous telephone counselling service available to our staff and managers at the Hannover location.
<ul style="list-style-type: none"> Implementation of Occupational Integration Management for employees returning after illness 	Elaboration took place in a dedicated working group. Discussions and consultations with the Employee Council were continued.
<ul style="list-style-type: none"> Continuation of the offered family services 	Under the Employee Assistance Programme (EAP), family members of our staff and managers also have the opportunity to make use of the available services.
Employee development / Employee advancement	
Goal: Expansion of further training measures for specialist and executive staff	
<ul style="list-style-type: none"> Continuation and internationalisation of the executive development programme 	This is an ongoing measure.
<ul style="list-style-type: none"> Expansion of the training programme, e. g. through blended learning 	In 2015 the HannoverReAcademy was rolled out at the Hannover location learning management system. Our training programme is constantly reviewed with an eye to its orientation and quality.
<ul style="list-style-type: none"> Internationalisation of the surveys on employee satisfaction 	A worldwide employee survey was conducted in 2015 / 2016. Individual measures were explored in the year under review in various areas of the company and, where appropriate, implemented.
Diversity	
Goal: Promoting diversity and a work / life balance	
<ul style="list-style-type: none"> Continuation of the mentoring programme for female employees with the aim of increasing the proportion of women in management positions 	The first round of the programme was completed in the year under review. Informational events for a new implementation round were held at the end of 2016 and the internal application process was set in motion. As a result, the next round of the mentoring programme got underway in March 2017.
<ul style="list-style-type: none"> Training / awareness-raising of executives 	An executive seminar was held on "Gender-specific communication". This is an integral component of our (further) training programme for managers that was continued in 2016.
<ul style="list-style-type: none"> Expansion of the care services provided for employees' children at the company's infant daycare centre 	30 places are currently available. The childcare support on offer is expanded as necessary; in 2016 there was no additional requirement.

IV. Environment and Society

Goals and measures	Contribution to goal achievement since 2015
Environmental protection	
Goal: Ongoing reduction of CO2 emissions as well as carbon neutrality at the Hannover location by 2015	
<ul style="list-style-type: none"> Recertification according to ISO 14001 at Hannover location 	<p>Recertification was completed in November 2015. Our environmental certificate is thus valid for a further 3 years. In 2016 we had additional validation carried out as per the EMAS III Directive and from now on we shall publish a validated EMAS III environmental statement on an annual basis.</p>
<ul style="list-style-type: none"> Progressive worldwide rollout of the transition to renewable energies 	<p>This is an ongoing measure.</p>
<ul style="list-style-type: none"> Staff training in environmental protection 	<p>This has hitherto been carried out annually through online training for all staff at the Hannover location. The concept is currently under review and will be revised as necessary.</p>
<ul style="list-style-type: none"> Creation of an international network of Hannover Re environmental managers 	<p>This is an ongoing measure.</p>
<ul style="list-style-type: none"> Extension of environmental data collection to include the Group's international locations 	<p>This is an ongoing measure.</p>
Supplier management	
Goal: 100% of relevant suppliers are measured by environmental and social standards	
<ul style="list-style-type: none"> Clustering of (groups of) suppliers into ESG risk categories 	<p>Clustering is complete. Suppliers evaluated critically in an ESG risk category are blacklisted and no further orders are placed with them.</p>
<ul style="list-style-type: none"> Ongoing selection and evaluation of suppliers according to environmental and social standards 	<p>All major new suppliers for the Hannover location are reviewed with the aid of our established procedure for self-reporting. We require our suppliers to comply with our Code of Conduct for Suppliers.</p>
<ul style="list-style-type: none"> Adoption of supplier evaluation in all areas of the company at Hannover Home Office 	<p>All major suppliers for the Hannover location are regularly reviewed with the aid of our established procedure for self-reporting. Suppliers evaluated critically are blacklisted and no further orders are placed with them.</p>
<ul style="list-style-type: none"> Green IT: Development of IT purchasing guidelines and minimum standards 	<p>This is an ongoing measure.</p>
Social commitment	
Goal: Group-wide coordinated guidelines and recording of social activities	
<ul style="list-style-type: none"> Review and as necessary refine uniform Group-wide guidelines for donations and sponsorship ("Social Activity Guidelines") 	<p>Our internal Donations Guideline ensures that our social activities primarily benefit the common good.</p>
<ul style="list-style-type: none"> Group-wide recording of donations and sponsorship activities 	<p>This is an ongoing measure.</p>

More information on the topic at

 Website: Sustainability Strategy

Sustainability management

Responsibility for the topic of sustainability rests with our entire Executive Board. The Environmental Management Officer, the Compliance Officer and a member of staff entrusted with the corporate governance function report on a regular basis to the Executive Board. In addition, our sustainable value creation is ensured by a comprehensive risk management system with appropriate reporting structures.

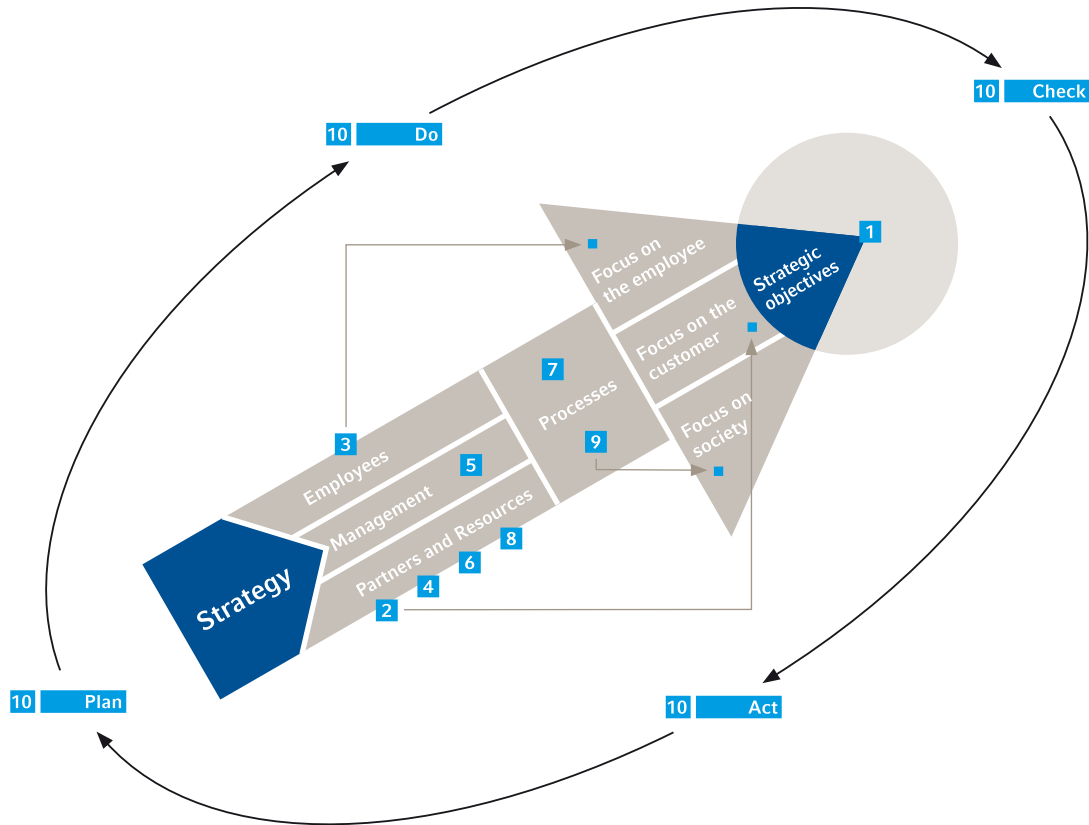
In our business operations we not only comply with applicable laws but are also guided by voluntary guidelines such as our Code of Conduct, which was revised in 2017 and is applicable Group-wide. We take our lead from the guidelines of the ILO and the principles of the UN Global Compact, most importantly with respect to the observance of human rights and in the management of our investments. By requiring our suppliers to comply with our Code of Conduct for Suppliers, we are seeking to promote sustainability throughout our entire value creation process.

An interdisciplinary working group at the Hannover location takes responsibility for preparing our strategic orientation in matters of sustainability and for defining appropriate operational measures. Comprised of representatives from various specialist departments, it meets annually for the strategy review and on a case-by-case basis in various

constellations depending on the tasks to be dealt with. It is incumbent on each member to advance the goals of the Sustainability Strategy within his or her specialist area.

In accordance with our holistic management system of Performance Excellence 2.0, each organisational unit defines its own contribution to the Group Strategy and hence to the sustainable development of the company with the aid of the internal Strategy Guide and the Strategy Cockpit tool. The most important working document used by all organisational units for the compilation of strategy contributions is the Strategy Guide. The Strategy Guide sets out in detail the goals that we pursue and the contributions that organisational units are expected to make to individual goals and areas of topical emphasis. Our sustainability goals and measures are also embedded in the Strategy Guide. In this way, we ensure that all initiatives and activities within our company are rigorously linked to the Group Strategy and the Sustainability Strategy and that strategic innovations cascade further to reach all actors. Documentation of the strategy contributions and regular implementation controlling are carried out by the organisational units in the Strategy Cockpit. Corresponding reporting to the Executive Board by the responsible department takes place on a regular basis.

Performance Excellence



Management approaches to specific topics in the areas of "Governance and Dialogue", "Product Responsibility", "Employees" and "Environment and Society" are discussed in the relevant chapter.

More information on the topic at

- [Product responsibility](#)
- [Employees](#)
- [Environment and Society](#)
- [Value-based management](#)
- [GRI-Index](#)
- [Governance and Dialogue](#)