

2015

Sustainability Report 2015

talax.


Insurance. Investments.

HIGHLIGHTS



Stakeholder survey and materiality analysis implemented for the first time in 2014
[📄 Page 13ff.](#)

Talanx companies have signed up to the German insurance industry's Code of Conduct for Data Protection [📄 Page 25](#) and the gdv's Code of Conduct for Insurance Distribution [📄 Page 56](#)


Energy-efficient headquarters building in Hannover: comprehensive central control system, geothermal system, construction elements that comply with the standards for passive houses and regenerative ventilation
[📄 Page 28](#)



Sustainability strategy developed; published in 2015
[📄 Page 8ff.](#)

Diversity Charter signed and Diversity Commitment published
[📄 Page 42](#)

The Retail Germany Division's "ISP" product family offers fund policies focusing on sustainability
[📄 Page 50](#)



Carbon-neutral printing of Talanx publications on FSC paper in 2015
[📄 Page 29](#)



Ampega GenderPlus Aktienfonds offers a way for retail investors to invest in the German Gender Index
[📄 Page 50](#)

Full Board of Management formally assumes responsibility for sustainability topics
[📄 Page 12](#)




Internal trial sustainability report prepared
[📄 Page 14](#)


The Ampega Responsibility Fonds, terrAssisi Renten I AMI and terrAssisi Aktien I AMI products offer sustainable investment opportunities for external customers
[📄 Page 50](#)



EUR 1.13 BILLION invested in infrastructure projects up to the 2015 year-end
[📄 Page 51f.](#)

EUR 550 MILLION

In 2015, Talanx structured a bond for the Gode Wind 1 wind farm in the North Sea in the amount of approximately EUR 550 million, and subscribed for approximately 60% of the bond volume (approximately EUR 300 million)
[📄 Page 52](#)



In 2015, terrAssisi Aktien I AMI is awarded first place in the FundAwards' "Sustainable Equities" category and is named one of yourSRI's top 10 sustainable equities funds
[📄 Page 50](#)

AT A GLANCE

The following list of performance indicators covers the topics identified in the [Materiality analysis \(page 13ff.\)](#) plus those that are otherwise relevant for the Talanx Group.

T1 FINANCIAL, ENVIRONMENTAL AND EMPLOYEE PERFORMANCE INDICATORS

Performance indicator (for the year/at the 2015 year-end)	Unit	Amount (rounded)
Financial performance indicators and metrics		
Gross written premiums	EUR MILLION	31,799
Operating result (EBIT)	EUR MILLION	2,182
Group net income	EUR MILLION	734
Return on equity	%	9.0
Investments under own management	EUR MILLION	100,777
Number of employees ¹⁾	HEADCOUNT	21,691
Shares in free float	%	21.0
Gross written premiums (primary insurance)	EUR MILLION	15,468
Report's coverage of the Talanx Group		
Percentage of Talanx Group employees covered	%	56.9
Percentage of Talanx Group employees covered with the exception of the Hannover Re Group	%	64.5
Talanx Group gross premiums covered	%	29.8
Talanx Group gross premiums for primary insurance covered	%	61.2
Compliance and Transparency		
Employees covered by the Code of Conduct	%	100
Female members of Talanx AG's Supervisory Board	%	25.0
Female members of Talanx AG's Board of Management	%	—
Female members of supervisory boards of companies in the Talanx Group ²⁾	%	8.7
Female members of boards of management/managing directors of companies in the Talanx Group ²⁾	%	15.3
Day-to-day Operations and Procurement		
Energy consumption per workspace/employee ³⁾	MWH	4.2
Paper consumption per workspace/employee ³⁾	METRIC TONS	0.04
Water consumption per workspace ⁴⁾	CUBIC METRES	5.5
Business travel and trips in company cars ⁵⁾	MILLIONS OF KM	38.7
Business travel and trips in company cars per employee ⁶⁾	KM	4,008
Greenhouse gas emissions from business travel and trips in company cars ⁶⁾	METRIC TONS	4,706
Greenhouse gas emissions from business travel and trips in company cars per employee ⁶⁾	METRIC TONS	0.5
Work and Employees⁷⁾		
Total continuing professional development days	DAYS	19,141
Continuing professional development days per employee	DAYS	2
Employee reviews performed ⁸⁾	%	95.7
Management positions filled internally	%	87.5
Employee turnover	%	6.5
Length of service	YEARS	14.5
Total female employees	%	46.9
Women in management positions	%	17.5
Retention rate 12 months after return from parental leave	%	93.0
Investment and Products		
Volume of infrastructure investments	EUR MILLION	1,134

¹⁾ Includes active core workforce and inactive employment relationships (not including people in the passive partial retirement phase).

²⁾ Includes the companies in the Talanx Group in Germany (with the exception of the Hannover Re Group) and in the WARTA Group.

³⁾ Includes the Talanx Group's four largest business locations in Germany with the exception of the Hannover Re Group, plus the WARTA Group; in some cases the figures refer to physical workspaces and in some cases to employees including vocational trainees, etc. in order to show the relationship to the number of users.

⁴⁾ Includes the Talanx Group's four largest business locations in Germany with the exception of the Hannover Re Group.

⁵⁾ Includes approximately 79% of the Talanx Group's company cars in Germany with the exception of the Hannover Re Group, including private use of company cars.

⁶⁾ Includes the Talanx Group in Germany with the exception of the Hannover Re Group, including private use of company cars.

⁷⁾ Includes the core workforce and inactive employment relationships (not including people in the passive partial retirement phase) with the exception of the Hannover Re Group.

⁸⁾ Includes reviews by their superiors of the senior managers of the Talanx Group in Germany with the exception of the Hannover Re Group (generally tier 1 and tier 2 management).

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HERBERT K HAAS
Chairman

Ladies and gentlemen,

¹ Climate change, demographic developments and cultural diversity are driving our activities as an international company and one of the largest insurance groups in Germany and Europe. Either we are already impacted today by all the social, economic and environmental challenges of our time or we shall be in the foreseeable future. These challenges affect the labour market and the world of work, our products, our investments, our procurement policy and corporate governance requirements.

This is why Talanx adopts an integrated, sustainable approach to corporate management. As an international insurance group and a long-term investor, we are committed to responsible corporate governance aimed at sustainable value creation, and we include environmental, social and governance aspects in our business. We are happy to take responsibility for our corporate environment. I therefore take pleasure in presenting you with our first Sustainability Report, which details our sustainability strategy, and the progress we have made in achieving it. This was compiled using the internationally recognised Global Reporting Initiative (GRI) guidelines. From now on, we shall provide you with annual updates on key aspects of sustainability.

Our activities as an insurance company are affected by many sustainability factors. To mention just a few: we are supporting the shift to renewable energies by providing insurance cover, by making infrastructure investments and by sourcing renewable energies ourselves. We protect private individuals and companies against the financial

consequences of climate change and provide them with advice on how to prevent losses. We offer our customers a means of investing in companies that have achieved a balanced ratio of female to male board of management and supervisory board members, or that have implemented ambitious sustainability criteria. We are integrating a growing number of older employees and staff with migrant backgrounds. We offer people private retirement products that also take social and ecological criteria into account. These aspects are becoming increasingly important for both our customers and investors.

In order to ensure it is meeting its growing responsibilities in this area, the Talanx Group has developed a sustainability strategy that is based on its overarching strategy. We have defined the goals and steps for this together with our divisions, functions and departments.

In 2014 and 2015, we focused on surveying our stakeholders and developing our sustainability strategy and action areas. At the same time, we established our structures and set up a team of experts drawn from throughout the Group, one of whose tasks was to prepare an internal trial report. That document served as a test run for this, our first published Sustainability Report. In addition, we adopted concrete goals for our action areas in the course of this year, in order to make a tangible contribution to sustainable development. These goals are also presented in this report.

¹ G4-1

We are in the process of implementing our sustainability reporting framework, which currently covers Germany and the WARTA Group in Poland. Since our global presence is one of our hallmarks and a critical success factor for the Talanx Group, we are aiming to include additional locations in our sustainability reporting in the medium term. Chief among these are our strategic target markets in Latin America, Central and Eastern Europe.

We see our sustainability management and sustainability reporting as an ongoing process and we would be delighted if you would support us in this – and provide feedback.


Thank you for your interest and I hope you enjoy your read.

Yours sincerely,

Herbert K Haas
Chairman of the Board of Management, Talanx AG







ABOUT THIS REPORT

 G4-30 | G4-32


 In this Sustainability Report, Talanx presents extensive information on environmental, social and governance topics for the first time. The report has been prepared in accordance with the Global Reporting Initiative guidelines (GRI G4) and meets the requirements of the Core “In accordance” option, which covers the key elements that have to be included in sustainability reports. In some cases, however, the information provided goes beyond the scope of the Core option, for example because the report is also designed to meet the information needs of relevant environmental, social and governance (ESG) ratings that have a sustainability focus. The Talanx Group’s Sustainability Report will be published annually, starting with this version.

 www.hannover-re.com/60729/sustainability

 G4-28

The  G4-... icons in the margin refer to the corresponding Indicators in the GRI G4 guidelines. An overview of all GRI Aspects and Indicators contained in this report is given in the  GRI Content Index (page 62ff.). References to other pages in this report are indicated by the  icon; references to websites are indicated by the symbol . We use the  symbol to refer to our sustainability goals; a  complete list of all of these is to be found on page 10f.

 Sustainability goal

One key basis for this report and for our sustainability strategy is a stakeholder survey conducted in the autumn of 2014 among employees¹⁾, customers, investors and analysts, as well as representatives of other stakeholder groups, see the  section entitled “Materiality analysis”(page 13ff.).


 G4-17

 **Entities covered:** This report covers those Talanx Group companies and locations in Germany (our home location) that make a significant contribution to the individual Indicators or Aspects, as well as the WARTA Group in Poland.


 G4-33


In more detail, this comprises Talanx AG, the Industrial Lines Division in Germany, the Retail Germany Division, Talanx International AG and our Corporate Operations such as Talanx Service AG, Talanx Systeme AG (the Group’s IT service provider) and Talanx Asset Management. Altogether, these companies employ approximately 9,700 people. In


addition, this Sustainability Report contains information on the WARTA Group in Poland, which currently has approximately 2,700 employees. This means that the Talanx Group’s second-largest location, measured in terms of the number of employees, is also covered. More specifically, the Sustainability Report provides information on the non-life and life companies Towarzystwo Ubezpieczeń i Reasekuracji WARTA S.A. and Towarzystwo Ubezpieczeń na Życie “WARTA” S.A., in which Talanx AG indirectly holds 75.7% of the shares in each case.

The report’s main focus is on primary insurance and on our Corporate Operations. Information on  Hannover Re is generally not included since our reinsurance subsidiary publishes its own sustainability report containing detailed information. Equally, our sustainability strategy and goals apply to the Talanx Group with the exception of the Hannover Re Group.

Those cases in which information is not yet available for all the companies, locations and units covered by this report are flagged.

 **Reporting period:** This report refers to the 2015 financial year, i.e. to the period from 1 January 2015 to 31 December 2015. A large amount of data is being published for the first time. In the future, we aim to provide data not only for the reporting period but also for **previous years**. This will allow information to be put in context and comparisons to be drawn.

 Additionally, we are planning to **expand** reporting over the coming years to include additional companies and locations abroad.

 At present, the Sustainability Report is not **audited externally** by the auditors of our financial statements. Where not otherwise indicated, the financial information in this report is based on the consolidated financial statements for the Talanx Group, which were prepared in accordance with the International Financial Reporting Standards (IFRSs) and audited.

¹⁾ Gender-neutral language has been used throughout this report.

1 GENERAL INFORMATION AND ORGANISATIONAL PROFILE

¹ The Talanx Group is a multi-brand provider in the insurance and financial services sector. It had 21,691 employees worldwide as at the end of 2015.¹⁾ The Group parent is Hannover-based financial and management holding company Talanx AG, which has been listed since 2012. HDI V.a.G., a mutual insurance company formed over 100 years ago, is the majority shareholder in Talanx AG with an interest of 79.0%. 21.0% of the shares are in free float, including 0.1% employee shares.

² In financial year 2015, the Talanx Group generated **Group net income** of EUR 734 million. The Group's gross written premiums climbed to the new record figure of EUR 31.8 billion, an increase of 9.7% compared with the previous year. Operating profit (EBIT) rose to EUR 2.2 billion, up 15.3% year-on-year.

Additional information on Talanx's business development, the size of the organisation and the directly generated and distributed economic value can be found in the Group Annual Report 2015. More specifically:

- for Talanx's premium volumes and the results of its individual segments and markets, see the chapter entitled "Business development" on page 29ff.
- for its total assets including information on liabilities and equity, see the consolidated balance sheet of Talanx AG on page 130f.
- for information on Talanx's shares, see "Our shares" on page 14ff. and "Earnings per share" on page 241f.
- for information on administrative expenses, see Note 32, "Acquisition costs and administrative expenses", on page 232
- for information on personnel expenses see Note 33, "Other income/expenses", on page 233
- for information on interest and dividends paid see the consolidated cash flow statement of Talanx AG on page 136

- for the reported tax expense see Note 35, "Taxes on Income", on page 233

We currently do not collect any data on the value of the community investments made by the Group.

³ Material changes in the size, structure and nature of ownership of the Talanx Group in the reporting period are described in the Group Annual Report 2015; see the section entitled "Foundations of the Group" on page 18ff. and the chapter entitled "Business development" on page 29ff., among other places.

DIVISIONS, PRODUCTS AND BRANDS

⁴ Talanx is represented by its own companies or branches on all five continents of the world, and has employees in over 40 countries. A list of all entities included in the consolidated financial statements is provided in the chapter entitled "List of shareholdings" on page 245ff. of the Group Annual Report 2015. In addition, the Group has business relationships with primary insurance and reinsurance customers in around 150 countries in total.

⁵ Talanx's **Group structure** is shown on the back cover. The Talanx Group has three primary insurance divisions, each of which spans various lines of business: Industrial Lines, Retail Germany and Retail International.

The **Industrial Lines Division** is active throughout the world. It is as independent of third parties as possible and is capable of leading international consortia. The Industrial Lines Division's international reach has been underscored by changing HDI-Gerling Industrie Versicherung AG's name and legal form to HDI Global SE.

³ G4-13

¹ G4-3 | G4-5 | G4-7 | G4-9

 www.talanx.com/investor-relations/presentations-and-events/disclosure/2016?sc_lang=en

⁴ G4-6 | G4-9 | G4-17

² G4-9 | G4-ec1

 Group Annual Report

⁵ G4-4 | G4-8

 Group Annual Report

¹⁾ This figure covers the active core workforce and inactive employment relationships (not including people in the passive phase of partial retirement); casual workers, interns, vocational trainees and graduate trainees are not included. The number including casual workers is 21,965.

The **Retail Germany Division** comprises insurance offerings for retail clients and small and medium-sized companies in Germany. Key ways of doing business here are partnerships, broker sales, tied agents and bancassurance. Bancassurance involves over-the-counter sales of insurance products at partner banks, which provide access to their wide range of sales channels. Under this model, the insurance business is fully integrated with the partner bank's business structures.

The **Retail International Division** now has a presence in 13 countries. It focuses primarily on our strategic core markets in Latin America, including the growth economies of Brazil, Mexico, Chile and Peru as well as Central and Eastern Europe including Poland and Turkey. Bancassurance is used as a sales channel in Poland, Hungary and Russia.

The Non-Life Reinsurance and Life/Health Reinsurance segments, which are operated by Hannover Rück SE, make up the **Reinsurance Division**.

The Group companies operate the **insurance lines and classes** specified in the Regulation on Reporting by Insurance Undertakings to the Federal Financial Supervisory Authority; this takes the form of direct written insurance business in some cases and of reinsurance in others. They focus on a number of areas. For details, please see the [Group Annual Report 2015](#), section "Business model", page 18. Additional information is also provided in the [section](#) entitled "Insurance products within the Talanx Group" on [page 54f.](#)

The **Corporate Operations** segment includes Talanx AG, which primarily performs strategic tasks and does not have any operating activities of its own. The in-house service companies also belong to it, as do Talanx Reinsurance Broker, Talanx Reinsurance (Ireland) Limited and the Financial Services function. The latter, which includes Talanx Asset Management GmbH, Ampega Investment GmbH and Talanx Immobilien Management GmbH, primarily manages the Group's investments.

In addition to Talanx, the Group's key **brands** include the traditional brand HDI. This is used by companies in the industrial insurance and retail businesses both in Germany and abroad (e.g. HDI Seguros and HDI Sigorta). Other brands that should be mentioned include Hannover Re and E+S Rück, Ampega, TARGO insurers, PB insurers and neue leben insurers. In Poland, WARTA and TU Europa are important brands, as are Posta Biztosító in Hungary and CIV life in Russia.

As the second-largest insurance group in Poland, the WARTA Group offers property, liability and personal insurance products as well as life insurance. By combining products and services from several different companies, WARTA is able to offer its customers a particularly wide range of tailor-made products (see [the company's website](#)).

VALUE CHAIN

[Figure 1](#) shows the key elements of the Talanx Group's **value chain** in simplified form.

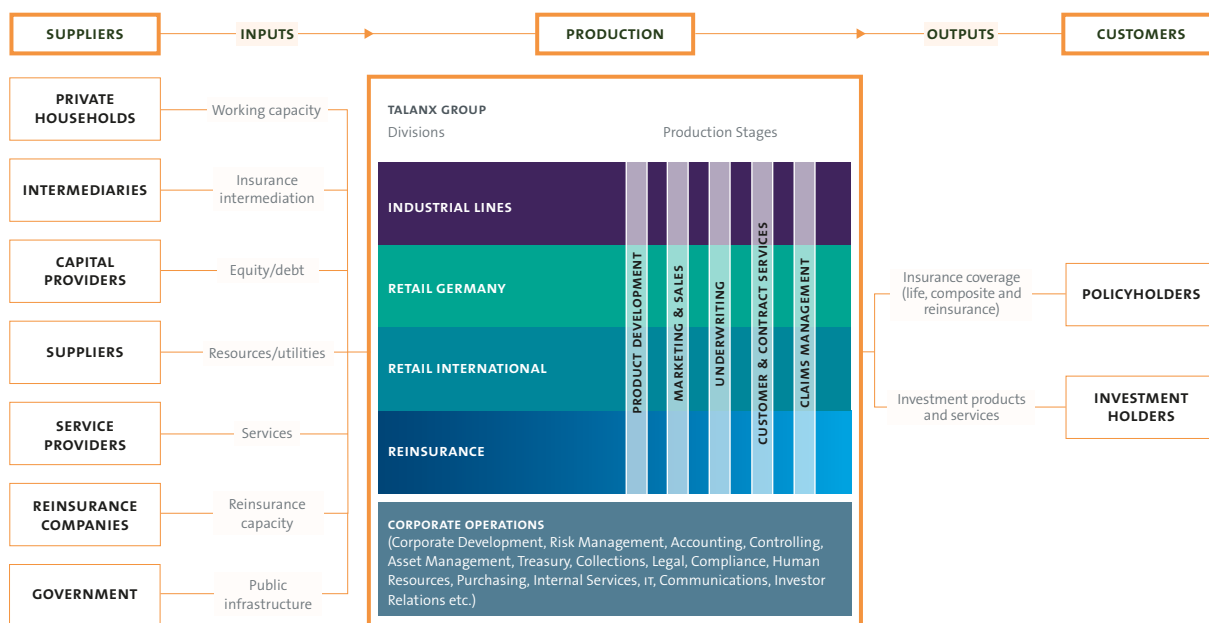
For reasons of clarity, the diagram focuses on the operational aspects of the insurance business. In addition, the Group provides other services, such as recommending and implementing loss prevention measures, reinsurance advice and intermediation, and claims management services.

The Talanx Group requires production inputs, which are listed under **Inputs** in the diagram, for the **Production** of insurance cover and other (financial) services. Apart from operating materials and capital, the main input factors are services, such as the labour provided by the workforce and reinsurance capacity. Other **Suppliers** of services include, for example, appraisers and claims handlers, refurbishment companies, waste disposal companies and lawyers. Service providers which act as intermediaries for insurance products (**Outputs**) are listed separately under **Intermediaries**.

www.warta.pl

[G4-12](#)

[www.talanx.com/
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2016?sc_lang=en](http://www.talanx.com/investor-relations/presentations-and-events/disclosure/2016?sc_lang=en)



This is sufficient to show that the value chain in the insurance business has features not found in other sectors. One aspect that is worth particular mention is the production process – a “system of internal and customer-related processes performed simultaneously and successively, which result in a marketable or sold product, ‘insurance cover’”.¹⁾ Another unique aspect is that insurance clients contribute to the production process, for example because policyholders have to provide information or are involved in claims processing.

The different **Production** stages at the Talanx Group are modelled using the following five steps: “product development”, “marketing & sales”, “underwriting”, “customer & contract services” and “claims management”. Group functions and departments contribute to implementing these steps, with their precise role depending on the division to which they belong. Hannover Re largely has its own functions and structures.

Generally speaking, the distinctions between the production steps, players and outputs are not always clear-cut because of the special features of the industry described above; this is all the more so since the differences between the divisions have to be taken into account. For example, in industrial insurance and reinsurance, rates are set in the course of the underwriting process, whereas in retail insurance this is done by the product development function. “Customer & contract services” generally refers to the management of written insurance policies. In addition, the above-mentioned **Intermediaries** – brokers, agents and banking partners – market insurance cover or investment products to **Customers**, while this activity is also performed by the Company’s sales function. As a result, marketing and sales activities are performed in several different places.

¹⁾ Dieter Farny, 1989, “Versicherungsbetriebslehre” (Insurance Management), Verlag Versicherungswirtschaft, Karlsruhe, page 133.

2 SUSTAINABILITY STRATEGY AND GOVERNANCE

We define sustainability as recognising the limits to what the planet and the people living on it can take. The Talanx Group is confronted with the social and ecological challenges of our time, and especially climate change and demographic change, every day. For example, they impact the labour market and our business in a wide variety of ways. By integrating ecological and social issues with our corporate management and corporate governance, we help preserve the planet as a place worth living in both for ourselves and for future generations. The following sections describe the concrete ways in which we, as an insurer, are contributing to this.

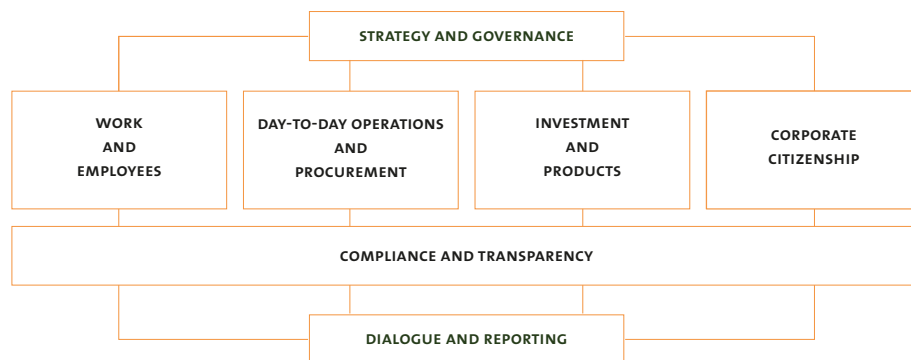
The Talanx Group is incorporating ecological, social and governance aspects into its business activities. As an international insurance group and a long-term investor, we are committed to responsible corporate governance based on

sustainable value creation. Equally, our customers generally enter into long-term relationships with us. We therefore take a forward-looking approach so as to ensure that we can deliver on the promises we make to our customers in the future, too.

Our sustainability strategy comprises action areas, goals and targets, and measures. It is aimed at aligning our business activities with environmental and social challenges. For this reason, we derived our sustainability strategy from the Group's overarching strategy and have aligned it with our mission statement and our values. In addition, our sustainability strategy and sustainability management activities are based on our **stakeholder** requirements and interests. We define stakeholder groups as groups of people who have demands on/an interest in the Talanx Group, and who can affect its performance or who are affected by its actions.¹⁾ Our customers, investors and employees are particularly important in this context.

For further information on our stakeholder survey and on how Talanx's material sustainability Aspects are determined, see the [📖](#) chapter entitled "Dialogue & Reporting" on [page 13ff.](#)

F2 ACTION AREAS IN THE TALANX GROUP'S SUSTAINABILITY STRATEGY



¹⁾ See R. Edward Freeman, 1984, Strategic Management: A Stakeholder Approach. Pitman, Boston, page 46.

ACTION AREAS

In addition to the higher-level areas of [“Strategy and Governance”](#) (page 8ff.), and [“Dialogue and Reporting”](#) (page 13ff.), the Talanx Group aims to meet goals in five other action areas. These are shown in Figure 2.

COMPLIANCE AND TRANSPARENCY

The Compliance and Transparency action area is an interdisciplinary function covering adherence to statutory and legal requirements and to the Company’s own Code of Conduct throughout the Group and across all action areas. Both the trust placed in the Talanx Group and its competitiveness depend on this foundation for legally correct, responsible and ethical conduct. In addition to topics such as anti-money laundering and anti-corruption, it also covers data protection and tax compliance. The Talanx Group wishes to be transparent about these and other aspects.

DAY-TO-DAY OPERATIONS AND PROCUREMENT

The goal of the Day-to-Day Operations and Procurement action area is to organise our daily business and purchasing activities in a sustainable manner. This includes, for example, using resources sparingly, sourcing environmentally friendly products, respecting employee and human rights (including along the supply chain), and reducing our direct and indirect greenhouse gas (GHG) emissions. We also want to encourage Talanx employees to conserve resources and take sustainability into account in their day-to-day activities, e.g. during business trips.

WORK AND EMPLOYEES

The Work and Employees action area reflects our desire to take the interests of our more than 20,000 employees worldwide into account and to be an attractive employer and training provider. The Talanx Group actively encourages and supports employee training and development. It promotes diversity and equal opportunities, e.g. by taking measures aimed at specifically increasing the proportion of women in management positions.

INVESTMENT AND PRODUCTS

Within the Talanx Group, our investments and insurance products are the main areas in which sustainability aspects have to be taken into account in our business activities. Given the leverage that we can achieve with our business, this offers considerable potential for contributing to sustainable development. For this reason, we are aiming in the long term to take sustainability criteria into account in investments, insurance products and services. Aspects such as transparency, easy-to-understand information and fair advice play an important role here.

CORPORATE CITIZENSHIP

The Corporate Citizenship action area helps us meet a key component of our social responsibility by actively promoting the common good and supporting selected charitable projects and initiatives. Currently, the Talanx Group and especially the foundation established for this purpose are involved in education and training activities at our Hannover location and beyond. The Group intends to build on these activities to develop a corporate citizenship strategy that will be used to align our social commitment.

SUSTAINABILITY GOALS AND MEASURES

The Talanx Group sets itself goals in the action areas making up its sustainability strategy. While some goals and their implementation can only be achieved in the long term, other steps can be taken more quickly and in some cases have already been reached. Table 2 provides an overview of the current goals for the relevant action areas and their status.

The next review and revision of our sustainability strategy is expected to take place in 2017, and new goals and measures will be adopted then as necessary. In future, the baseline year/comparative year for our goals will normally be the current (2015) reporting period.

T2 THE TALANX GROUP'S SUSTAINABILITY GOALS¹⁾

Goal	Measure	Scope	Deadline	Status
Strategy and Governance				
Strategic goal: develop and implement a sustainability strategy and governance structure				
Establish a sustainability strategy, including action areas and concrete goals	Establish a sustainability strategy, including action areas		2014	Done
	Publish a commitment to sustainability by the Board of Management		H1 2016	Done
	Develop and publish goals		2016	Done
	Successively implement sustainability strategy in our core markets		Ongoing	In process
Establish sustainability governance	Formally declare responsibility of Talanx AG's full Board of Management		2014	Done
Dialogue and Reporting				
Strategic goal: establish sustainability reporting and stakeholder dialogue				
Prepare a sustainability report in accordance with the Global Reporting Initiative (GRI) Guidelines	Prepare an internal trial report (for 2014/2015) as an intermediate step		2015	Done
	Publish suitable information from the trial report on the Talanx website		2016	Done
	Publish the first sustainability report (for 2015) for the Talanx Group in Germany and the WARTA Group in Poland		H2 2016	Done
	Extend reporting to companies in the target regions		2018	In planning
Perform stakeholder dialogue and materiality analysis	Conduct initial survey of stakeholders, identify material Aspects and include them in reporting (it is planned to repeat the procedure after approximately three years)		2014	Done
Compliance and Transparency				
Strategic goal: transparency, incorporate sustainability criteria into Compliance guidelines				
Review Compliance guidelines for sustainability criteria and incorporate where necessary	Analyse/review existing guidelines (Code of Conduct, etc.) for sustainability criteria		2017	In process
Day-to-day Operations and Procurement				
Strategic goal: sustainability-driven procurement and day-to-day operations, reduce CO ₂ emissions				
Take sustainability into account in procurement	Develop and successively implement a uniform Group Code of Conduct for suppliers	Germany	2017	In planning
	Increase offering of environmentally friendly office materials and consumables (with ecolabels) (target: 40%) and add information drawing attention to environmentally friendly products to the procurement portal	Germany	2017	In process
	Regularly review potential for cooperation with primarily domestic/local suppliers at major locations if this demonstrably promotes sustainability	Germany	2017	In process
Reduce CO ₂ emissions and consumption of energy and resources	Climate-neutral printing of all financial reports and use of FSC certified paper	Germany	2016	In process
	Increase environmental friendliness of stationery and envelopes	Germany	2017	In process
	Successively migrate to renewable energies	Germany	2018 onwards	In planning
	Investigate switch to climate-neutral postal/mail delivery	Germany	2016	In review
	Optimise energy consumption by adjusting timer programs, using efficient LED lighting in all buildings that Talanx owns, and making greater use of occupancy detectors in offices	Germany	Ongoing	In process
	Install an additional videoconferencing facility in order to reduce business travel	Germany, Hilden	2016	In process
	Step up internal communication on cutting energy and paper consumption in the workplace	Germany	2017	In planning
	Port travel expense claims processing to a web-based application in order to reduce paper consumption	WARTA Group	2016	In process
	Systematically replace old equipment by next-generation versions, e.g. energy-efficient, environmentally friendly refrigerators and air conditioning units	WARTA Group	2017	In process
	Install tap aerators at WARTA's facilities in order to cut water usage	WARTA Group	2017	In process
Use new, recyclable paper towels in its washrooms	Germany, Hannover	2016	In process	
	Increase use of eco-friendly cleaning agents and optimise cleaning intervals	Germany	2016	In process

T2 THE TALANX GROUP'S SUSTAINABILITY GOALS¹⁾

Goal	Measure	Scope	Deadline	Status
Draw up environmentally friendly rules for company cars and their use	Set upper limit for CO ₂ bonus for company cars at 130g/km	Germany	2017	In planning
	Completely replace the vehicle fleet with vehicles that comply with the Euro 5 or Euro 6 standard	WARTA Group	2017	In process
	Driving training for company car users in order to promote economical driving and hence reduce fuel consumption, among other things	WARTA Group	2017	Pilot will launch in 2016

Work and Employees

Strategic goal: transparency, incorporate sustainability criteria into human resources work

Review human resources guidelines for sustainability criteria and incorporate them where necessary	Analyse/review existing guidelines for sustainability criteria	Germany	2017	In process
Diversity/increase proportion of women in management positions	In future, recruit women to at least 25% of vacant management positions at all levels of the hierarchy in Germany	Germany	Ongoing	In process
	Recruit women to at least 35% of management positions	WARTA Group	Ongoing	In process
Promote employee health	Roll out employee health days/health management to locations	Germany	Ongoing	In process

Investment and Products

Strategic goal: include sustainability criteria in investments, insurance products and services

Examine sustainability criteria when selecting investments	Develop a procedure for Group-wide ESG screening of investments		2016	In process
Increase investments in infrastructure	Expand volume of investments in infrastructure to approximately EUR 2 billion		2017	In process


Corporate Citizenship



Strategic goal: develop and implement a strategy for social and local commitment

Establish Group-wide corporate citizenship guidelines/strategy	Survey activities within the Talanx Group		2016	In planning
	Analyse additional potential (Group-wide) commitments, research/select potential strategic partners		2016	In planning

¹⁾ Unless otherwise stated, the goals given in the "Strategy and Governance", "Dialogue and Reporting", "Compliance and Transparency", "Investment and Products" and "Corporate Citizenship" action areas apply to the Group as a whole (not including Hannover Re Group). The "Day-to-Day Operations and Procurement" and "Work and Employees" action areas are determined on a regional basis; at present they apply to Germany and the WARTA Group in Poland.

SUSTAINABILITY GOVERNANCE

¹  G4-34 | G4-36 |
G4-42 | G4-48

¹  Talanx's sustainability management is designed at an enterprise level and will be rolled out successively across its core markets. The full Board of Management of Talanx AG is the **overall owner** of the topic of sustainability. As is the case with the Group's other goals, values and strategies, the full Board of Management lays down and monitors the development and enhancement of Talanx's sustainability strategy, its sustainability goals and the measures to be implemented. The full Board of Management has published a  Sustainability Commitment in order to underscore the importance of the issue for the Group's senior management.

 [www.talanx.com/
nachhaltigkeit?
sc_lang=en](http://www.talanx.com/nachhaltigkeit?sc_lang=en)

²  G4-15

In addition, the Chairman of Talanx AG's Board of Management has a particular responsibility for sustainability, since the Company's Sustainability Officer is attached to Group Communications, for which he is responsible. This unit coordinates sustainability management and also prepares the sustainability report. The head of Group Communications reports directly to the Chairman of the Board of Management.

Because of the Group's decentralised organisational structure, most sustainability measures are **implemented** at the various divisions and corporate functions in the context of their respective core businesses. The goals

and measures are agreed, and data for reporting are captured, by a **competence team**, which comprises representatives from all divisions and the relevant companies and Corporate Operations, as well as various departments at Talanx AG. Talanx shares information and coordinates actions with its subsidiary Hannover Rück SE, which has established its own sustainability strategy and publishes its own sustainability report.

At the level of the Group companies – such as the WARTA Group for example – sustainability is owned by different functions such as Marketing, Communications or Compliance. The topic is also included in risk management.

²  The Talanx Group and the Group companies are involved in various sustainability, corporate social responsibility (CSR) and good governance **initiatives**. In addition to the German Corporate Governance Code and the Warsaw Stock Exchange's Code of Best Practice for WSE Listed Companies in Poland, these include the Code of Conduct drawn up by the German Insurance Association (GDV) (this relates to the Retail Germany Division). Talanx has also been a member of the Hannover Climate Alliance 2020 since 2007, as well as signing up to the Diversity Charter in 2013 and joining the Global Insurance Chief Compliance Officers (CCO) Forum in 2015.

3 DIALOGUE AND REPORTING

MATERIALITY ANALYSIS

¹ In keeping with the reporting guidelines set out in the Global Reporting Initiative (GRI G4), this Sustainability Report is based on a materiality analysis that reflects the assessments provided by our relevant stakeholder groups and by Talanx. These are obtained firstly by surveying stakeholders and secondly by asking the representatives on the sustainability competence team for their opinions.

The goal of the approach is to identify the sustainability topics and challenges that are material for the Talanx Group and its commitment to sustainability, and which we therefore comment on in this report. In accordance with the GRI Guidelines, we define as “material” those topics that reflect the key economic, environmental or social impacts of the Group and that influence the opinions and decisions of our stakeholders. Material Aspects are not only used as input for producing the Sustainability Report; they are also a key component in the development and enhancement of our sustainability strategy and goals.

IDENTIFICATION OF TOPICS

As recommended in the GRI Guidelines, we started the process of defining the report content by drawing up a comprehensive list of sustainability topics eligible for inclusion in Talanx’s sustainability strategy and Sustainability Report. This list was compiled using a broad range of sources, including

- initiatives such as the United Nations Global Compact (UNGC), which sets out Ten Principles on human rights, labour, the environment and anti-corruption
- information requirements for environmental, social and governance (ESG) ratings
- reporting guidelines such as the Global Reporting Initiative and its additional sector-specific disclosures, as well as the German Sustainability Code
- specialist literature, the latest research results and studies.

The significance of the different topics for the activities, products and services of the divisions, Corporate Operations and locations was assessed by the Group-wide competence team. Topics identified as relevant were included in the development process for the questionnaire that Talanx used for the stakeholder survey.

STAKEHOLDER SURVEY AND PRIORITISATION OF TOPICS

The stakeholder groups to be surveyed were defined in advance. Since this was the first time that Talanx had conducted a sustainability-specific survey, a key issue was to capture as many different stakeholder perspectives as possible and to obtain a well-rounded range of views. The groups surveyed included non-governmental organisations (NGOs), political and media representatives, representatives of industry associations, and academics. In addition, some key stakeholder groups are of particular importance to the Talanx Group and are explicitly mentioned in the Talanx strategy. These are our customers and business partners, investors and employees. Their opinions were given particular weight during the materiality analysis in that these key stakeholder groups represented a somewhat higher proportion of the survey sample.

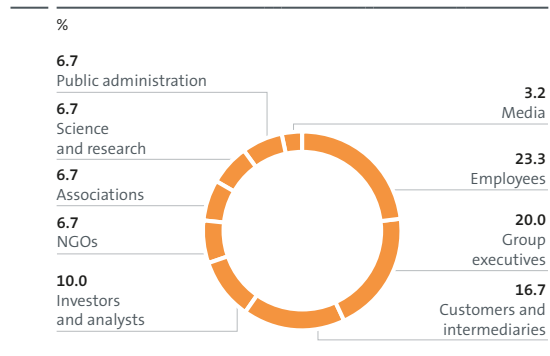
Representatives of foreign stakeholder groups were also involved in order to take the Group’s international reach into account. The telephone survey was conducted in autumn 2014. Figure 3 gives a breakdown of the 30 survey participants.

¹ G4-18 | G4-24 | G4-25 | G4-26 | G4-27

www.globalreporting.org/standards/g4

www.talanx.com/konzern/konzernstrategie?sc_lang=en

F3 PARTICIPANTS IN TALANX’S STAKEHOLDER SURVEY



The next step was to ask the members of the sustainability competence team to assess the topics surveyed as well. The **material** Aspects and content in accordance with the GRI Guidelines – which we are therefore reporting on – were identified by combining the opinions of stakeholders and the competence team. In addition, the opinions of our key stakeholder groups, i.e. our customers and business partners, investors and employees, were a decisive criterion in prioritising the topics. Topics that these stakeholder groups believe to be of particular importance are also included in this report.

The highest governing body, the Board of Management, was involved in the process of identifying material Aspects. For example, the Board of Management confirmed the assessment of which topics were relevant and agreed the procedure for the stakeholder dialogue. Likewise, the Board of Management discussed and validated the results of the materiality analysis in order to derive action areas and goals for Talanx's sustainability strategy from it.


PRINCIPLES FOR DEFINING REPORT CONTENT

We conducted the materiality analysis in accordance with the Principles for Defining Report Content set out in the GRI Guidelines: Sustainability Context, Materiality, Completeness and Stakeholder Inclusiveness.

Sustainability context: The report presents the Talanx Group's performance in the wider context of sustainability. We identified the topics using not only the list of GRI indicators, but also a wide range of different references in the literature, studies and initiatives related to sustainability, as well as the criteria applied in ESG ratings.

Materiality: In line with the GRI Guidelines, the report covers those Aspects that

- reflect Talanx's significant economic, environmental and social **impacts**, or
- substantively influence our **stakeholders'** assessments and decisions.

In order to ensure the "materiality" of the report content, we include the topics that were identified on an aggregated basis as being particularly important both by the stakeholders surveyed and by Talanx's internal sustainability competence team. In addition, we report on those topics that our key stakeholder groups consider particularly important. Details of the specific topics identified can be found in the  overview of material Aspects and additional Aspects on [page 16ff.](#)

Completeness: The report aims to cover all Aspects that are relevant to Talanx as an insurance group. We verified this case once the priorities had been set by comparing them once again with the sources used to identify the topics and to prepare the questionnaire. In addition, we reviewed the sustainability information published by other financial services and insurance companies and sector-specific studies to ensure that we had not left any topics out. The Board of Management also discussed the results of the materiality analysis.

Stakeholder inclusiveness: This report identifies those stakeholders that play a role for Talanx and the topics that are important to them, and reports on those topics as far as possible. In addition to our direct survey of stakeholders, we took stakeholder interests into account by using studies, initiatives and ESG ratings to identify topics. Last but not least, the report is structured in accordance with the GRI Guidelines, which are the result of a multi-stakeholder process.

To validate our approach and in preparation for this first published Sustainability Report, we also prepared an internal trial report in 2015 on the basis of our materiality analysis.

ASPECTS IDENTIFIED

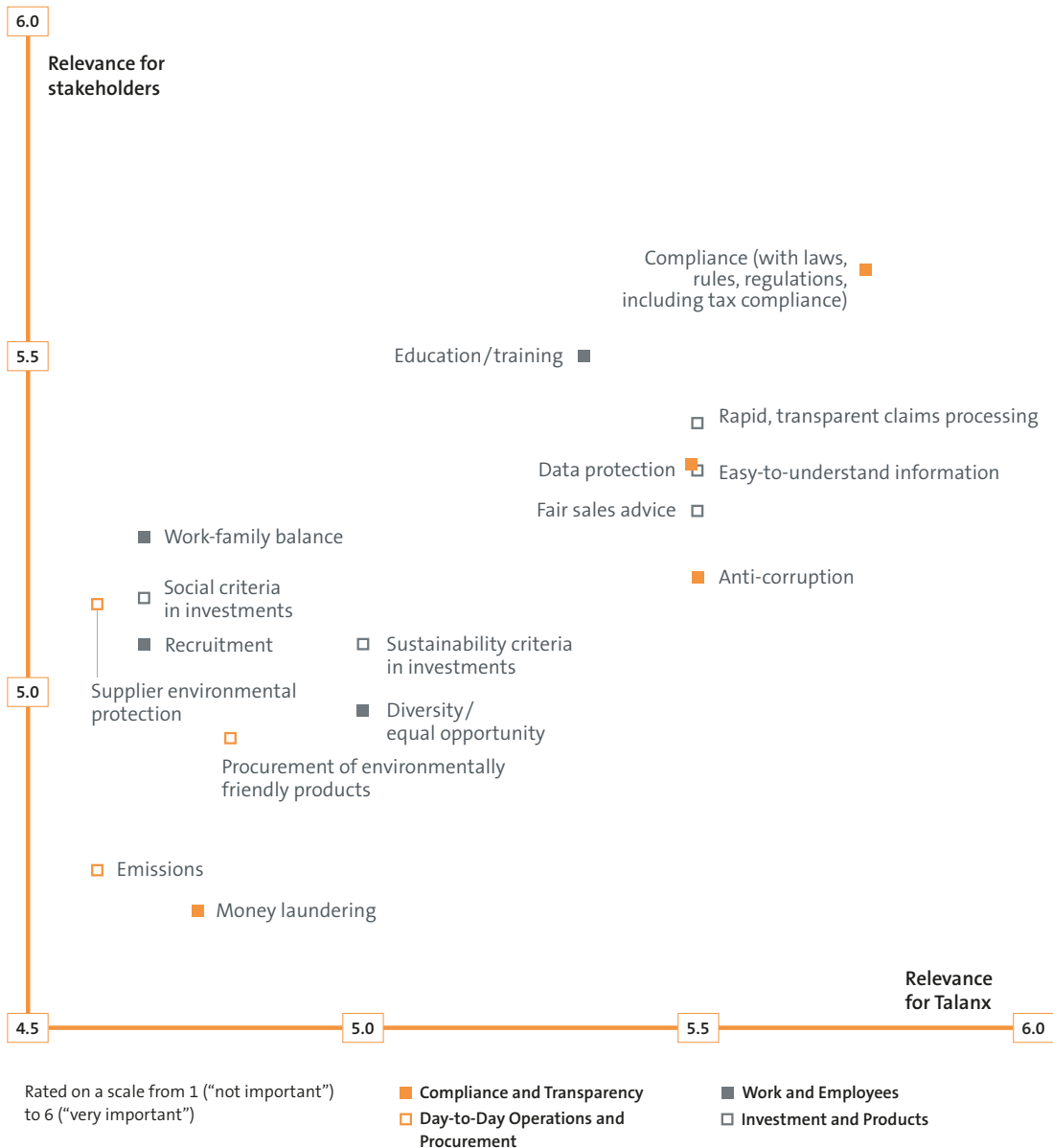
The topics described in this report can be broken down into material Aspects and additional Aspects.

it possible to compare the results using a materiality matrix. Figure 4 shows all the topics that received an aggregated rating of 4.5 or more from the stakeholders surveyed and according to Talanx’s internal assessment; 4.5 corresponds to a rating between “relatively important” and “very important”.

MATERIAL ASPECTS

The stakeholder survey and the sustainability competence team rated the relevance of sustainability topics on a scale from 1 (“not important”) to 6 (“very important”). This makes

F4 MATERIALITY MATRIX – RELEVANCE OF SUSTAINABILITY TOPICS FOR TALANX



The materiality matrix shows that our stakeholders and the competence team give many topics similar ratings. For example, both groups award compliance in the narrower sense, i.e. compliance with laws, regulations and guidelines, the highest rating of all the topics surveyed.

This is followed by a number of product-related Aspects that have a bearing on customer interests, as well as the topics of education and training, and anti-corruption. Next come a number of personnel-related topics, such as work-family balance and diversity. Other sustainability Aspects rated as material include investment screening for sustainability criteria and various environmental Aspects in the areas of procurement and day-to-day operations, followed by anti-money laundering. A total of 16 topics are rated “material” (x and y axis values of between 4,5 and 6).

ADDITIONAL ASPECTS

The materiality analysis also focuses on those topics that are considered relevant by our key stakeholders, i.e. our customers and business partners, investors and employees. We have also included these topics in the Sustainability Report in order to take into account the information needs of all relevant stakeholders. Table 3 presents the topics concerned and the key stakeholder groups for whom they are especially relevant.

In addition, it shows the boundaries of the individual Aspects within and outside the Talanx Group, i.e. the players and the point in the value chain (page 6f.) where particular topics have an impact. Within the Talanx Group, the divisions and functions impacted by specific topics were identified. Outside the Talanx Group, the players primarily identified were those who have business relationships with the Talanx Group and are affected by a particular topic, such as customers or suppliers. In isolated instances, the relationship is more general.

Table 3 also refers to the Disclosures on Management Approach (DMA) for the topics concerned. We combined the DMA recommended in the GRI Guidelines to produce ten DMA unique to the Talanx Group. The table shows the GRI Aspects and Indicators covered by each of these ten DMA (see also GRI Content Index on page 62ff.).

OVERVIEW OF MATERIAL ASPECTS AND ADDITIONAL ASPECTS

Table 3 shows all material Aspects (identified by an orange square ■) and additional Aspects that we report on at a glance.

¹  G4-19 | G4-20 |
G4-21 | G4-27

T3 OVERVIEW OF MATERIAL ASPECTS AND ADDITIONAL ASPECTS

DMA, material Aspects and additional Aspects	Especially important for			GRI Indicators assigned	Boundary within Talanx	Boundary outside Talanx
	Customers/ partners	Investors	Employees			
Compliance and Transparency				G4-16 G4-34 G4-38 G4-39 G4-40 G4-41 G4-51 G4-56		
DMA – Compliance in the Narrower Sense						
■ Compliance in the narrower sense (with laws, rules, regulations, including tax compliance)	X	X	X	EN29 LA16 SO7 SO8 SO11	Entire Group	Customers, business partners, suppliers
DMA – Anti-corruption and Anti-money Laundering						
■ Anti-corruption	X	X	X	SO3 SO4 SO5	Entire Group	Customers, business partners, suppliers
■ Anti-money laundering	X	X	X		Entire Group	Customers, business partners, suppliers
DMA – Data Protection						
■ Data protection	X	X	X	PR8	Entire Group	Esp. customers, plus business partners and suppliers
Day-to-Day Operations and Procurement				EN31		
DMA – Day-to-Day Operations and Procurement						
■ Emissions	X	X	X	EN15 EN16 EN17 EN18 EN19 EN30	Esp. Purchasing, Internal Services, entire Group	Suppliers
Energy consumption	X	X	X	EN3 EN5 EN6	Esp. Purchasing, Internal Services, entire Group	Suppliers
Materials used	X	X	X	EN1 EN2	Esp. Purchasing, Internal Services, entire Group	Suppliers (of operating materials)
Water consumption	X		X	EN8	Internal Services, entire Group	Suppliers (of operating materials)
Waste	X		X	EN22 EN23	Esp. Purchasing, Internal Services, entire Group	Suppliers
■ Supplier environmental protection	X		X		Esp. Purchasing	Suppliers
■ Procurement of environmentally friendly products	X	X	X	EN32 EN33	Esp. Purchasing	Suppliers (of operating materials)
Supplier labour practices	X		X		Esp. Purchasing	Suppliers
Observance of human rights by suppliers	X		X	LA14 LA15 HR4 HR5 HR6 HR10 HR11 SO9 SO10	Esp. Purchasing	Suppliers
Procurement of socially acceptable products	X		X		Esp. Purchasing	Suppliers (of operating materials)
Regional sourcing	X		X	EC9	Esp. Purchasing	Suppliers, local area/region
Work and Employees				G4-10 G4-11 LA2		
DMA – Recruitment, Education and Training						
■ Education and training	X	X	X	LA9 LA10 LA11	Esp. Human Resources, entire Group	Esp. (potential) applicants, plus customers and business partners
■ Recruitment and access to talent	X	X	X	EC5 EC6 LA1	Esp. Human Resources, entire Group	Esp. (potential) applicants, plus customers and business partners
DMA – Diversity and Family Friendliness						
■ Diversity and equal opportunity	X	X	X	LA12 LA13 HR3	Esp. Human Resources, entire Group, employees	Esp. (potential) applicants, plus customers and business partners
■ Work-family balance	X	X	X	LA3	Esp. Human Resources, entire Group, employees	Esp. (potential) applicants, plus customers and business partners
DMA – Occupational Health and Safety						
Occupational health and safety	X		X	LA6 LA7	Entire Group, Internal Services, employees	—

T3 OVERVIEW OF MATERIAL ASPECTS AND ADDITIONAL ASPECTS

DMA, material Aspects and additional Aspects	Especially important for			GRI Indicators assigned	Boundary within Talanx	Boundary outside Talanx
	Customers/ partners	Investors	Employees			
Investment and Products				G4-14 G4-45 G4-47 EC2 EC8 FS6		
DMA – Investment						
■ Consideration of sustainability criteria in investments	X	X	X			Capital market participants
■ Consideration of social criteria in investments	X		X	FS11	Asset Management/ Investment	Capital market participants
Consideration of environmental criteria in investments	X		X			Capital market participants
Exclusion of controversial sectors	X					Securities issuers
Infrastructure investments	X		X	EC7	Asset Management/ Investment	Countries/regions in which investments are made, infrastructure users
Exercise of shareholder rights by Talanx (active ownership)		X		FS10	Asset Management/ Investment	Securities issuers
DMA – Insurance Products						
■ Easy-to-understand information about insurance solutions	X	X	X		All divisions, esp. product development, sales	Customers, intermediaries
■ Financial incentives for fair sales advice	X	X	X	PR3 PR4 PR5 PR6 PR7 PR9	All divisions, esp. product development, sales	Customers, intermediaries
■ Rapid, transparent claims processing	X	X	X		All divisions, customer and contract service, claims management	Customers, intermediaries
Support for environmentally friendly products/projects/technologies	X		X	FS8	All divisions	Customers, environment as a whole
Support for a healthy lifestyle	X	X	X		Retail divisions	Customers
Incorporation of social interests			X	FS7	All divisions	Customers, society as a whole
Industry policyholders' compliance with human rights	X		X		Industrial Lines, to some extent Retail	Customers
Access to insurance market for all population groups	X	X		FS13	All divisions	(Disadvantaged) regions/ population groups
Corporate Citizenship						
DMA – Corporate Citizenship						
Employee volunteering	X		X		Entire Group, including Human Resources, employees	Charitable initiatives/ organisations, local area
Support for charitable projects	X		X	EC1	Entire Group	Charitable initiatives/ organisations, society as a whole
Local commitment	X		X		Entire Group, including Human Resources	Local society/community

4 COMPLIANCE AND TRANSPARENCY

CORPORATE GOVERNANCE

Talanx AG, a listed company based in Hannover, is governed by German stock corporation and capital markets law, as well as by the law on codetermination. The Company's governance structure consists of three governing bodies: the Board of Management, the Supervisory Board and the General Meeting. The duties and powers of these bodies are defined by law, by Talanx AG's Articles of Association and by the Rules of Procedure for the Board of Management and the Supervisory Board.

Further information on corporate governance can be found in the Company's [Corporate Governance Principles](#) and its Articles of Association as well as the [Group Annual Report](#). The following sections provide specific references to the individual topics.

DUTIES AND POWERS OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

ABOUT THE BOARD OF MANAGEMENT

- Corporate Governance Principles, chapter IV "Cooperation between the Board of Management and the Supervisory Board"
- Articles of Association of Talanx AG, chapter III "Board of Management"

ABOUT THE SUPERVISORY BOARD

- Corporate Governance Principles, chapter VI "Supervisory Board"
- Articles of Association of Talanx AG, chapter IV "Supervisory Board"

ABOUT THE COMMITTEES

- Corporate Governance Principles, chapter VI "Supervisory Board"
- "Supervisory Board" section of the Corporate Governance Report in the Group Annual Report 2015, page 70f. and page 10ff.

NOMINATION AND SELECTION PROCESSES FOR THE HIGHEST GOVERNANCE BODY

ABOUT THE BOARD OF MANAGEMENT

- Corporate Governance Principles, chapter VI "Supervisory Board"
- Articles of Association, chapter III "Board of Management"
- "Supervisory Board" section of the Corporate Governance Report in the Group Annual Report 2015, page 70f.
- Section of the Corporate Governance Report entitled "Target figures in accordance with sections 76(4) and 111(5) of the AktG; statutory quota for the Supervisory Board in accordance with section 96(2) of the AktG" in the Group Annual Report 2015, page 68

NOMINATION AND SELECTION OF THE SUPERVISORY BOARD

- Corporate Governance Principles, chapter VI "Supervisory Board"
- Articles of Association, chapter IV "Supervisory Board"
- "Supervisory Board" section of the Corporate Governance Report in the Group Annual Report 2015, page 70f.

AVOIDANCE OF CONFLICTS OF INTEREST

- Corporate Governance Principles, chapter V "Board of Management" and chapter VI "Supervisory Board"

TENURE ON THE GOVERNANCE BODY

- Corporate Governance Principles, chapter VI "Supervisory Board"
- Articles of Association of Talanx AG, chapter IV "Supervisory Board"

REMUNERATION OF MEMBERS OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD


REMUNERATION OF THE BOARD OF MANAGEMENT

The full Supervisory Board resolves on the remuneration of the Board of Management.

- Corporate Governance Principles, chapter V "Board of Management" and chapter VI "Supervisory Board"
- "Remuneration of the Board of Management" section of the Remuneration Report in the Group Annual Report 2015, page 74ff.

 G4-38 | G4-40

 www.talanx.com/investor-relations/corporate-governance?sc_lang=en

 www.talanx.com/investor-relations/presentations-and-events/disclosure/2016?sc_lang=en

 G4-34

 G4-41

 G4-38

 G4-51

REMUNERATION OF THE SUPERVISORY BOARD

The General Meeting resolves on the remuneration of the Supervisory Board.




²  G4-16


- Corporate Governance Principles, chapter VI “Supervisory Board”
- “Remuneration of the Supervisory Board” section of the Remuneration Report in the Group Annual Report 2015, page 86ff.



CURRENT COMPOSITION OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

¹  G4-38 | G4-39

 www.talanx.com/investor-relations/presentations-and-events/disclosure/2016?sc_lang=en



¹  As at 31 December 2015, the **Board of Management** of Talanx AG had six members. Herbert K Haas has been the Board’s Chairman since 2006 (see also “Board of Management” on page 8 of the  Group Annual Report 2015 and the  Talanx website).

 www.talanx.com/konzern/management/vorstand?sc_lang=en


The **Supervisory Board** had 12 male and four female members as at 31 December 2015. Three of the female Supervisory Board members are employee representatives and one is a shareholder representative. Wolf-Dieter Baumgartl has been the Chairman of the Supervisory Board since 2006 (see also the “Supervisory Board” chapter of the  Group Annual Report 2015, page 9, and on the  website).



 Group Annual Report

 www.talanx.com/konzern/management/aufsichtsrat?sc_lang=en

Information on the members of the **committees** can be found in the “Supervisory Board Committees” section of the  Group Annual Report 2015, page 10, and on the  website. The website also has information on the Supervisory Board members’ memberships of other supervisory boards or governing bodies.

 Group Annual Report


 www.talanx.com/konzern/management/ausschusse?sc_lang=en

The Chairman of the Supervisory Board does not also have an executive role, because Talanx AG has a dual-board system of corporate governance under which supervision and management are separated. (See also the  “Declaration on Corporate Governance and Corporate Governance Report” on page 67ff. of the Group Annual Report 2015 and the  Declaration of Conformity with the German Corporate Governance Code in accordance with section 161 of the German Stock Corporation Act (AktG).

 Group Annual Report

 www.talanx.com/investor-relations/corporate-governance/entsprecherklaerung/2015.aspx?sc_lang=en

THE TALANX GROUP – MEMBERSHIPS

²  Talanx and Talanx Group companies, including the WARTA Group, are members of regional and national interest groups and associations. The following list shows selected key memberships.

INSURANCE INDUSTRY ASSOCIATIONS AND GROUPS

- Arbeitsgemeinschaft der Versicherungsvereine auf Gegenseitigkeit e.V. (ARGE VVAG)
- CRO (Chief Risk Officers) Forum
- Deutsche Kernreaktor-Versicherungsgemeinschaft (DKVG)
- European Insurance CFO (Chief Financial Officers) Forum
- Gesamtverband der Deutschen Versicherungswirtschaft e.V. (GDV)
- Global Insurance Chief Compliance Officers (CCO) Forum
- International Union of Aerospace Insurers (UIAI)
- International Union of Marine Insurance (IUMI)
- Pharma-Rückversicherungsgemeinschaft
- Polish Insurance Association (PIU)
- Polish Insurance Guarantee Fund (UFG)
- Polish Motor Insurers’ Bureau (PBUK)
- The Geneva Association
- Verkehrsoferhilfe e.V. (VOH)
- Versicherungsombudsmann e.V.

BUSINESS AND COMMERCIAL ASSOCIATIONS

- Arab-German Chamber of Commerce and Industry e.V. (Ghorfa)
- Deutscher Verkehrssicherheitsrat e.V. (DVR)
- German-Polish Chamber of Industry and Commerce
- German Business Association (Vietnam)
- Industrie- und Handelskammer Hannover (IHK)
- Industrie-Club Hannover e.V.
- Institut der Norddeutschen Wirtschaft e.V. (INW)
- Polish Association of Car Dealers (Związek Dealerów Samochodów)
- Polish Business Club (Polski Klub Biznesu)

SUPPORT AND SPONSORSHIPS


- Deutscher Verein für Versicherungswissenschaft e. V. (DVfVW)
- Internationale Schule Hannover Region GmbH
- Kompetenzzentrum Versicherungswissenschaften (KVW)
- Partner Club of Poznań University of Economics, Poland
- Stifterverband für die deutsche Wissenschaft e. V.
- Verein zur Förderung der Versicherungswissenschaft an der Universität Hannover e. V.

SPECIALIST/FUNCTION-SPECIFIC BODIES


- Allgemeine Arbeitgebervereinigung (AGV)
- Deutsche Gesellschaft für Personalführung e. V. (DGFP)
- Deutscher Anwaltverein e. V. (DAV)
- Deutscher Investor Relations Verband e. V. (DIRK)
- Deutsches Institut für Compliance e. V. (DICO)
- Deutsches Rechnungslegungs Standards Committee e. V. (DRSC)
- Institut "Finanzen und Steuern" e. V. (ifst)
- Juristische Studiengesellschaft Hannover

Like the German Group companies, the WARTA Group is also an active member of local organisations and associations at its places of business.


VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOUR

 Our business success depends not only on the quality of our products and services, but also on our employees' acting in a legally correct and responsible manner in their dealings with each other, with our business partners and with the general public. Our employees' behaviour is based on the principles of fair, polite dealings and on respect for individuals' personal rights.

Modern corporate governance is part of Talanx's DNA. In addition to keeping abreast of the constant changes in the legal framework, Talanx issues a declaration of conformity with the German Corporate Governance Code every year. A corresponding declaration has also been issued under


the Code of Best Practice for WSE Listed Companies (Poland). In addition, Talanx AG's internal  Corporate Governance Principles are regularly revised; the last time this happened in financial year 2015 was in August.

 Corporate Governance

The Talanx Group's corporate culture revolves around the  Talanx Values, which we actively live every day:



 www.talanx.com/karriere/talanx-als-arbeitgeber/unternehmenskultur.aspx?sc_lang=en


- Entrepreneurial mindset and action within the Group context
- Results and performance orientation
- Comprehensive customer orientation
- Mutual trust and open communication

These four values are a key component of Talanx's mission statement and serve as a framework for cooperation throughout the Group. They create a common understanding and hence offer direction and guidance, as well as helping to ensure our Company's long-term success. The Group Board of Management has undertaken to ensure that all divisions act in accordance with these values, and supports measures taken to anchor them. Likewise, our business processes and human resources tools are based on these values. One example is our 360° feedback process (see  DMA "Recruitment, Education and Training", page 35).

The Talanx Values Award was first announced in 2015 and will be presented for the first time in 2016. It aims to honour activities that can serve as an example within the Group and to inspire others to act in keeping with the spirit of our values. The award is open to teams from units throughout the Group.

 G4-56

The key principles and rules for all Talanx Group employees are set out in the Code of Conduct, see  DMA "Compliance in the narrower sense" in the next section (page 22f.) as well as the section entitled  "Sustainability of insurance products" (page 53ff.) for information on the GDV's Code of Conduct for Insurance Distribution.


Talanx has also set itself the goal of  reviewing its compliance-related rules and regulations and guidelines by 2017, with the aim of analysing whether and how these could sensibly be extended to include additional sustainability criteria.

 Sustainability goal

COMPLIANCE IN THE NARROWER SENSE (WITH LAWS, REGULATIONS AND GUIDELINES)

 [www.talanx.com/
investor-relations/
corporate-governance?sc_lang=en](http://www.talanx.com/investor-relations/corporate-governance?sc_lang=en)

 G4-DMA


1  **Materiality:** “Compliance” can be defined as the totality of all substantive and organisational measures taken to ensure that Talanx companies, the members of their governing bodies and employees conform to all legal and ethical requirements and internal Company guidelines in the Company’s key areas and day-to-day operations. For the Talanx Group, it goes without saying that complying with the law is a prerequisite for sustained business success. This includes environmental laws and regulations as well as those covering anti-corruption, anti-money laundering, data protection and tax compliance, among other things.

Compliance is a significant Aspect for the Talanx Group, because legally correct, responsible and ethical conduct is a fundamental prerequisite for the trust placed in our Company and for its competitiveness. In addition, lawful conduct prevents the economic and social damage that could be caused by tax offences or anti-competitive behaviour, for example.

Aspect Boundary: Compliance is relevant at all levels of the Talanx Group, from divisions through departments down to individual employees. Outside the Group, it principally can affect customers, business partners and suppliers.

Impacts: Compliance in general means the observance of, or adherence to, laws and regulations and its main objective is to avoid negative impacts caused by their being breached. At the same time, however, the Talanx Group aims to use the action area of “Compliance and Transparency” to provide information and make disclosures on the topics of compliance and governance. This enhances transparency within the Group and improves comparability with competitors.

Measures and guidelines: The Talanx Group’s **Code of Conduct** sets out the key principles and rules applicable to employees at all levels of the Group, including the members of its executive management. It serves to explain to employees the fundamental legal and ethical requirements that they have to adhere to during their work for the Group companies concerned, and to provide further details of

their duties under their contracts of employment or service. The Code of Conduct applies throughout the Group and is available in a number of languages. At the same time, the fact that the  Code of Conduct is published online also makes the importance of lawful conduct within the Talanx Group transparent for the Company’s customers, suppliers and business partners, as well as for other interested stakeholders.

The Code of Conduct is supplemented by a set of more concrete **Compliance Guidelines** and other information and explanatory documents, which are available on the intranet. The Compliance Guidelines provide detailed guidance on the content of the principles set out in the Code of Conduct.

A **whistle-blower system** can be used to report certain significant breaches of the law. It can be accessed from anywhere in the world via the Talanx website and is currently available in German and seven other languages that are commonly used within the Group. The system can be used to report – fully anonymously, if desired – suspected cases of fraud, incorrect bookkeeping or accounting, corruption, breaches of fiduciary duty, anti-competitive behaviour, breaches of anti-trust legislation, insider trading and embargo violations, and market manipulation. Additionally, employees can report suspected breaches of the law or guidelines to their line manager or directly to the compliance officers for the Talanx Group or the division concerned.

The Talanx Group is a founding member of the  CCO Forum, which was established in January 2015 and is composed of the Chief Compliance Officers of international insurance companies. In addition to identifying common positions, the work of the Forum offers an opportunity to identify trends in the regulatory environment for compliance at an early stage, and to respond to them appropriately.

The Talanx Group’s **training** events and programmes offer employees regular opportunities to refresh, broaden and deepen their knowledge of and expertise in selected compliance topics. New employees receive regular training as part of their induction process. In addition, regular classroom-based courses and web-based training are provided

 globalccoforum.org

on relevant compliance topics. Each training event discusses case studies, which are usually tailored to the specific target group. Participants also have the opportunity to put specific questions to the presenters; answers are given either immediately or after the event, if they require further research. A special tool also allows training participants to participate interactively.

Responsibilities: The Talanx Group's Compliance organisation consists of the Chief Compliance Officer, who is also the Corporate Governance Officer and an authorised representative of Talanx AG, and additional compliance officers who are responsible for the individual divisions and Group companies. The Compliance department is responsible for establishing and updating Group guidelines and structures designed to ensure compliance within the Group, for tracking complaints and compliance breaches, for organising internal training and for questions relating to corporate governance issues. In addition, detailed advice is provided on relevant compliance issues where necessary.

Results and evaluation: Adherence to compliance requirements is verified by the Compliance function and during internal audits. The applicable compliance rules and regulations are regularly reviewed for content and revised where necessary. In addition, the Group takes stakeholder interests and requirements in relation to compliance and transparency into account, firstly by engaging in dialogue with stakeholders on sustainability issues and secondly by adhering to the GRI guidelines and taking part in ESG rating processes.

¹ Talanx is not aware of any significant fines or non-monetary sanctions that were levied for non-compliance with laws and regulations in financial year 2015. Likewise, there are no known reportable cases of anti-competitive behaviour, or of anti-trust or monopoly practices. The same applies to the WARTA Group. For information on cases in connection with products, see the [📄](#) section entitled "Easy-to-understand information about insurance solutions", page 56f.

² Because of the nature of its business activities, environmental laws and regulations tend to play a minor role for the Talanx Group. Talanx is not aware of any cases of fines or sanctions for non-compliance with environmental laws or regulations. The same applies to the WARTA Group.

³ In Germany, we are not currently aware of any grievances about labour practices. As at 31 December 2015, there were a total of 13 labour law cases pending against the WARTA Group. In Poland, former employees generally have the right to have their court fees waived if they bring a case for wrongful dismissal in a Polish labour court. This is therefore not an uncommon means of, for example, obtaining a higher severance payment.

⁴ There were no known grievances about impacts on society in the Retail Germany Division or the Industrial Lines Division in Germany in 2015. Similarly, the WARTA Group is not aware of any such grievances.

ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING

⁵ **Measures and guidelines:** The material Aspects of anti-corruption and anti-money laundering are essential parts of compliance management at Talanx. The Code of Conduct contains concrete rules of conduct covering this area. It makes clear, for example, that bribery and corruption will not be tolerated. In addition, it specifically highlights the ban on money laundering and illegal financing and draws attention to the fact that the anti-money laundering officer and the compliance officer must be informed of all suspected cases. Moreover, specific rules of conduct have been drawn up covering, among other things, the avoidance and disclosure of conflicts of interest, granting and accepting benefits, gifts and invitations, donations and sponsorships, sideline activities, stakes in other companies and participations in transactions. As a listed company, Talanx also emphasises the importance of complying with insider trading rules.

The organisation's **risk assessments** in relation to corruption start by determining the potential extent of the loss/damage. This is done by determining the sanction and liability risk that can be derived from the legal requirements. In a second step, the number of breaches per year is estimated. This process distinguishes between a best-case scenario, a most probable scenario and a worst-case scenario. Potential loss scenarios are then developed on the basis of these two steps. Key criteria in this context are the area of activity, responsibility, product relevance and customer contact.

³ G4-LA16

⁴ G4-SO11

⁵ G4-DMA

¹ G4-SO7 | G4-SO8

² G4-EN29

The rules for **gifts** to business partners are set out in a work instruction. In line with this, employees are obliged to keep lists of gifts. These have to be consolidated at department level and are systematically requested by the Compliance department. A risk assessment for the organisation can then be performed by analysing the lists of gifts (e.g. for type and frequency). Supplementary anti-corruption training serves to ensure that gifts are dealt with correctly.

Both the Talanx Group's Code of Conduct and its Compliance Guidelines highlight the need to avoid **conflicts of interest**. Unavoidable conflicts of interest must be disclosed to the employee's line manager or the relevant compliance officer. In addition, the whistle-blower system allows conflicts of interest to be reported anonymously. Undisclosed conflicts of interest may constitute breaches of the Code of Conduct or the Compliance Guidelines and hence violate employees' duties under their contracts of employment or service; they may also have civil and labour law consequences for the employees concerned. Potential conflicts of interest are also identified by requesting and analysing the lists of gifts.

The Code of Conduct contains a number of generally worded rules on **dealing with donations and sponsorships** within the Group. In addition, some divisions have drawn up more detailed guidance on this topic.

1 Corruption risk is regularly assessed in the Group as part of the compliance and internal audit plans. Relevant examples of corruption risk include allegations of bribery and corruption, the alleged acceptance and granting of benefits in connection with invitations and gifts, purchasing and tendering, donations and sponsorships, and remuneration structures, as well as at sales partners.

In 2015, anti-corruption audit relating to the giving and acceptance of invitations and gifts was conducted at the corporate departments and branches of HDI Global SE and in the functional areas of Talanx Service AG, Talanx Systeme AG and Talanx AG.

Preventing corruption is also a high priority for the WARTA Group. It serves not only to meet the need for corporate management to comply with the legal requirements and the highest possible ethical standards, but also to protect the Group's reputation. The WARTA Group has taken a number of core steps to ensure this is the case.

In particular, it has established anti-corruption guidelines setting out preventive measures and standards for ethical behaviour. In addition, there are instructions for protecting whistle-blowers and on dealing with gifts, donations and sponsorship. The procedures to be followed during investigations and how to inform the authorities are also covered. Mandatory training is supplemented by regular communication on compliance issues such as dealing with gifts. WARTA Group employees sign a document confirming that they agree to abide by the Code of Conduct.

2 The Talanx Group provides **information and training** on anti-corruption policies and procedures in a variety of formats. The annual compliance report informs the Supervisory Board about significant compliance risks and measures taken to ensure that requirements are met. This also includes preventing corruption.

In August 2014 and May 2015, a mandatory web-based training course on compliance, which also covers corruption, was rolled out to all Group employees in Germany. The members of the boards of management of the bancassurance companies received information and training on anti-corruption policies and procedures during board meetings. In addition, information and training was provided to all broker support staff in the sales offices in Germany.

At the WARTA Group, all employees regardless of their category are informed by e-mail of anti-corruption policies and procedures. Training on the topic is offered via an e-learning platform, and all employees are obliged to complete it.

3 Neither Talanx nor the WARTA Group are aware of any confirmed material cases of corruption in the 2015 financial year.

DATA PROTECTION

4 **Materiality:** Insurers collect, process and store personal data on a large scale. The data are required during the application process, to provide advice to customers, in underwriting, in customer and contract services, and in claims and payment management. Additionally, personal data are collected, processed and stored in connection with human resources management, shareholders and the funds business, among

2 G4-SO4

1 G4-SO3

3 G4-SO5

4 G4-DMA

other things. The trust that our customers, shareholders and employees place in data protection and security is therefore a critical factor for the Talanx Group's competitiveness and is decisive for our reputation.

Measures and guidelines: The handling of personal data is governed both by the provisions of the German Federal Data Protection Act (BDSG) and by the Group Code of Conduct, which requires employees to comply with the provisions of data protection law and the **Group data protection guidelines** and to actively contribute to ensuring that personal data are protected reliably from unauthorised access. Employees may only collect, process and store personal data if this is required for a specifically defined purpose and in the lawful performance of their duties, or if there is another legal basis for this. In cases of doubt, the Company's designated data protection officers must be consulted.

Further information on data protection can be found in the Group data protection guidelines and work instructions; these apply to the Talanx Group including its subsidiaries and branches in Germany, but not to the reinsurance companies. These documents describe, among other things, customer rights (e.g. requests for information, right to deletion).

One **collective measure** taken by the Group's primary insurance companies has been to sign up to the **German insurance industry's Code of Conduct for Data Protection**. These rules for personal data processing by the German insurance industry were developed by the GDV together with company representatives, data protection agencies and consumer protection bodies. The results were certified as a binding Code of Conduct in 2012. Both the primary insurance companies and pension funds within the Retail Germany Division and HDI Global SE signed up to the Code of Conduct for Data Protection in 2014.


Responsibilities: The Group Data Protection department and the company data protection officers are primarily responsible for ensuring that the provisions of the BDSG are complied with. The aim of the BDSG is to protect individuals' right to privacy being breached as a result of how their personal data is processed. Each German Talanx Group company appoints a company data protection officer (DPO) in those cases covered by section 4f of the

BDSG. The DPOs perform the functions assigned to them by law (section 4g of the BDSG) and the data protection guidelines; they are not bound by instructions when applying their expertise. Close cooperation and consultation with important interfaces, such as Group Legal, the Compliance function, Information Security and Group Internal Audit ensures that the requirements of the BDSG can be met. Data protection risks are reported to Risk Management.

The functions and projects can consult Group Data Protection on all data protection issues (information requests, deletion requests, complaints and other submissions by affected parties). All employees are free to approach Group Data Protection with information, suggestions or complaints, and absolute confidentiality is maintained on request. Customers can find the contact details for Group Data Protection on the websites. The department produces an annual activity report for the Board of Management of Talanx AG and the divisions providing information on the audits conducted, any weaknesses and defects revealed, and any organisational deficiencies that may still have to be remedied. Certain data protection events and circumstances are reported to senior management during the year.

Responsibility for **information security**, and hence for avoiding damage or losses caused by the loss of availability, loss of confidentiality or loss of integrity of customer, business or employee information has been centralised at Talanx Systeme AG. The Head of Security acts as the Chief Information Security Officer for the Talanx Group.

Training: The data protection tutorial presents the main principles to be observed when processing personal data and explains the importance of data protection in employees' day-to-day work. The training is aimed at all Talanx Group employees based in Germany. Classroom training is provided where this is requested by the functions.

¹  In Germany, there were no material **complaints** about breaches of **data protection** requirements in 2015. The materiality threshold used is the point at which a fine would be imposed under the BDSG, damages would be paid to injured parties or a criminal complaint would be filed.


¹  G4-PR8

There were two justified complaints at the WARTA Group in the period concerned. These did not include complaints by the authorities.


5

DAY-TO-DAY OPERATIONS AND PROCUREMENT

¹  G4-DMA


¹  **Materiality:** The Talanx Group does not operate any physical production facilities but rather offers services in the areas of insurance and finance. As such, it has less impact on the environment than, for example, manufacturing companies or companies that are heavy users of raw materials. Nevertheless, the Group employs more than 20,000 employees at its locations around the world – employees who consume energy and materials, take business trips and travel to and from work every day. In addition, the Group purchases products and operating materials that its employees need to do their jobs, such as paper, IT products and food for its canteens. These can impact the environment. Also, social issues in particular are relevant for procurement from a sustainability perspective; examples of these include the conditions under which people in our value chain work and whether human rights are respected. For this reason, the Group's sustainability strategy aims to structure its day-to-day operations and procurement activities in a sustainable manner.

¹  Sustainability goal

Aspect Boundary: Within the Talanx Group, sustainability in Day-to-day Operations and Procurement is mainly an issue for Corporate Operations, and especially Purchasing, IT Purchasing and Internal Services. Additionally, the consumption of materials and energy in particular is significantly influenced by individual employee behaviour. Outside the Group, the issue is of particular relevance for suppliers. The impacts of our core activities on the environment are dealt with in the  chapter entitled "Investment and Insurance Products" (page 47ff.).

Impacts: We aim to ensure that our day-to-day operations and procurement activities are focused on sustainability by conserving resources, in particular with regard to energy and water consumption and materials usage. In addition, we can make a significant contribution by integrating sustainability aspects with procurement. Among other things, this includes Talanx sourcing environmentally friendly products, for example, or ensuring that environmental criteria are taken into account, and that employee rights

and human rights are observed, in the supply chain. The volume of greenhouse gas emissions can be reduced in particular by ensuring that our employees travel to and from work and make business trips in an environmentally friendly manner. In addition, we want to encourage Talanx employees to conserve resources and be aware of the need for sustainability in their day-to-day activities. The measures we take therefore aim both to avoid negative impacts and to encourage positive impacts.

Measures and guidelines: In order to ensure tighter integration of sustainability criteria with the action area of Day-to-day Operations and Procurement in the future, Talanx has set itself the goal of ¹  developing and successively implementing a uniform Group Code of Conduct for suppliers by 2017.

Purchasing of IT hardware, software, telecommunications assets, IT services and IT maintenance contracts is already governed by a set of guidelines, one of whose components is a Code of Conduct for Contractors. This sets out requirements in the areas of human rights and employment rights, health and safety, the environment and ethics.



One key energy-related measure was an energy audit in accordance with DIN EN 16247 that we introduced for the first time in 2015. Talanx was required to implement this by the German Energy Services Act (EDL-G), which came into force on 5 December 2015. The audit serves to systematically analyse Talanx's energy usage and consumption as a basis for identifying potential improvements in energy efficiency. It also assesses which measures are financially viable.

Responsibilities: A number of Corporate Operations areas that belong at an organisational level to Talanx Service AG or Talanx Systeme AG contribute to ensuring that day-to-day operations and procurement are performed in line with the principles of sustainability. Chief among them are Purchasing with its Mobility product group (travel, vehicle fleet), IT Purchasing, Internal Services and Human Resources.


Purchasing is responsible for ensuring that contracts are drafted in a cost-efficient and timely manner that takes account of the latest requirements, and also organises the procurement of goods and services for the German Group companies. Responsibility for the procurement of IT products and services has been assigned to **IT Purchasing**.

Internal Services is responsible throughout Germany for pooling, coordinating and performing technical, infrastructure and sales support services. This ensures that office operations run smoothly and reduces the workload of the sales units. The unit is responsible, among other things, for facility and lease management, for setting up workspaces, for canteen operations and catering, fire protection, logistics, waste disposal and issues relating to heating, ventilation and air conditioning. Environmental and sustainability aspects are taken into account in a large number of areas here.

Human Resources Management organises offerings that allow employees to use local public transport at a reduced rate (group season tickets and job tickets). With these discounts, Talanx contributes significantly to making employees' journeys to work environmentally friendly.

Results and evaluation: The Talanx Group elaborates the management approach to be taken in the Day-to-day Operations and Procurement action area using the results of the materiality analysis, among other inputs. This takes the opinions of our stakeholders into account. In addition, Talanx has set itself concrete goals for **1**  reducing emissions and energy consumption ( page 10f.). We shall review the progress we make towards achieving these objectives and will expand them to include additional or new targets where this makes sense. Our analysis and reviews also build on ESG rating results.



The following information for Germany generally refers to the four largest locations, measured in terms of the number of employees: Hannover, Cologne, Hilden and Hamburg (headquarters and branches; the Hannover Re Group is not included). In the aggregate, these locations account for nearly 10,000 workspaces – more than three-quarters of the total in Germany. The information provided for the WARTA Group generally relates to the latter company as a whole.

1  We do not currently report the total volume of environmental protection expenditures and investments in the Talanx Group. We take measures relating to different action areas within the sustainability strategy in a number of places within the Group. For example, Talanx supports employees' use of local public transport, we use environmentally friendly office paper in a majority of cases and our companies offer insurance products and advice in the area of renewable energies. These figures are not aggregated together into a single amount.

1  G4-EN31

CONSUMPTION

ENERGY CONSUMPTION

2  A total of approximately 40,100 MWh (megawatt hours) of energy was consumed in 2015 at the Talanx Group's four largest locations in Germany, including 24,000 MWh of electricity and 16,100 MWh of heating energy.¹⁾ This corresponds to approximately 4.1 MWh of energy consumed per workspace.²⁾ In addition, approximately 1.4 million litres of fuel were used for the vehicle fleet, with approximately two-thirds of this figure being attributable to diesel and one-third to petrol. In this context, Talanx has set itself the goal of **2**  successively migrating to renewable energies starting in 2018.

2  G4-EN3

1  Sustainability goal

2  Sustainability goal

Total energy consumption at the WARTA Group amounted to approximately 15,650 MWh, including 9,640 MWh of electricity and 6,010 MWh of heating energy. This corresponds to approximately 4.6 MWh of energy consumed per employee (defined as including not only the core workforce but also vocational trainees, etc., in order to be able to show the figures in relation to the number of users).


¹⁾ Since one of the rental spaces was only occupied in the second half of 2015 following conversion work, the data for this does not apply to the full year. Moreover, at some locations consumption figures are determined using service charge invoices, and not all of these may have been received by the editorial deadline for this report. In such cases we estimate the figures using the averages for previous years.

²⁾ We do this on the basis of the number of office workspaces rather than the number of employees, since the building also houses third parties such as auditing firm employees.

Taken together, a total of approximately 55,750 MWh of energy was consumed at the four largest locations in Germany and at the WARTA Group. This corresponds to a notional relative energy consumption figure of approximately 4.2 MWh per workspace/employee.¹⁾


¹  G4-EN5

²  Sustainability goal


¹  The energy intensity ratio used is the ratio of the energy consumed to the space for which consumption is measured. It amounted to approximately 0.2 MWh/m² both at the four largest locations in Germany and at the WARTA Group.

²  G4-EN6

³  G4-EN1 | G4-EN2


²  The main building at our HDI-Platz 1 location in Hannover, which was constructed in 2011, houses almost 2,000 workspaces. The building has energy-efficient operating systems such as a geothermal system, construction elements that comply with the standards for passive houses, regenerative ventilation and district heating capabilities, as well as an extensive central control system to ensure efficient management. In addition, most of the sanitary facilities and kitchenettes in the buildings at the Hannover location are supplied with cold water, something that also has a positive effect on energy requirements. Last year we succeeded in reducing the energy used to cool our computer centres by 20%, among other things by increasing the ambient temperatures there.

¹  Sustainability goal


Moreover, we are working systematically towards our goal of ¹  optimising energy consumption by, for example, adjusting timer programs, making greater use of occupancy detectors in offices and using efficient LED lighting in all buildings that Talanx owns.

The WARTA Group is also taking numerous measures to reduce energy consumption. These include installing LED lighting for outdoor advertising, which is activated by astronomical clocks and twilight switches, outside lighting that switches off automatically after office hours and replacing electrical and light fittings to improve working conditions and fire protection, and to reduce energy consumption.

In addition, in 2015, WARTA's main building again received the BREEAM In-Use certificate, which assesses the environmental performance of existing buildings throughout their operational life.

The WARTA Group has also set itself the goal in cases in which new equipment purchases are needed in the period up to 2017 of ²  systematically replacing the old versions with next-generation ones (e.g. energy-efficient, environmentally friendly refrigerators and air conditioning units).

MATERIALS USED

³  The main way in which the materials used Aspect affects the Talanx Group, as a provider of services in the areas of insurance and finance, is in relation to **paper**. The volume of other materials used in the production of insurance cover or financial services is not significant.

In 2015, Talanx employees at the largest locations in Germany consumed a total of approximately 473.7 metric tons of paper. This means that per capita relative paper consumption amounts to approximately 0.05 metric tons per workspace. We meet our paper requirements at our main business locations in full using paper that has been certified by the Forest Stewardship Council (FSC Mix). This certification shows that paper has been responsibly sourced.²⁾ Moreover, to reduce paper consumption, the standard printer setting provides for double-sided printing.

WARTA Group employees used around 88.8 metric tons of printer paper in 2015 and around 181.2 metric tons of paper for insurance policy applications. Relative paper consumption was approximately 0.03 metric tons of printer paper per employee (including vocational trainees, etc.) and approximately 0.03 metric tons of paper for insurance policy applications per insurance broker.

This corresponds to a notional figure for relative paper consumption at the four largest locations in Germany and the WARTA Group of approximately 0.04 metric tons of printer paper per workspace/employee.

¹⁾ The information for Germany refers to the number of workspaces, while that for the WARTA Group refers to employees including vocational trainees, etc.

²⁾ According to the fsc, fsc Mix paper is produced using materials from fsc-certified forests and/or recycled materials and materials from controlled sources.

A large number of documents are printed in our in-house **print centre**, which serves all our German operating units. The centre used approximately 70 million sheets of paper in 2015. The paper used there is also FSC-certified. The remaining printed paper used is sourced from and processed at various printing companies at the request of the departments concerned.

As a general rule, the Talanx Group and its individual companies also print annual reports, brochures and similar publications on FSC Mix paper. In order to make the use of this environmentally friendly paper clearly visible, Talanx started increasing its use of the FSC logo on the publications concerned in the reporting period. In addition, Talanx has largely used carbon-neutral printing processes for its publications starting in this reporting period; here, too, we consider it important that the publications concerned are clearly labelled. Our goal is **1** to expand this practice and to use carbon-neutral printing and FSC-certified paper for all annual reports as from 2016. From mid-2016 onwards, our interim reports and quarterly statements will be available in electronic form only.

Moreover, since August 2015 the Talanx Group's employee magazine, which has a circulation of around 13,000 copies and roughly 80 pages per issue, has been printed on paper that has been awarded the "Blue Angel" eco-label.

In a further move to expand our efforts to use environmentally friendly paper, we have also set ourselves the goal of increasing the **2** eco-friendliness of the note-paper and envelopes that we use by 2017.

Last but not least, we intend to focus more strongly on the need to **3** reduce energy and paper consumption at work in our internal communications. The goal is to sensitise employees to the contribution that they can make to conserving resources.

As one way of **4** reducing paper consumption, the WARTA Group has set itself the goal of porting travel expense claims processing to a web-based application in 2016.

In addition, our employees in Germany used approximately 2,470 **toner cartridges** during the reporting period; this corresponds to a relative consumption figure per workspace of 0.25 cartridges. We recycled around 25% of these toner cartridges using toner refills.

As another way of sourcing environmentally friendly materials and resources, Talanx has set itself the goal of **5** using new, recyclable paper towels in its washrooms by 2017. We also want to **6** increase our use of eco-friendly cleaning agents and to further optimise cleaning intervals.

WATER CONSUMPTION

1 Approximately 54,200 m³ of water was used in the four largest locations in Germany in the reporting period.¹⁾ This corresponds to a relative water consumption figure of approximately 5.5 m³ per workspace.

Water consumption at the WARTA Group is normally included in the rental charges for the locations and buildings and is not itemised separately.

We have set ourselves the goal of **7** installing tap aerators at WARTA in order to cut water usage. We expect to be able to reduce consumption by up to 10% as a result.

4 Sustainability goal

5 Sustainability goal
6 Sustainability goal

1 Sustainability goal

1 G4-EN8

7 Sustainability goal
2 Sustainability goal

3 Sustainability goal

¹⁾ As in the case of energy consumption, consumption figures for one of the rental spaces only relate to the second half of 2015. In addition, consumption was estimated on the basis of the figures for the previous years in those cases in which service charge invoices were not available in time for the editorial deadline for this report.

EMISSIONS AND WASTE

1 Sustainability goal

GREENHOUSE GAS EMISSIONS

1 G4-EN15

1 SCOPE 1 EMISSIONS

We only use district heating at our major locations in Germany and do not operate any combustion furnaces ourselves (e.g. for heating).

4 G4-EN15 FS | G4-EN17 FS

The fuel used in company cars led to approximately 2,428 metric tons of CO₂ being produced. These are included under “Emissions from business travel” (see below).

CO₂ emissions at the WARTA Group in the reporting period amounted to approximately 515 metric tons and resulted from the fuel used in company cars.

2 G4-EN16

2 SCOPE 2 EMISSIONS

Our Scope 2 emissions in Germany comprise emissions from purchased electricity and purchased heating energy at our four largest locations. In 2015, the relevant figures were 12,024 metric tons of CO₂ from purchased electricity and 4,203 metric tons of CO₂ from purchased heating energy. Added together, this results in 16,227 metric tons of CO₂.

Based on natural gas and heating oil consumption at the WARTA Group’s locations, we estimate its Scope 2 greenhouse gas emissions to be approximately 510 metric tons of CO₂. We estimate CO₂ emissions from purchased electricity at approximately 5,785 metric tons.

This means that the notional Scope 2 emissions for the four largest locations in Germany and the WARTA Group together amount to roughly 22,522 metric tons.

3 G4-EN17

3 SCOPE 3 EMISSIONS/EMISSIONS FROM OTHER SOURCES

According to the utility companies, no CO₂ emissions were generated in Germany as a result of water consumption, while 31 metric tons of CO₂ were generated as a result of waste disposal. Our paper consumption led to the production of 852 metric tons of CO₂.

In addition, our national postal and parcel deliveries resulted in roughly 409 metric tons of CO₂. Here we are reviewing in 2016 whether we can switch to carbon-neutral postal/mail delivery in future.

Taken together, our Scope 3 emissions therefore amount to approximately 1,292 metric tons.

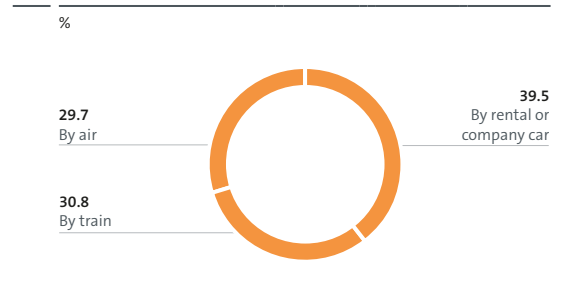
4 SCOPE 3 EMISSIONS/EMISSIONS FROM BUSINESS TRAVEL

CO₂ emissions from business travel at the Talanx Group in Germany are calculated using inputs from air and rail travel as well as travel in company and rental cars. In 2015, the total distance travelled at the Talanx Group in Germany (with the exception of the Hannover Re Group) was approximately 38.7 million kilometres.¹⁾ This corresponds to a notional figure of approximately 4,008 kilometres of travel per employee.

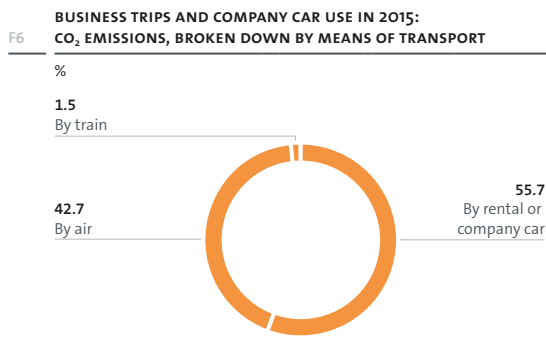
CO₂ emissions from business travel and trips in company cars amounted to approximately 4,706 metric tons. This figure also includes CO₂ emissions from fuel consumption for our company cars. This corresponds to notional relative CO₂ emissions of approximately 0.5 metric tons per employee due to business travel and trips in company cars.

Figures 5 and 6 show the kilometres travelled and CO₂ emissions for the air, rail and rental/company car categories.

F5 BUSINESS TRIPS AND COMPANY CAR USE IN 2015: KILOMETRES TRAVELLED, BROKEN DOWN BY MEANS OF TRANSPORT



¹⁾ At present the information provided does not cover all company cars, since some are not included in the data captured. The figures for 2015 cover approximately 79% of company cars for the Talanx Group in Germany with the exception of the Hannover Re Group, including private use of company cars.



Air travel emissions are calculated using the conversion factors for greenhouse gas reporting drawn up by the UK's Department for Environment, Food and Rural Affairs (DEFRA), while for rail travel, the calculations are based on Deutsche Bahn's environmental indicators. For company cars, the CO₂ data provided by the manufacturers is used, while rental car data are based on the information supplied by the service providers, most of whom in turn use the manufacturers' data or, occasionally, estimate CO₂ emissions on the basis of average values.

Average CO₂ emissions for the entire vehicle fleet in Germany were roughly 136 g/km in 2015. Based on the manufacturer or service provider data, the use of rental cars led to average CO₂ emissions of 131 g/km. Both figures were down slightly on 2014.

REDUCING GREENHOUSE GAS EMISSIONS

1 Talanx is taking steps in a number of areas to **reduce its greenhouse gas emissions.**

In the reporting period, it helped promote low-carbon business travel by providing more than 1,000 employees with a BahnCard railcard from Deutsche Bahn.

In addition, Talanx is aiming to **1** install an additional videoconferencing facility at its Hilden location in 2016 in order to reduce business travel.

1 Sustainability goal

We have also set ourselves the goal of **2** lowering the CO₂ emissions threshold below which a bonus is granted for ordering a company car to 130 g/km or less. Additionally, we are currently examining opportunities for using electric cars.

2 Sustainability goal

The WARTA Group saved roughly 36 metric tons of CO₂ in 2015 compared to 2014 by reducing its use of heating energy.

Above and beyond this, our Polish subsidiary is also taking a number of measures to reduce greenhouse gas emissions. For example, it has set itself the goal of **3** renewing its vehicle fleet in the period up to 2017 by procuring vehicles that comply with the Euro 5 or Euro 6 standard.

3 Sustainability goal

In addition, a pilot project offering **4** driving training for company car users will launch in 2016 with the goal of promoting economical driving and hence reducing fuel consumption, among other things.

4 Sustainability goal

The section on our **5** sustainability goals (page 9ff.) gives an overview of the goals and measures that Talanx has adopted in order to reduce emissions.

EMPLOYEE TRAVEL TO AND FROM WORK

2 The Talanx Group and the companies belonging to it primarily offer (financial) services. As a result, the environmental impact of **transport** is only relevant for us with respect to employee transport. Worldwide, more than 20,000 employees travel to and from work on a daily basis using passenger cars, (local and long-distance) trains, local public transport and bicycles, among other things. As a member of the **6** Hannover Climate Alliance 2020, Talanx supports the climate protection target of reducing greenhouse gas emissions within the municipal region by 40% compared with 1990 levels in the period up to 2020.

2 G4-EN30

1 G4-EN19

6 www.hannover.de/Leben-in-der-Region-Hannover/Umwelt/Klimaschutz-Energie/Akteure-und-Netzwerke/Klima-Allianz-Hannover/Aktuelles/Klima-Allianz-2020 (German)

To encourage environmentally friendly travel to work, we offer our employees at various locations in Germany special deals for using local public transport; specifically, they can purchase group season tickets in Hannover and job tickets in Cologne, Hilden and Hamburg.

In Hannover, 1,143 employees – around 28% of the workforce there – had signed up for the group season ticket as at 31 December 2015. A Group works agreement for our Cologne location specifies that one job ticket is purchased for each core staff member; as at 31 December 2015, this amounted to a total of 2,201 tickets. Since the job ticket in Cologne is collectively financed, the costs are determined on an annual basis and allocated to all users. The current take-up rate is around 70%. At neue leben's location in Hamburg, a total of 226 employees (93%) used the HVV Profi-Card – the job ticket offered by Hamburg's public transport association – as at December 2015. At our Hilden location, 62 people (roughly 10% of employees) had a job ticket as at the end of the year. In addition, employees who use the ticket receive a travel allowance from their employer.

In 2016, we are planning to offer specialists and managers who are entitled to company cars an environmentally friendly alternative to a motor vehicle – a monthly flat-rate mobility fee or a fully financed first class BahnCard 100 railcard.

In addition, various initiatives within the Talanx Group are designed to encourage employees to use their bicycles as an environmentally friendly way of travelling to work. In 2015, the Talanx Group's Hannover location took part in the nationwide CITY CYCLING competition for the first time. The Talanx team was one of the biggest in the Hannover region and clocked up the most kilometres for the city and region of Hannover during the campaign period. Talanx also took part in the "multimobil-Tag" initiative run by the Hannover Climate Alliance 2020 for the first time in the reporting period, joining 25 other Hannover-based

companies. Talanx called on its employees to come to work in the most climate-friendly way possible on that day – for example by using buses, trains or bicycles. In addition, a number of bicycle-themed events were held, such as bicycle coding, safety simulator sessions and anti-theft campaigns. Employees were also able to borrow a cargo bike above and beyond the day of the event itself. In November 2015, Talanx was named a "bike-friendly employer" by the capital of Lower Saxony and the Hannover region.

Talanx took part in the CDP's (Carbon Disclosure Project) climate change programme survey for the first time in 2015 in order to increase transparency with regard to climate change and CO₂ emissions.

WASTE AND WASTE WATER

¹ In Germany, roughly 44,000 m³ of waste water was produced at the four largest locations in 2015. The difference to the figure for water consumption is due to the fact that we use water (process water) to irrigate the grounds.

It is not currently possible to aggregate the data for waste water volumes at the WARTA Group; see also the information on [water consumption](#) (page 29).

² Our four largest locations produced a total of roughly 937 metric tons of waste in 2015.¹⁾ This is equivalent to approximately 115.2 kilogramme of waste per workspace. As shown in Table 4, half of the waste was recycled. Kitchen and food waste comprised a little less than one-quarter of the waste and was used for energy recovery. The remaining (non-IT) waste is disposed of via a regional waste disposal company and treated at a mechanical-biological treatment plant (partly above-ground landfill, partly energy recovery; more detailed information is not available at present).

¹⁾ Includes approximately 83% of the workspaces at our locations of Hannover, Cologne, Hilden and Hamburg.

 www.cdp.net

¹  G4-EN22

²  G4-EN23

T4 **WASTE VOLUMES IN 2015**

	Waste in metric tons	%
Recycling	471	50.3
Energy recovery (kitchen/food waste)	202	21.6
Composting	12	1.3
Other (non-IT)	252	26.9
Total waste	937	100.0
Waste per workspace	0.12	—

Electronic waste is considered separately. In financial year 2015, roughly 16 metric tons of electronic waste was produced and recycled.

It is not possible to determine the volume of waste generated by the WARTA Group because waste disposal costs are included in the rental charges for the buildings or take the form of a flat fee paid to the municipality. Special waste such as electronic waste or furniture is sent to recycling companies.

PROCUREMENT AND SUPPLIERS

SUPPLIER ENVIRONMENTAL PROTECTION AND ENVIRONMENTALLY FRIENDLY SOURCING

¹ Our office operations and the infrastructure that we use to conduct our core business and the associated procurement activities have no significant environmental impacts. The Talanx Group in Germany primarily uses domestic suppliers when procuring products and operating materials. These are subject to the same strict statutory requirements in Germany as Talanx itself. It is therefore unlikely that there are significant negative environmental impacts in the Group's supply chain.

Nevertheless, we take environmental friendliness and the appropriate certifications into account, for example when selecting the office paper we use. In addition, the canteens at our locations offer organic food in some cases.

In order to be able to incorporate ecological criteria systematically in future when selecting suppliers, Talanx has set itself the goal of developing and successively implementing a ¹ Code of Conduct for Suppliers by 2017 that will include compliance with **environmental protection** as one of its criteria.

¹ Sustainability goal

In addition, we want to offer our employees a ² greater range of environmentally friendly office supplies and consumables with ecolabels in the period up to 2017. We have set ourselves a target of 40% for this. We aim to draw attention to these environmentally friendly products on our procurement portal.

² Sustainability goal

The procurement Aspect is considered separately for Purchasing and IT Purchasing. In the case of **IT procurement**, we already use a Code of Conduct for Contractors that forms part of the Talanx Group's work instructions for the procurement of IT assets and services. This covers the human rights of employees, such as a ban on forced and child labour and discrimination, protecting employee health and safety, and environmental protection. It also requires contractors to comply with ethical standards. The Code of Conduct is binding on IT suppliers and contractors.


The WARTA Group requires suppliers taking part in tenders to confirm that they comply with the United Nations Global Compact (UNGC) when submitting their bids. The Ten Principles cover human rights, labour, environment and anti-corruption. All business partners that the WARTA Group has selected as a result of tenders have issued such a declaration of compliance. Over and above this, WARTA is not aware that the company has significant actual or potential negative environmental impacts in its supply chain.

www.unglobalcompact.org

¹ G4-EN32 | G4-EN33

LABOUR PRACTICES AND RESPECT FOR HUMAN RIGHTS AT SUPPLIERS, AND SOURCING OF SOCIALLY COMPATIBLE PRODUCTS


¹  G4-LA14 | G4-LA15
G4-HR4 | G4-HR5
G4-HR6 | G4-HR10
G4-HR11 | G4-SO9
G4-SO10

¹  A total of 90% of Talanx’s suppliers at its largest locations in Germany – Hannover, Cologne, Hilden and Hamburg – are domestic suppliers. As such, they are subject to German jurisdiction, and in particular to German employment laws (ArbG). Consequently, Talanx does not perform a separate review to determine whether they comply with labour practices, whether they violate or endanger the right to freedom of association, collective bargaining or human rights, whether they pose the risk of child, forced and compulsory labour or whether they impact on society.

²  G4-EC9

Equally, it is not expected that existing supplier relationships in the area of IT procurement will violate or endanger the above-mentioned aspects. Moreover, the Code of Conduct for IT Contractors, which covers labour practices, human rights, environmental protection and ethical standards, applies to these relationships (see above).

¹  Sustainability goal

¹  Talanx intends to develop and successively implement a Code of Conduct for Suppliers that goes above and beyond the area of IT procurement and that contains **human rights** and **working conditions**, among other things, as criteria (see above).


²  Sustainability goal


The WARTA Group adopts the same procedure for working conditions and human rights at suppliers as for environmental protection: potential suppliers have to confirm that they comply with the Principles of the United Nations Global Compact when submitting their bids. All business partners selected via tenders have issued such a declaration of compliance.

The WARTA Group is not aware of any cases in the company’s supply chain in which human rights or labour practices or the right to freedom of association and collective bargaining have been violated or at risk, or where there has been a risk of forced and compulsory labour. There are no indications or expectations of significant negative impacts on society either.

In particular the Polish legal system, like the German one, prohibits child labour. Any violation of this prohibition is an infringement of the law, and companies are obliged to report suspected cases to the competent authorities. No such cases are known within the WARTA Group.

REGIONAL SOURCING

²  In Germany, roughly 30% of procurement contracts are awarded to local suppliers, while 70% of the contract volume is handled by transregional suppliers. This applies both to IT procurement and to other areas of purchasing. Local and regional suppliers are defined as companies whose offices are in the same town or city or the same federal state; the data here refer to the four largest locations of Hannover, Cologne, Hilden and Hamburg.

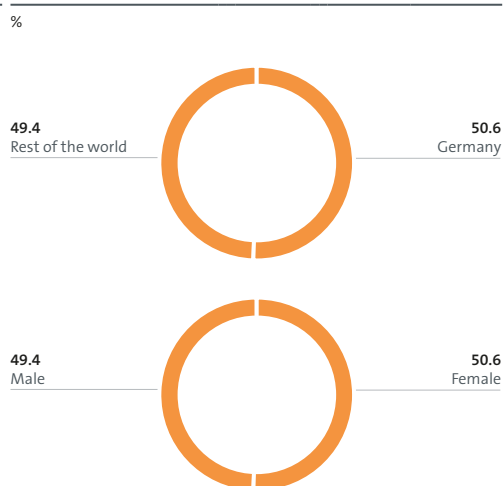
In this connection, we have set ourselves the goal of ²  regularly reviewing procurement activities at our largest locations to establish whether it is possible to work primarily with domestic or local suppliers, provided that this demonstrably promotes sustainability.

At the WARTA Group, local suppliers account for 99% of purchasing costs. We define “local suppliers” as those who are based in Poland.

6 WORK AND EMPLOYEES

The Talanx Group employed 21,691 people worldwide as of the 2015 year-end, 10,972 of whom were in Germany and 10,719 in other countries.¹⁾ A total of 10,709 employees were male and 10,982 were female (see also Figure 7).

F7 BREAKDOWN OF WORKFORCE BY GERMANY/REST OF WORLD AND BY GENDER IN 2015



The following section gives a detailed breakdown of our workforce by a number of different aspects.

1 The breakdown of the Talanx Group's workforce by region is given in Table 5.

T5 WORKFORCE BY REGION AND GENDER

Region	Number	Share of total in %	Share per region in %	
			Male	Female
Germany	10,972	50.6	52.4	47.6
Central and Eastern Europe including Turkey	4,016	18.5	39.8	60.2
South and North America	4,085	18.8	48.4	51.6
Rest of Western Europe	2,026	9.3	52.9	47.1
Other regions	592	2.7	52.4	47.6
Total	21,691	100.0	49.4	50.6

¹⁾ Comprises the active core workforce and inactive employment relationships (not including people in the passive phase of partial retirement); casual workers, interns, vocational trainees and graduate trainees are not included.

The breakdown of the Talanx Group's workforce by employment contract (limited-term versus permanent), type of employment (full-time versus part-time) and gender is given in Table 6.

T6 WORKFORCE BY EMPLOYMENT CONTRACT, TYPE OF EMPLOYMENT AND GENDER¹⁾

Employees	Male	Female	Total
Total	9,431	9,567	18,998
Fixed-term	436	610	1,046
Permanent	8,995	8,957	17,952
of whom full-time	8,763	7,198	15,961
of whom part-time	232	1,759	1,991

¹⁾ Comprises the Talanx Group excluding the Hannover Re Group. The figures cover roughly 99.4% of the Group workforce excluding the Hannover Re Group.

In the Retail Germany Division, insurance is sold via insurance brokers, bank sales partners and cooperative arrangements with other businesses, as well as by tied agents with employees and by self-employed commercial agents working exclusively for HDI. An average of 486 commercial agents worked for HDI's tied agent operations at the 2015 year-end. In addition, the Talanx Group had a total of 104 contract workers in Germany. This figure corresponds to less than 1% of the total number of staff employed in the country and is therefore not material.

The following sections in this chapter contain detailed information on the 9,651 Talanx Group employees in Germany (excluding the Hannover Re Group) and the 2,690-strong workforce at the WARTA Group in Poland.²⁾

2 There are no significant variations in the number of employees, e.g. for seasonal reasons, either in Germany or at the WARTA Group.


3 A total of 91.3% of Talanx Group's employees in Germany are covered by collective bargaining agreements, i.e. the companies are members of the Employers' Federation or apply the national general collective agreement for the private insurance industry. Payment for the remaining employees is not covered by collective bargaining agreements. The large majority of these are people who perform special duties or have responsibility for areas for which the requirements are higher than those set out for the highest remuneration group under the collective bargaining agreement. There are no comparable collective bargaining agreements for the WARTA Group in Poland.

1 G4-10
2 G4-10

3 G4-11

²⁾ Here, too, the definition covers the active core workforce and inactive employment relationships (not including people in the passive phase of partial retirement); casual workers, interns, vocational trainees and graduate trainees are not included.

¹  G4-LA2


¹  A large number of voluntary occupational benefits are available to all employees in Germany as a matter of principle. In Germany, these comprise:

- Capital accumulation benefit
- Paid sick leave
- Special leave for specific events
- Payment of jubilee benefits after 10, 25 and 40 years of service
- Marriage and childbirth allowances
- Subsidised lunches
- Subsidised use of public transport
- Subsidised participation in external sports events
- Group accident insurance

Equally, the WARTA Group does not distinguish for the purposes of benefits between full-time and part-time employees, or between permanent and temporary ones.


RECRUITMENT, EDUCATION AND TRAINING

²  G4-DMA

²  **Materiality:** The Talanx Group employs more than 20,000 people in more than 40 countries on five continents around the world. Competent, committed and entrepreneurial staff are a critical success factor for the Group. They use their many and varied talents at the different companies within the Group to drive forward our business success and promote customer satisfaction. Our professional programmes help our employees develop and continuously enhance their skills. In addition, the Talanx Group can only be an attractive employer if it actively addresses developments such as demographic change, the decline in the size of the working population and the changing nature of work. This means that recruitment, education and training are material Aspects for Talanx.

Aspect Boundary and impacts: Within the Talanx Group, Human Resources is the main function dealing with employee issues, although these also impact individual employees and hence the Group as a whole. Externally, personnel marketing is one of the key tools used to underpin the Group's image as an attractive employer for (potential) applicants. In addition, there are impacts everywhere in the value chain where employees come into contact with customers, since well-qualified customer support staff ensure the quality of our services. Therefore, sound education and training are a prerequisite for our business success and competitive position.

Measures and guidelines: The aim of human resources work at the Talanx Group is to ensure our Company's sustainable, profitable growth. We can achieve this by having the right people in the right place and by assigning them the right tasks. We expect our employees to display a high degree of professionalism, loyalty, an entrepreneurial mindset and behaviour, flexibility, motivation and mobility. We ensure employability by providing our employees and executives with continuous professional development opportunities and systematically qualify them for their current and future tasks through internal and external **training**, by tailoring **induction and development programmes** to specific target groups and using **human resources development instruments**.

A transparent management style aims at promoting a risk-conscious, high-performance culture among our employees. Our management tools and flat hierarchies assume a high degree of **individual personal responsibility**. In addition, the Talanx Group offers performance-related pay, flexible working hours and attractive social benefits, including occupational retirement provision, capital accumulation benefits, and holiday and Christmas bonuses. All these benefits are reflected in our employees' low turnover rate and their long periods of service with the Group; see also the  section entitled "Recruiting and attracting talent" (page 38ff.).

Initial professional training is particularly important for **attracting and retaining new talent**. This can be seen from the consistently high number of vocational trainees who are taken on permanently after completing their courses, which has been in excess of 90% for years. The different companies within the Talanx Group offer a wide range of educational options, from classic vocational training through to bachelor's degrees. Since 2005, Talanx has won the InnoWard, an industry training award from the Berufsbildungswerk der Deutschen Versicherungswirtschaft e. V. (BVW – the German Insurance Association for Vocational Education and Training), six times in the “Initial Professional Training” category. The last time was in September 2015.


Identifying and developing the **next generation of managers and specialists** is another focus of our human resources development work. Our continuous professional development activities enable our employees to rapidly take on new or changed positions. Thanks to this human resources policy, the Group is largely able to fill management and specialist positions from within its own ranks, assuming candidates are equally qualified; see also the [📖](#) section entitled “Recruiting and attracting talent” (page 38ff.).

We offer career-oriented high performers particularly attractive prospects. For example, we conduct comprehensive personal stocktaking exercises to establish employees' individual strengths and areas for development. Next, we identify suitable development tools and programmes in order to ensure the employees are prepared for their future tasks. Finally, we offer them additional development and coaching measures once they are in their new positions, supporting them and helping them becoming established in the best possible way.

360° feedback allows managers to receive structured feedback from a variety of players in their professional environment. The feedback provided covers a number of different aspects of management behaviour and teamwork, most of which are derived from our [📖](#) Talanx Values (page 21). Input from different angles and comparisons between how participants see themselves and how they are seen by others help managers better understand their individual strengths and the areas that need developing. For the people providing the feedback, the process offers a further way of helping to influence the quality of management and teamwork and to set in train any necessary clarification processes. It also contributes to further enhancing Talanx's corporate culture and implement the Talanx Values in our day-to-day operations.

We have successfully established the **Talanx Corporate Academy** within the Group as a human resources development tool aimed exclusively at top-level management. The Academy, which takes the form of a practically oriented, high-quality programme, provides senior executives in Germany and abroad with information on strategic topics. In this way it helps implement Group strategy, increase management quality and encourage sharing best practices internationally throughout the Group, and hence makes a significant contribution to Talanx's corporate culture. Attendance is also open to Hannover Re's top management. In 2014, the Talanx Corporate Academy won the BVW's InnoWard prize (see above).

 Sustainability goal


Moreover, Talanx has set itself the goal of reviewing its rules and guidelines in the area of work and employees by 2017. The aim is to  analyse whether it would make sense, and how, to expand them to include sustainability criteria.

Responsibilities: Effective, efficient human resources processes and services are essential in our competition for the next generation of top talent and in order to meet the challenges posed by demographic change. Human resources support, human resources marketing, initial professional training and employee development are key components of our Group-wide human resources work. The **Spokesman of the Board of Management of Talanx Service AG** is responsible for personnel activities throughout the Group, including implementing and enhancing our human resources strategy, planning and managing the human resources functions' strategic goals and operational activities, and managing stakeholders and their needs. The Talanx Group's Labour Relations Director is responsible for human resources at the level of the Talanx Group's Board of Management.

 G4-LA1

The various units within the Human Resources department are responsible for preparing concepts for the Group's human resources policy and for developing and implementing leading-edge human resources activities. In addition, the department has specialists in the areas of human resources management (including support and human resources marketing), employment law, remuneration management, occupational pensions, human resources administration (including payroll administration and human resources controlling) and human resources development (including education and training, talent development and change management).

Other key tasks include ensuring at a strategic level that the Company recruits and retains talented young staff by offering vocational training, dual-track degree programmes, and induction, graduate trainee and talent programmes, as well as working together with employee representative bodies. Responsibility generally extends to the Group companies in Germany with the exception of Hannover Re; in the case of some topics (e.g. international programmes such as the Management Development Programme or implementation of the Talanx Values) their responsibility also extends to our foreign companies.

The Talanx Group's activities in the area of education and training also extend above and beyond its own employees (see the  chapter entitled "Corporate Citizenship", page 61).

RECRUITING AND ATTRACTING TALENT



 In financial year 2015, the Talanx Group hired 503 new staff in Germany overall. A total of 626 employees left the Company during the same period, 175 of whom retired. The WARTA Group recruited 241 new staff during this period, while 392 left.

Table 7 shows a breakdown of these employees by gender and Table 8 shows a breakdown by age, with the figures for Germany and the WARTA Group being given separately in each case. In comparison: the  section entitled "Diversity and equal opportunities" (page 43ff.) gives a breakdown of all employees in Germany and the WARTA Group by gender and age.


T7 **NEW HIRES AND DEPARTURES BY GENDER**

Gender	New hires				Departures			
	Number	% of workforce as at 31.12.2015	% of new hires	% of gender	Number	% of workforce as at 31.12.2015	% of departures	% of gender
Germany								
Male	292	3.0	58.1	5.7	342	3.5	54.6	6.7
Female	211	2.2	41.9	4.7	284	2.9	45.4	6.3
Total/average	503	5.2	100.0	5.2	626	6.5	100.0	6.5
WARTA Group								
Male	97	3.6	40.2	9.0	137	5.1	34.9	12.8
Female	144	5.4	59.8	8.9	255	9.5	65.1	15.8
Total/average	241	9.0	100.0	9.0	392	14.6	100.0	14.6

T8 **NEW HIRES AND DEPARTURES BY AGE**

Age group	New hires				Departures			
	Number	% of workforce as at 31.12.2015	% of new hires	% of age group	Number	% of workforce as at 31.12.2015	% of departures	% of age group
Germany								
Under 30	181	1.9	36.0	17.7	120	1.2	19.2	11.7
30–50	267	2.8	53.1	4.8	242	2.5	38.7	4.3
Over 50	55	0.6	10.9	1.8	264	2.7	42.2	8.6
Total/average	503	5.2	100.0	5.2	626	6.5	100.0	6.5
WARTA Group								
Under 30	125	4.6	51.9	25.9	88	3.3	22.4	18.2
30–50	106	3.9	44.0	6.1	230	8.6	58.7	13.1
Over 50	10	0.4	4.1	2.2	74	2.8	18.9	16.4
Total/average	241	9.0	100.0	9.0	392	14.6	100.0	14.6

Employee turnover in the Talanx Group in Germany amounted to 6.5%. The relevant figure for the WARTA Group was 14.6%. This relatively high figure is due on the one hand to the fact that the labour market in Poland is fundamentally more flexible than that in Germany, for example. On the other, it also reflects the tail end of personnel reduction measures that were still ongoing at WARTA.


¹  **Standard entry-level salaries** are based on the collective wage agreement for the insurance industry. For our employees, they are always above the statutory **minimum wage**. We use a Group-wide job assessment process for senior executive positions. Entry-level salaries for new hires are gender-neutral and are determined on the basis of the position involved and the employee's qualifications and professional experience.

¹  G4-EC5

²  G4-LA9

The proportion of employees in the WARTA Group whose salaries are covered by local minimum wage regulations is not significant. The figure for male employees is approximately 0.1%, while that for female employees is approximately 0.4%.

¹  G4-EC6

¹  Most managers in Germany and at Talanx's locations abroad are **recruited locally**. German managers are also seconded to perform certain management functions at locations abroad for limited periods as part of personal development measures. In the future, we shall boost exchanges of specialists and management personnel between our German and foreign units as part of the Group's internationalisation strategy. We are also increasingly recruiting colleagues from subsidiaries and branches abroad to take part in key international projects within the Talanx Group, and these staff members then work temporarily in Germany as a result.

The WARTA Group normally recruits all executives locally, i.e. in Poland. "Executives" in this case are members of the Board of Management and executives reporting directly to the Board of Management.


A total of 71 management positions needed to be filled at the Talanx Group in Germany in the reporting period. Sixty-one (85.9%) of these open positions were **filled by internal candidates** during this period.

Five management positions needed to be filled at the WARTA Group in 2015. An internal candidate was appointed in one case (20.0%).

The average **period of service** for employees in the Talanx Group in Germany was 14.5 years as at 31 December 2015. The relevant figure for the WARTA Group was 9.2 years.

³  G4-LA10

EDUCATION AND TRAINING

²  In Germany, a total of 19,141 days of continuing professional development (CPD) were devoted to specialist insurance seminars and sales training, methodological and behavioural training, specialist and management training, and language and IT courses in 2015. These training programmes are aimed at all Talanx Group employees in Germany (with the exception of the Hannover Re Group) regardless of their position in the corporate hierarchy; additionally, some programmes are specifically designed for the bancassurance and sales companies. This total corresponds to roughly two training days per person in 2015.

It does not seem to make sense to break down the data by gender, as roughly one-third of female employees are part-time workers. As a result, the aggregate figures cannot be compared directly. We also do not currently break the figures down by employee category.

On average, WARTA Group employees received approximately 3.2 hours of training in the reporting period. The average figure for executives was 3.5 hours, while that for non-managerial employees was 3.2 hours. Since the proportions of male and female part-time employees in the WARTA Group do not differ as significantly as in Germany, it is possible to make gender-specific statements in this case: female employees received approximately 3.3 hours of training on average and male employees approximately 2.9 hours.

Additionally, the companies at the Group's headquarters in Hannover provided support for at least nine bachelor's and master's theses and three study projects in 2015.

³  Table 9 provides an overview of Talanx's **skills management** programmes and tools in Germany. The international Management Development Programme is also open to employees in other countries.

Induction and development programmes

- Management Development Programme (MEP)
- Management Development Programme – international (MDP)
- Divisional Development Programme (BEP)
- Certified Project Manager Development Programme (EPP, Zert.)
- Expert Development Programme (EPE)
- First-time Manager Development Programme (EPF)
- Talent Development Programme (PEP)
- Graduate Trainee Programme (Industrial Lines)

Human resources development instruments

- Stocktaking exercise
- Coaching for specialists and managers
- “Betrieb Leben” project workshop
- Mentoring programme for women
- 360° feedback
- Training for managers

Specialist seminars

see above (📄 G4-LA9)

The WARTA Group has an annual training programme for both employees and managers. In addition, WARTA has a voluntary outplacement programme for staff leaving the company.

¹ 📄 Different companies have different forms and processes that managers use to hold regular **feedback discussions** with their staff. In addition, managers are requested to ensure they are routinely available for discussions with staff outside of formal staff reviews.

Talanx’s senior executives have annual reviews with their superiors as part of their goal-setting process. The new staff review process is aligned with our 📄 Talanx Values (page 21) and has been used for senior (i.e. generally tier 1 and 2) executives throughout the Group since 2014. In 2015, approximately 96% of senior executives in Germany took part in a staff review. The bancassurance companies have formal reviews in place at all levels of the corporate hierarchy. The Talanx Group is currently working towards establishing a uniform, enterprise-wide staff review process.

At the WARTA Group, all employees receive regular appraisals.

DIVERSITY AND FAMILY FRIENDLINESS

² 📄 **Materiality:** There are numerous examples of developments that are changing the nature of work in the Talanx Group. These include a rising number of older employees, their successors in generations Y and Z, the need for greater mobility and an improved work-family balance, increasing globalisation and the associated rise in the proportion of female employees and of people with migrant backgrounds in society.

Our proactive diversity management policy aims not only to create an open and inclusive working atmosphere in which people with a wide range of individual skills collaborate readily, but also to actively and consciously use diversity in order to maintain and increase our Company’s performance and competitiveness.

Aspect Boundary: The Aspect of diversity affects each and every employee throughout the Talanx Group. Outside the Group the Aspect is relevant to the supply chain/value chain, e.g. it is important for (potential) job applicants, but also for customers and business partners with whom our employees are in, or make, contact.

² 📄 G4-DMA

¹ 📄 G4-LA11

Impacts: Employee diversity is part of our DNA. We cultivate a corporate culture of respect, appreciation and mutual acceptance. Talanx employs women and men from an extremely wide range of national, ethnic, religious and personal backgrounds and of different ages, as well as people with and without disabilities and with different sexual orientations. It is precisely this diversity that makes our heterogeneous Group successful. Therefore, for us diversity management means consciously encouraging employee diversity and reaching as many potential applicants as possible. At the same time, our actions can contribute to promoting acceptance and openness within society.

Measures and guidelines: The Group has already taken a large number of steps to identify and promote diversity, to prevent discrimination and to support our employees' development regardless of their origins.

In its **"Diversity Commitment"**, the Group Board of Management has undertaken to acknowledge, value and incorporate diversity in Talanx's corporate culture. In addition, in 2013 the Board of Management signed the **Diversity Charter**, a corporate initiative designed to promote diversity at companies and institutions.

The Board of Management also takes diversity into account when filling executive positions within the Company. This is set out in the **Corporate Governance Principles**.

Another example of how we promote diversity is our cross-generational **mentoring programme for young professionals**, which teams up young staff with experienced managers who act as mentors, encouraging their mentees' development and sharing their own knowledge and experience. In addition, Talanx offers a number of **training seminars** that specifically prepare managers for dealing with the specifics of diversity in practice, e.g. when managing multinational and cross-generational teams. A **job rotation programme** aims to further promote a culturally and ethnically international Group.

In addition, Talanx consciously employs people with **international** roots and different **cultural** backgrounds. For example, it is participating in the "Adelante!" project, which enables EU citizens to receive vocational training at companies in Germany. After a six-week trial orientation phase, two young Spaniards started their vocational training as insurance and finance specialists at Talanx in 2015. There are a number of reasons why Talanx is taking part in the project: whereas Spain is experiencing above-average youth unemployment, the Company is increasingly noticing a shortage of specialist staff. In addition, we have a wide range of business activities in Spanish-speaking Latin America and would welcome the chance to train more young people to work together with these markets as well in the future. The project, which is being run by the Chamber of Industry and Commerce in Hannover and the charity Caritas, is sponsored by the federal government, among others.

Talanx also sets store by a healthy **work-life balance**. Our divisions offer employees a wide variety of options for professional and personal development during all phases of their lives. We create an attractive, family-friendly working environment and conditions in which both men and women can combine a job and a family as a matter of course. This is why we offer our employees **flexible working time models** and the **ability to work part-time**.


In addition, our family service supports parents by helping them to find suitable **childcare**. In a scheme designed to improve employees' **work-family balance** that has been in operation since January 2014, Talanx also pays up to EUR 100 a month tax-free towards the cost of looking after preschool children in the first year after parents return to work following parental leave. Since we recognise that the ability to combine a career and a family is important for our employees, we not only offer extremely flexible part-time working options but also allow staff to work from a home office during their parental leave period.

 www.talanx.com/karriere/diversity?sc_lang=en

 www.charta-der-vielfalt.de/en/diversity-charter.html


 www.talanx.com/investor-relations/corporate-governance?sc_lang=en

The Talanx Group is committed to ensuring **equal opportunities** for men and women and intends to further increase the proportion of women in management positions in the long term. **The Act on the Equal Participation of Men and Women in Management Positions in the Private and Public Sectors**, which came into force in Germany on 1 May 2015, requires listed companies that are covered by codetermination requirements to set targets for the proportion of women on their supervisory boards and boards of management/among their managing directors, as well as in the two management levels below this, and to report on whether these targets have been met.


The companies affected by the act have now set targets to be reached by an initial deadline of 30 June 2017. Following thorough discussions, the Supervisory Board resolved, taking into account the terms of the current Board of Management mandates and contracts of service, to keep the defined proportion of women on the Board of Management of Talanx AG at zero for the aforementioned period – without prejudice to any other decisions that may be made as and when necessary in specific cases. If, contrary to what can be foreseen at present, it becomes necessary at some point and for some reason to make a new appointment to the Board of Management, the Supervisory Board shall give preference to a female candidate in the event of equivalent personal and professional qualifications. Moreover, in accordance with the above-mentioned act, the Board of Management was obliged to define the proportion of women on the two management levels below the Board of Management at Talanx AG. A quota of 9.1% was defined for the first management level, and 28.6% was defined for the second management level. In addition, the fixed gender ratio of 30.0% must be complied with in the next elections to the Supervisory Board. See also the  “Declaration on Corporate Governance and Corporate Governance Report” on page 67ff. of the Group Annual Report 2015.

In addition, in future Talanx aims to  appoint women to at least 25% of vacant management positions at all levels of the corporate hierarchy in Germany.

In order to achieve this goal, it is important for our human resources development function to positively and systematically advance our female employees on a systematic basis. In 2014, we implemented a **women’s mentoring programme** as one of our diversity management measures with the aim of helping female employees with potential to grow into more senior management positions. The mentors, all of whom are members of boards of management or tier 1 managers, support their mentees for a year. In addition, our Company has special **development programmes** for management and specialist functions and project managers that are open to both men and women. Managers at Talanx are regularly made aware of the need to encourage and develop female employees with potential, so as to increase the proportion of women in management positions in the long term. Additionally, the **Frauen@Talanx** women’s network was launched in March 2014 with the aim of promoting informal exchanges among female specialists and managers at all levels of the corporate hierarchy.

The WARTA Group’s goal of  continuing to fill at least 35% of management positions with women in future should also be mentioned. The ratios of men and women in management positions at the WARTA Group can already be said to be balanced (see also the section below).

DIVERSITY AND EQUAL OPPORTUNITY

 Table 10 shows the composition of Talanx AG’s governing bodies as at 31 December 2015 in terms of the two diversity categories of **gender** and **age**.

The breakdown of employees in Germany and in the WARTA Group by the diversity categories of gender and age is given in Table 11.

 Sustainability goal

 Sustainability goal

 G4-LA12
 [www.talanx.com/
investor-relations/
presentations-and-
events/disclosure/
2016?sc_lang=en](http://www.talanx.com/investor-relations/presentations-and-events/disclosure/2016?sc_lang=en)


T10 BREAKDOWN OF TALANX AG'S GOVERNING BODIES BY GENDER AND AGE

	By gender			By age		
	Number	Male in %	Female in %	Under 30 years in %	30-50 years in %	Over 50 years in %
Board of Management	6	100.0	—	—	33.3	66.7
Supervisory Board	16	75.0	25.0	—	12.5	87.5

T11 BREAKDOWN OF EMPLOYEES BY GENDER AND AGE

	By gender			By age		
	Number	Male in %	Female in %	Under 30 years in %	30-50 years in %	Over 50 years in %
Germany						
Tier 1 management	177	86.4	13.6	—	57.6	42.4
Tier 2 management	442	85.1	14.9	0.5	61.1	38.5
Tier 3 management	273	75.8	24.2	1.5	63.7	34.8
Total managers	892	82.5	17.5	0.7	61.2	38.1
Employees excluding managers	8.759	50.1	49.9	11.6	57.3	31.1
Total employees and managers	9.651	53.1	46.9	11.6	57.3	31.1
WARTA Group						
Board of Management	8	100.0	—	—	62.5	37.5
Top management	39	82.1	17.9	—	92.3	7.7
Management	245	50.6	49.4	4.5	79.6	15.9
Total managers (excluding Board of Management)	284	54.9	45.1	3.9	81.3	14.8
Specialists/employees excluding managers	2.398	37.9	62.1	19.7	63.4	16.9
Total employees and managers	2.690	39.9	60.1	18.0	65.3	16.7


¹  G4-LA13

¹  For Talanx, diversity management also means reaching as many potential job applicants as possible. This is why salaries are paid exclusively on the basis of the job performed, taking into account employees' qualifications and their performance. Position grading at specialist and management level is also based exclusively on the tasks and responsibilities associated with the post. No additional information is provided on the ratio of basic pay and remuneration for women to the corresponding figures for men, as the relevant data are confidential.

The WARTA Group also bases salaries primarily on the position to be filled and the function to be performed, i.e. on the job involved. The experience and skills of the employees concerned are also taken into account. By contrast, gender does not play a role in our remuneration policy; such discrimination would be illegal. Two people doing the same job

and with the same or similar experience and skills will not be offered different salaries because they have different genders.

²  G4-HR3

²  Talanx does not tolerate discrimination on the basis of race, colour, gender, age, ethnic origin, religion, sexual orientation, gender identity and gender expression, relationship status, nationality, disability, medical conditions, or any other legally protected factor. We are not aware of any cases of discrimination that would have required disciplinary consequences. Similarly, the WARTA Group is not aware of any cases of discrimination.

WORK-FAMILY BALANCE

¹ In Germany, additional parental leave of up to six months can be taken immediately after the statutory parental leave period in certain circumstances, in order to ensure continued childcare. Parental leave under the collective agreement for the private insurance industry ends at the latest three-and-a-half years after a child is born.

In 2014, a total of 453 employees in Germany took parental leave or were already on parental leave (starting earlier, e.g. in 2013) – 139 men and 314 women. Of this number, 413 returned to work after parental leave during the reporting period or are expected to do so in 2016 – 138 men and 275 women. This results in a return rate (defined as the total number of employees who have returned or will return to work after parental leave divided by the total number of employees who could have returned to work after parental leave) of 91.2%. The return rate for male employees is 99.3%, while that for female employees is 87.6%.

Of the 243 employees who returned to work from parental leave in 2014 (i.e. the previous period), a total of 226 (120 men and 106 women) were still employed by Talanx twelve months after their return. This results in a total retention rate (defined as the total number of employees who were still employed 12 months after they returned to work following parental leave divided by the total number of employees who returned to work after parental leave in the previous reporting period) of 93.0%. The retention rate for male employees was 91.6%, while that for female employees was 94.6%.

At the WARTA Group, 137 employees overall took parental leave or were already on parental leave in 2014 – one man and 136 women. A total of 124 of these employees returned to work in 2015 (one man and 123 women). This results in a return rate of 90.5%; 100.0% for male employees and 90.4% for female employees. The retention rate was 45.5%; 83.3% for male employees and 43.0% for female employees.

OCCUPATIONAL HEALTH AND SAFETY

² **Materiality and impacts:** Since Talanx is a company that offers services in the areas of insurance and finance, the risks of physical injury and accidents at work are relatively low. Equally, employees are not exposed to significant health hazards. This applies to the entire Talanx Group, i.e. including both our employees in Germany and those at the WARTA Group in Poland.

At the same time, the safety and health of our employees while at work is naturally of great importance to us. They play a significant role in the Company's success and are a key corporate goal, along with the quality of our products and our financial success.

Measures and guidelines: In Germany, we support our staff in this through active **health management**, a variety of internal sports offerings and customised advice. Occupational safety specialists and company doctors serve our locations in Germany in line with the statutory requirements. We look after employees' interests in work safety and healthy workplaces in close cooperation with corporate management, the works councils and the disabled employees' representatives.

In Germany, these aspects are governed by the German Health and Safety at Work Act (ASiG), the German Occupational Health and Safety Act (ArbSchG) and DGUV Vorschrift 2, a German accident prevention regulation. Health and safety is now also strongly influenced by European legislation, with uniform minimum health and safety standards applying to EU member states.

In the area of **prevention**, we take prophylactic measures to help preserve employees' health and safety. This issue is very important at our Company. Our objective is to continuously improve, and hence increase and optimise, health and safety standards so as to preserve and enhance our employees' performance and motivation.


¹ G4-LA3

² G4-DMA | G4-LA7

A continuous flow of information and brochures serves to promote awareness of all-round – physical and psychological – health. In line with this, our preventive activities include precautionary measures and screening for diseases, as well as stress management and exercise offerings, and general health information. A number of locations in Germany offer a wide range of health courses, from functional training through qigong and yoga down to massage. Talanx's intranet provides employees with tips, information and offerings on healthy working, and especially on workplace ergonomics, back and eye health, and how to handle stress.

 G4-LA6

 Sustainability goal

In addition, Talanx is aiming to  successively roll out employee health days and health management to its various locations, and has formally adopted this as a goal.


Employee sports sponsorship also helps raise awareness of the importance of staff health. Talanx AG pays the entry fee for Group employees taking part in public sports or running events and provides them with matching functional shirts featuring the Talanx corporate logo. We sponsor both German and international sports events; these range from the major city marathons in Berlin, Hamburg, Hannover and Cologne or the half-marathon in Madrid through cross-country races down to smaller regional running events. Other types of sport, such as triathlons and dragon boat races, also receive support. A condition is that at least 10 Group employees get together to form a team.

In 2015, Talanx AG sponsored employees at a total of 60 events, paying their entry fees and providing them with Talanx functional shirts. The shirts are certified according to the OEKO-TEX® Standard 100 label and their manufacturer has signed up to the Global Social Compliance Programme (GSCP) and the Business Social Compliance Initiative (BSCI). Employee sports sponsorship facilitates team building, encourages employee interaction across different locations and enhances identification with our Company. As a result, it can contribute both to employee motivation and health and to retaining existing employees and attracting new ones.

The WARTA Group also promotes employee health in a variety of ways. To start with, the company naturally complies with all relevant Polish rules and regulations, e.g. in the areas of occupational safety, hygiene and workspace design. In addition, WARTA continuously assesses the risks associated with performing tasks, trains employees on how to deal with them and provides them with all the information they need. Above and beyond this, WARTA has

made a voluntary commitment in the form of a medical care programme for employees and their dependents. The programme has been very well received and is used by almost all employees.

Additionally, the Multisport Programme – in which WARTA subsidises the use of sports facilities throughout the country – had over 1,100 members in 2015. WARTA also supports sports activities or events that are organised by employees themselves, e.g. by renting facilities or providing professional coaches.

 **Accidents at work** are broken down into accidents that take place during work and those that take place on the way to or from work (travel accidents). In Germany, accidents at work that result in more than three calendar days' work being lost must be reported to the relevant occupational health and safety agency or accident insurance fund by both the employer and the attending physician. There were 27 accidents at work at the Talanx Group in Germany in 2015 (corresponding to an accident at work ratio of approximately 0.3%), and 95 accidents on the way to or from work (corresponding to a ratio of approximately 0.9%). Our occupational safety specialist assesses the accidents in order to identify any preventive measures that need to be taken.

Poland also distinguishes between the two above-mentioned categories of accidents. All accidents or occupational diseases have to be reported to the social security agency (ZUS) and the national statistics office (GUS). The number of accidents in the first category directly influences the size of the social security contributions payable by the employer. All cases must be documented, the risk associated with the activity has to be assessed, and the circumstances surrounding the accident have to be clarified. There were 18 accidents at the WARTA Group in the reporting period, including six accidents at work (a ratio of 0.2%) and 12 accidents on the way to or from employees' place of work (a ratio of 0.4%).

Otherwise, Talanx calculates the days lost ratio on the basis of the **days lost due to illness**. We also calculate the difference between this ratio and the industry average, the figures for which are provided by the employers' association. The days lost ratio for Talanx employees in Germany not including the Hannover Re Group is slightly below the industry average if long-term illnesses are included, and somewhat above the average if they are not.

7

INVESTMENT AND INSURANCE PRODUCTS



MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES


1 INDIRECT ECONOMIC IMPACTS

The Talanx Group's operations have a large number of indirect impacts. In essence, the insurance business entails the **transfer of risk**, which can mitigate losses that arise when loss events occur. This means that insurers fulfil an important social function by enabling the **economy to function** and providing financial **security for individuals**. At an overall level, insurance cover can therefore secure society's living standards and give enterprises the room to manoeuvre that they need to master challenges and be **innovative**.

Additionally, preventive **risk minimisation** and **loss prevention** reduce the probability of losses and injuries, such as those from fires and industrial accidents. These aspects are important in industrial insurance, for example. Among other things, this also protects employees' health and conserves natural resources. A concrete example of protection against natural hazards is Talanx's **Accumulation Risk Geospatial Online System**, or ARGOS for short. Talanx uses this internally developed software in its site assessment of potential risks from a variety of such **hazards**.

Above and beyond this, our **hazard and risk analyses** aim to identify existential risk scenarios in all divisions and to take suitable measures to reduce these to a level that ensures the Company's continued existence. This applies to natural catastrophes (natcats), fire and explosion protection, and engineering and marine insurance, as well as to **business interruptions**, which in today's networked world may become more and more likely and take on an increasing order of magnitude. In addition, we raise awareness of hazard assessments and make sensible plans for emergencies. We work together with other enterprises in bodies such as the GDV to draw up guidelines for the sustainable planning, establishment and operation of both plant and equipment and enterprises.

In addition, the Talanx Group has **impacts on social and ecological conditions**, in particular due to its  investments (page 49ff.) and its  insurance products (page 53ff.).








The Talanx Group also has **impacts as an employer**, since – as the third-largest insurance group in Germany with business links to approximately 150 countries – it is a major employer and provider of education and training. The Talanx Group creates a considerable economic stimulus not only by employing people directly at 40 locations throughout the world, but also by placing orders with (regional) suppliers and service providers. Additionally, our activities in the area of education and training extend above and beyond our core business, especially through the work of the Talanx Foundation and our support for student organisations (see the  chapter entitled “Corporate Citizenship”, page 61).

1  G4-EC8

2 APPLICATION OF THE PRECAUTIONARY PRINCIPLE


2  G4-14

The UN's **precautionary principle** embodies a prophylactic and forward-looking approach to environmental challenges and risks. As an insurance undertaking, the Talanx Group's approach is also to take a prudent approach to risk and not to permit losses – whether environmental or of other kinds – to occur in the first place. This can be seen in a variety of areas and in our dealings with different stakeholders:

- Overall, the **ecological** impacts of the production of insurance cover are lower than those of production processes in other sectors. Nevertheless, we want to minimise the negative impacts that our business activities have on the environment. For further details, see the  chapter entitled “Day-to-Day Operations and Procurement” (page 26ff.). The remaining sections in this chapter address how ecological aspects are incorporated into our core business.
- Risk management comprises the identification, assessment, analysis, management and control of **risks** (see the  section entitled “Risk management”, page 48).
- The  section entitled “Focus on customers” (see page 55ff.) primarily addresses **customer** education.
- In addition, the Group's internal  **Code of Conduct** (page 22ff.) applies; in addition,
- the Talanx Group and the companies belonging to it are members of  **associations** (see page 20ff.).
- Furthermore, a number of units within the Group are also involved in **stakeholder communication** (see the following  section on risk management and the  Materiality analysis on page 13ff.).

1  G4-45**1  RISK MANAGEMENT**

We see opportunity and risk management as one of our major strengths. End-to-end monitoring and rigorous management of the Group's and the divisions' risk positions are part of Talanx AG's core business. Our objective is to avoid developments that pose existential risks while at the same time taking advantage of opportunities that arise.

Detailed information on risk management can be taken from the  Risk Report in the Group Annual Report 2015, and especially from the following sections:

- "Risk strategy" (page 92),
- "Key roles and tasks within risk management" (page 94),
- "Risk management process" (page 95f.), and
- "Risks associated with future development" (page 97ff.)

 www.talanx.com/investor-relations/presentations-and-events/disclosure/2016?sc_lang=en


2  G4-EC2**2  RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE**

The multidisciplinary, Group-wide risk management process also integrates ecological and social aspects. For example, risks associated with climate change are classified as **emerging risks**, i.e. risks whose risk content cannot yet be reliably assessed. Potential future developments relating to these risks are taken into account in the course of risk management. It is therefore vital to recognise them at an early stage and then to assess their relevance.

Primary insurance and reinsurance of losses from natural hazards are an important element of our business model as a global insurance group with a strong focus on industrial insurance and reinsurance. As a result, climate change results in both opportunities and risks for us. On the one hand, demand for insurance against natural hazards is likely to continue to increase, especially in previously underinsured growth regions. On the other hand, the risk of a negative financial impact from losses that have occurred will also increase. Assessing the probability of occurrence and impact of natural disasters is becoming more difficult since, given the current exceptional climatic situation, historical data can only be used as inputs to a certain extent.

3  G4-26 | G4-45

The risk content of new, future risks cannot be determined reliably at present, and their impacts are difficult to assess. Nevertheless, we have implemented a Group-wide emerging risks process so as to be able to capture, assess and manage these risks at an early stage. Experts from all the divisions, including Hannover Re, analyse the emerging risks every six months. The latest scientific findings regarding climate change are always incorporated into this process. We have also ensured that the process is integrated with our risk management activities, so that it is possible to identify any measures required. These include, for example, ongoing observation and assessment, exclusions in insurance contracts or the design of new (re-)insurance products.

Our divisions also analyse such new risk types and trends. In doing so, they identify potential impacts and opportunities and develop products that are tailored to the relevant markets and clients (see also the  section entitled "Insurance products" on page 53ff.).

Knowledge transfer and innovations are also at the heart of our Best Practice Lab, which has served as a knowledge exchange forum for the foreign subsidiaries in Talanx's Retail International Division since 2011, and which promotes the introduction of best practices. Starting this year, the Forum has also been able to draw on academic expertise, since the Best Practice Lab has a cooperation with the Technical University of Munich.

3  LIAISON WITH STAKEHOLDERS

The Talanx Group **liaises with its stakeholders** in many areas, with a key focus being on determining impacts, opportunities and risks. For example, Human Resources is in contact with the codetermination bodies, Investor Relations has close relationships with shareholders and bondholders, and Group Communications addresses both the general public and employees. In addition, the Group and the companies belonging to it are, for example, members of regional and national associations and interest groups, and are therefore up to speed with current developments.

Our performance metrics also address dimensions above and beyond the purely financial perspective – specifically, these are market and customer viewpoints, the internal

process perspective and the employee viewpoint. This enables the concerns of multiple groups of stakeholders to be included in the management of the Group.

We identify risks throughout the Group using key indicators and various risk surveys. Qualitative risks are captured systematically using a Group-wide risk capture system. Risks spanning multiple divisions, such as compliance risks, are addressed by involving the areas or experts concerned. To ensure that all risks are identified, they are compared with a comprehensive risk categorisation system that is specifically tailored to Talanx and that is used as the basis for risk identification. In addition to this software-based risk identification procedure, the monthly Risk Committee meetings include an exchange of information and opinions on the current risk situation. Furthermore, Talanx AG's Board of Management receives monthly updates on key risk indicators.

We also poll our interest groups on their opinions in our stakeholder survey, which we use to identify material Aspects for our sustainability strategy and the Sustainability Report. Additionally, with specific reference to sustainability-conscious investors and analysts, we would like to draw attention to the fact that we take part in a number of ESG rating processes.

¹  The Board of Management addresses ecological and social impacts, risks and opportunities several times a year. It does this firstly in the context of risk management, and secondly during the development/enhancement and implementation of the sustainability strategy. Among other things, the process includes defining sustainability goals, checking whether these have been reached and preparing the Sustainability Report.


SUSTAINABILITY OF INVESTMENTS


²  **Materiality:** In addition to the Talanx Group's direct impacts (such as energy consumption), the leverage offered by our business – and particularly our investments – has considerable potential for contributing to sustainable development. For example, the Group's investments under own management totalled EUR 100.8 billion at the end of financial year 2015, while its total investments amounted to EUR 115.6 billion. (In comparison: total investments by the German insurance industry as at 31 December 2015 amounted to EUR 1,509 billion.) A large proportion of the Talanx Group's investments are in fixed-income securities, especially government bonds and corporate bonds. Investors, analysts and customers are becoming increasingly interested in how Talanx takes social and ecological aspects into account in its investments. As a result, this is a material Aspect for Talanx.

²  G4-DMA

Aspect Boundary: Within the Talanx Group, this Aspect is primarily relevant to those of our companies and departments that are involved in investments and investing. Outside the Group, it affects capital market participants such as investors and analysts, securities issuers and real estate providers. In addition, infrastructure investments are relevant to the regions and sectors in which they are to be made.

¹  G4-47

Impacts: When making investments, the Group aims on the one hand to minimise potential negative impacts, for example by not investing in certain countries or business areas. On the other hand, the Group wants its actions to promote positive impacts overall. To facilitate this, we are currently developing an ESG screening procedure that will allow us to make greater use of sustainability criteria during the investment process. See the  section entitled "Screening of investments for ecological and social criteria", page 51.

Measures and guidelines: The persistently low interest rate environment is increasing the focus on the alternative investments asset class, which helps improve returns and diversify the portfolio. Alongside real estate and private equity, Talanx's main focus here is on investments in **infrastructure projects** (see the  section entitled "Infrastructure investments", page 51f.).

The divisions are also active in this area. For example, Industrial Lines is currently investing in renewable energies such as wind power and hydropower, both in Germany and in the rest of Europe. In addition, Retail Germany has another infrastructure investment component in the form of a solar power fund.

In addition, the Retail Germany Division's current **fund policies** offer an actively managed portfolio with a sustainability focus. This portfolio from the "ISP" (Investment Stability Package) product family comprises sustainable and ecological investments that do not simply aim to generate the highest possible yield, but also take ethical, social and ecological factors into account during selection. We classify and select the target funds in this internal insurance fund with the help of independent research agencies, as well as on the basis of direct discussions with the responsible product managers.


We also offer **third parties** retail funds for which sustainability is an important investment criterion. Sustainable investments on offer include the Ampega Responsibility Fund and the terrAssisi Renten I AMI and terrAssisi Aktien I AMI investment funds. These funds invest in target funds or enterprises and issuers that include environmental and social as well as economic criteria in their long-term corporate strategies, and that are considered pioneers in assuming responsibility for a sustainable future. The investments are classified by the independent research agencies FOCUS Asset Management GmbH and oekom research AG.

Additionally, Hannover Stock Exchange launched the **German Gender Index** in April 2015. This share index for gender diversity comprises the stocks of 50 leading German companies in terms of the gender balance on their boards of management and supervisory boards. In addition, **Ampega GenderPlus Aktienfonds** offers a way for retail investors to participate in the index, as the investment universe for Ampega Investment GmbH's retail fund consists primarily of stocks contained in the German Gender Index, plus other European enterprises with a focus on gender diversity. Based on this index universe, Ampega selects and reweights the individual stocks with the goal of offering investors a portfolio whose investment style is clearly focused on high-quality, dividend- and growth-based stocks.

Responsibilities: Within the Talanx Group, financial services are provided by Corporate Operations and within this segment by three companies: Ampega Investment GmbH, Talanx Asset Management GmbH and Talanx Immobilien Management GmbH. Ampega Investment GmbH is an investment company serving retail and institutional investors. Its product range comprises multi-award-winning retail investment funds as well as special funds. The company also manages asset portfolios and financial portfolios for non-Group clients. It offers a broad range of funds for state-of-the-art investments and dynamic retirement provision. Talanx Asset Management GmbH is responsible for the Talanx Group's investments in the money, capital and real estate markets and is therefore a key point of contact for sustainable investments within the Group. Our team of **infrastructure investment** specialists is particularly worth mentioning. Talanx Immobilien Management GmbH looks after the Talanx Group's real estate investments.

As a **special measure**, Talanx Asset Management GmbH represented the Talanx Group in 2015 on the German Insurance Association's (GDV) Investment Committee, which in March 2015 published the (German-only) brochure entitled "Unverbindliche Hinweise zur Berücksichtigung von Nachhaltigkeitskriterien in der Kapitalanlage" ("Non-binding Guidance on Incorporating Sustainability Criteria in Investments"). In October 2014, Ampega Investment GmbH co-sponsored a study entitled "The Importance of Sustainability Criteria in Assessing the Opportunities and Risks of Investing in Corporate Bonds".

Results and evaluation: We intend to draw on the expertise of a specialised sustainability research provider when implementing our planned ESG screening process and assessing investments. In addition, external evaluations provide relevant feedback for the assessment of specific financial products. For example, Ampega Investment GmbH's terrAssisi Aktien I AMI fund took first place in the Euro and Börse online FundAwards in 2015 in the "Sustainable Equities" category. In addition, terrAssisi Aktien I AMI was rated by yourSRI, a well-known global provider of ESG data services, as being one of the top ten sustainable equity funds authorised for distribution in Germany. We also obtain stakeholder feedback on material Aspects, and on the measures we are taking and the progress being made, in the course of our regular stakeholder dialogue (see also the "Materiality analysis" section, page 13ff.).

 www.gdv.de/wp-content/uploads/2015/03/GDV_Hinweise_Nachhaltigkeitskriterien_Kapitalanlagen_03-2015.pdf (German)

 www.oekom-research.com/homepage/english/oekom_Bonds_Studie_EN.pdf

SCREENING OF INVESTMENTS FOR ECOLOGICAL AND SOCIAL CRITERIA

¹ There are a number of steps involved in incorporating sustainability and social and ecological criteria into the investment process at the Talanx Group. For example, it is already the case that no investments may be made in projects facilitating short-term speculation in food prices or in manufacturers of cluster munitions (this applies to direct investments in both cases).

Moreover, Talanx has set itself the goal of ¹ developing an environmental, social and governance (ESG) screening process for investments in 2016 with the goal of implementing it throughout the Group. This aims to enable sustainability and ESG criteria to be taken into account to a greater extent when making investments.

As part of this screening process, investments will be examined for their compliance with sustainability criteria such as respect for human rights and labour standards, environmental protection and anti-corruption. We do not intend to exclude specific sectors in principle but rather to examine the individual businesses and products in detail on a case-to-case basis. (This does not apply to the business areas that were ruled out earlier, such as cluster munitions.)

In addition, we have defined **negative screening criteria** for alternative asset classes (e.g. infrastructure investments and real estate). As well as classic criteria relating to the risk/return profile of investments, the screening process includes a sustainability risk assessment. No investments may be made in nuclear power projects, projects relating to animals (e.g. zoos and safari parks), assets involving significant levels of pollution or assets associated with controversial business models (e.g. gambling). In the case of real estate investments by the Group, the goal for direct purchases is to invest in certified buildings (e.g. buildings that have been awarded DGNB, LEED or BREEAM certificates). Such certification schemes cover the ecological, economic, sociocultural and functional aspects of properties, among other things.

¹ G4-FS11 | G4-HR1 FS

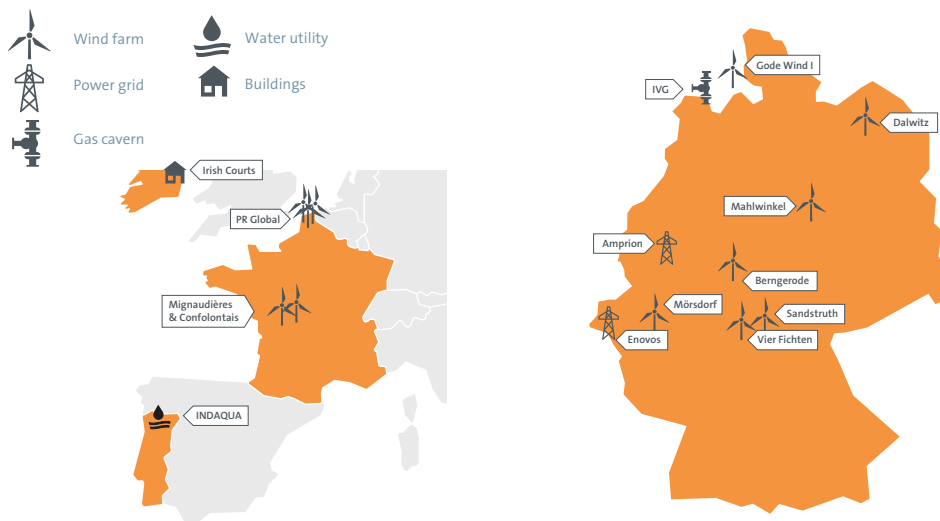
¹ Sustainability goal

INFRASTRUCTURE INVESTMENTS

² Talanx has already been indirectly invested in infrastructure projects for some time via funds. The Group has systematically built up its expertise in this area in recent years and, since the beginning of 2014, has also participated directly in selected projects, supplying both equity and debt via a new, dedicated unit. At present, our diversified infrastructure portfolio includes, among other things, equity investments in wind farms, power grids and water companies in Germany and the rest of Europe, see Figure 8.

² G4-EC7

F8 INFRASTRUCTURE INVESTMENTS BY THE TALANX GROUP UP TO THE 2015 YEAR-END



In 2015, Talanx invested roughly EUR 647 million in new alternative investments. Table 12 gives an overview of the relevant projects.

T12 ALTERNATIVE INVESTMENTS: NEW INVESTMENTS IN WIND FARMS, WATER SUPPLIERS AND BUILDINGS IN 2015

EUR MILLION			
Projects in the 2015 financial year	Equity	Debt	Total capital invested
Abo Wind wind farm, France	47.4	—	47.4
Indaqua	52.7	—	52.7
WPD wind farms, Germany	58.5	—	58.5
RP Global (France) wind farms	105.0	—	105.0
Gode Wind 1	—	311.0	311.0
Irish Courts	—	72.5	72.5
Total	263.6	383.5	647.1

As of the end of 2015, Talanx had invested a total of approximately EUR 1.13 billion in infrastructure projects. For 2016, the **Infrastructure Investments** team expects new investments to total approximately EUR 400 million of equity and debt. ¹ The goal is to increase this amount to approximately EUR 2 billion by 2017. In the long term, it is conceivable that up to EUR 5 billion may be invested in broadly diversified alternative investments.

Renewable energies, roads and power grids meet a **population's basic needs**. Demand for investments in core infrastructure goods is largely immune to cyclical economic effects and is highly plannable for institutional investors. At the same time, the projects are a good fit for an insurer's long-term investment horizon. These carefully selected projects offer attractive returns for an acceptable level of risk. As always, our goal remains to make sound investments in the interests of our policyholders and one of the core screening criteria for investments is a regulated environment, e.g. in the form of statutory feed-in fees, incentive-based regulation and public private partnerships. Most infrastructure investments are made within the eurozone. The focus is on transport, energy, telecommunications and social projects. The planned investment

volumes are between EUR 30 million and EUR 150 million per project (equity) and between EUR 50 million and EUR 200 million (debt); the investment horizon is approximately 5 – 30 years.

In September 2015, Talanx invested in its first **offshore wind power project**. Acting as the **lead manager** of a consortium of institutional investors, the insurer successfully structured a bond in the amount of EUR 556 million to finance the Gode Wind 1 wind farm in the North Sea. Talanx subscribed for approximately EUR 300 million of the aggregate principal amount (roughly 60%). The bond has a duration of 10 years. This is the first time that a consortium of institutional investors lead-managed by an insurer has financed an offshore wind power project.

In addition, the Talanx Group has signed an agreement to participate in the financing for a construction project for seven Irish court buildings worth EUR 73 million. The shares associated with this transaction will be acquired in the first quarter of 2016. In addition, we increased our direct infrastructure investments by, among other things, acquiring a number of wind farms in Germany and France and taking a stake in a water company in Portugal.

We also acquired a 45% interest in Caplantic GmbH at the beginning of financial year 2015 in order to increase the volume of our investments in infrastructure projects. The company is jointly managed together with NORD/LB Norddeutsche Landesbank and Bankhaus Lampe. The aim of the investment is to build up the company into a leading provider of alternative asset management and financial solutions, thus giving it access to infrastructure loans and other alternative asset categories offered by the NORD/LB Group.

These investments continue to be governed by our investment strategy and our investment guidelines for the infrastructure asset class, which provide for an assessment of reputational and sustainability risks at the start of the process. These negative screening criteria are also set out, with the necessary modifications, in the investment guidelines for the Talanx Group's divisions. All investments made by Asset Management are of a commercial nature.

 Sustainability goal

ACTIVE OWNERSHIP

¹ We do not currently practice active ownership, which is defined as exercising voting rights in relation to, for example, ecological and social topics for shares held by the reporting organisation.

SUSTAINABILITY OF INSURANCE PRODUCTS

² **Materiality:** When it comes to the “sustainability of insurance products”, rapid, transparent claims processing, financial incentives for fair sales advice and easy-to-understand information about insurance solutions are material for the Talanx Group. They address customer concerns and have a significant influence on customer satisfaction, which in turn is decisive for the Talanx Group’s success.

In addition, insurance products have to be reviewed for their ecological and social impact and for their relevance to sustainable development.

Aspect Boundary: Customer interests and satisfaction are a critical success factor for the entire Talanx Group. Internally, product topics are mainly relevant for the divisions in relation to the organisation of the insurance business, while externally they are relevant for (potential) customers, business partners and intermediaries. Above and beyond this, the insurance business can also indirectly impact interest groups that are not directly involved in the value chain.

Impacts: Customer satisfaction is a critical success factor for the Talanx Group. Consequently, meeting customer needs is paramount; this is also reflected in the Talanx Values (page 21) with their reference to “comprehensive customer orientation”. Transparency and fairness, along with innovative, customer-oriented products and services, are key elements. In addition, customers may react positively to the inclusion of social issues and support for environmentally friendly products and projects, since social awareness of sustainability is growing. Customer satisfaction can also improve employee satisfaction and staff identification with their employer.

The Talanx Group’s insurance services do not have any direct relevant **environmental impacts**. Rather, these services help ensure that environmental risks are adequately insured and that, in case of loss, the impact can be remedied or mitigated. The insurance business essentially has a positive **social impact** – it involves transferring risk so that losses arising from loss events can be absorbed and financial protection can be provided for both entities and individuals.

Nevertheless, the potential indirect ecological and social impacts of the insurance business on sustainable development, such as any consequences that insured projects may have, must be borne in mind. In line with this, Talanx’s long-term goal is to incorporate sustainability aspects into its insurance products and services to a greater extent.

Risks in connection with ecological and social topics are regularly discussed and assessed by the risk management bodies as part of the process of monitoring emerging risks. The implementation of ecological and social guidelines above and beyond this has not been an explicit part of audits to date.

Measures and guidelines: The Talanx Group already has a large number of measures and guidelines in place covering the material Aspects of rapid, transparent claims processing, financial incentives for fair sales advice and easy-to-understand information about insurance solutions (see the sections entitled “Focus on customers”, page 55ff., and “Ecological and social impacts of products”, page 58ff.).

Responsibilities: Group-wide requirements governing the organisation of the insurance business and the design of insurance products include the Code of Conduct, which sets out the standards for responsible and ethical behaviour and the rules to be observed in relation to topics such as financial sanctions and embargos, anti-money laundering and sales compliance. Comprehensive compliance training is held, with a particular focus on sales compliance and preventing corruption (see also “Compliance in the narrower sense”, page 22ff.). In addition, sector-specific initiatives such as the GDV’s “Verhaltenskodex für den Vertrieb” (Code of Conduct for Insurance Distribution) play a key role in the insurance business (see also the section entitled “Focus on customers”, page 55ff.).

¹ G4-Fs10

² G4-DMA

The **divisions** are responsible for implementing guidelines, for strategy and for developing products and services. Within the Talanx Group, these are the Industrial Lines Division, the Retail Germany Division and the Retail International Division, as well as Non-Life Reinsurance and Life/Health Reinsurance (see also the [📄](#) section entitled “Insurance products within the Talanx Group”, page 54f.).

Results and evaluation: The insurance companies belonging to the Talanx Group use a variety of instruments to track customer satisfaction (see also the [📄](#) section entitled “Focus on customers”, page 55ff.).

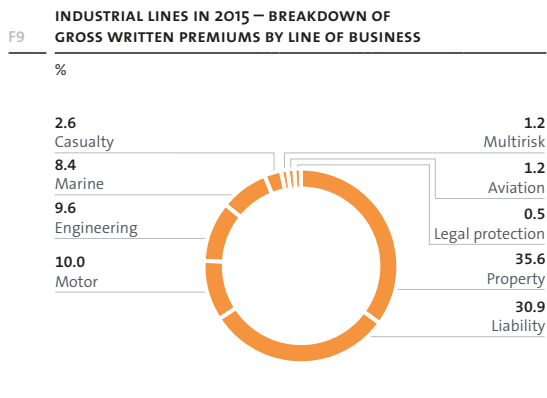
INSURANCE PRODUCTS WITHIN THE TALANX GROUP

1 [📄](#) G4-F56

1 [📄](#) The following sections give a breakdown of the divisions’ portfolios. The figures are in accordance with the International Financial Reporting Standards (IFRSs).

INDUSTRIAL LINES DIVISION

Gross written premiums in the Industrial Lines Division in 2015 totalled EUR 4,295 million. From a regional perspective, 40% of this figure was attributable to Germany, 36% to the rest of Europe and 24% to the rest of the world. The breakdown of the gross premiums by the individual lines of business is given in Figure 9.

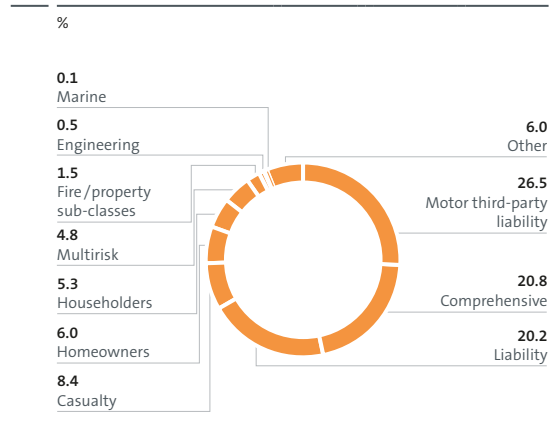


The Industrial Lines Division’s customers are German and foreign enterprises. The customer segments are broken down by size into multinationals (revenue in excess of EUR 1 billion); mid-market companies (revenue of between EUR 50 million and EUR 1 billion) and SMEs (revenue of more than EUR 5 million but less than EUR 50 million).

RETAIL GERMANY DIVISION

Gross written premiums in the Retail Germany Division amounted to EUR 6,667 million in 2015, with 78% of this figure being attributable to life insurance and 22% to the property/casualty line. An example of a more detailed breakdown of the latter is given in Figure 10. Overall, the bancassurance companies generate approximately 47% of gross written premiums for the division. The division is focused on Germany, and its target groups are private individuals, small and medium-sized enterprises with revenues of less than EUR 5 million and self-employed professionals.

F10 RETAIL GERMANY DIVISION IN 2015 – BREAKDOWN OF GROSS WRITTEN PROPERTY/CASUALTY PREMIUMS



RETAIL INTERNATIONAL DIVISION

Gross written premiums in the Retail International Division amounted to a total of EUR 4,643 million in 2015, with 30% being attributable to life insurance and 70% to the property/casualty line. Table 13 shows the breakdown by region/risk takers.

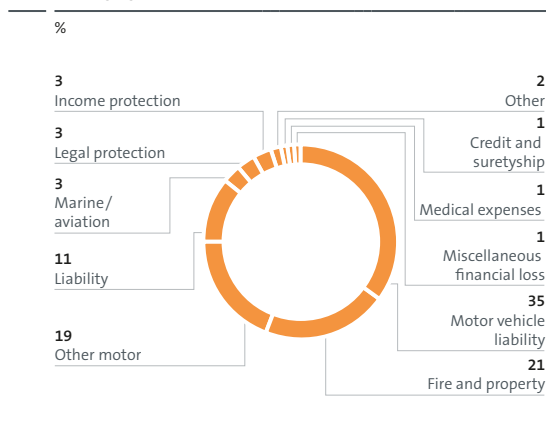
T13 MAIN RISK TAKERS IN THE RETAIL INTERNATIONAL DIVISION IN 2015

	Share of gross written premiums in %
Property/casualty insurance	
HDI Seguros S. A., Brazil	19.0
TUIR WARTA S. A., Poland	18.4
HDI Assicurazioni S. p. A., Italy	7.5
HDI Seguros S. A de C.V., Mexico	5.7
HDI Sigorta A.Ş., Turkey	5.0
TU Europa S. A., Poland	3.3
Life insurance	
HDI Assicurazioni S. p. A., Italy	10.6
TUnŻ WARTA Życie S. A., Poland	8.0
TU Europa Życie, Poland	4.2
Open Life, Poland	0.4
Other	17.9
Total	100.0

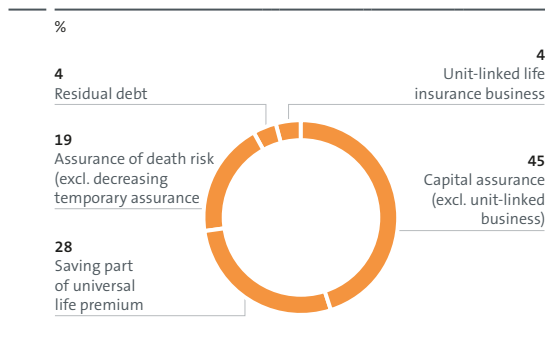
WARTA GROUP

The WARTA Group comprises the non-life and life insurance companies TUIR WARTA S. A. (property/casualty insurance) and TUnŻ WARTA S. A. (life insurance). The companies' gross written premiums amounted to approximately EUR 854 million (TUIR WARTA) and approximately EUR 371 million (TUnŻ WARTA) in 2015, bringing total gross written premiums to EUR 1,225 million. Figures 11 and 12 give a breakdown by the individual lines.

F11 TUIR WARTA S. A. 2015 – BREAKDOWN OF GROSS WRITTEN PREMIUMS



F12 TUNŻ WARTA S. A. 2015 – BREAKDOWN OF GROSS WRITTEN PREMIUMS



FOCUS ON CUSTOMERS

1 A variety of tools are used to determine customer satisfaction. The Retail Germany Division performs customer satisfaction surveys at a number of different customer contact points using a measurement and management system that was introduced in 2012. Among other things, these currently include regular surveys in the areas of property and motor insurance. Customer and intermediary satisfaction is also monitored using a number of annual surveys, e.g. the customer monitor, the commercial customer monitor and the YouGov tied agents' survey, as well as the "KUBUS" MSR studies ("Kundenorientiertes Benchmarking von Prozessen für die Unternehmens-Steuerung" – Customer-oriented Benchmarking of Corporate Management Processes). The results are analysed as appropriate.

1 G4-PR5

In addition, other external tools can be used to measure customer satisfaction and assess the Talanx Group's performance. There are a large number of these on the topic of insurance, e.g. in newspapers and specialist magazines. Furthermore, we use the dialogue that takes place with our stakeholders as part of our sustainability management activities to gather feedback and identify the material challenges currently facing the Talanx Group.

The WARTA Group also takes a large number of steps to ensure a high level of service for customers and insurance intermediaries. The company regularly surveys customer satisfaction in the area of loss adjustment using the **Net Promoter Score (NPS)** metric. Every month, customers who have recently put in claims and for whom a loss has been adjusted are asked in telephone interviews whether, based on their experiences, they would recommend WARTA to



their family and friends. The answers are rated on a scale from 0 to 10. All customers who give an answer of 6 or less are classified as “detractors” and all customers who give an answer of 9 or 10 are classified as “promoters”. The NPS is calculated as the difference between the relative proportions of promoters and detractors. It can vary between minus 100 and plus 100. In the survey conducted in 2015, the NPS was approximately 45.5%, clearly exceeding the target of 20%.

In addition, customers are asked about those areas where, in their opinion, the WARTA Group could improve its levels of service. This information enables the company to continuously improve its processes.

In 2015, WARTA also commissioned a satisfaction survey from an independent research institute in which telephone interviews were conducted with a representative group of 1,000 intermediaries drawn from the ranks of tied agents, brokers and multiple agents. The results indicated that WARTA is strongly positioned in comparison with its key competitors. In addition, WARTA obtained valuable feedback on how to organise the process of working together. The WARTA Group’s goal is to be the first choice for intermediaries and brokers.

Many companies also conduct their own additional customer satisfaction surveys for their respective areas.

EASY-TO-UNDERSTAND INFORMATION ABOUT INSURANCE SOLUTIONS

¹  The Regulation on Information Obligations for Insurance Contracts (vVG-InfoV) imposes extensive duties to inform customers on the insurance industry, and Talanx naturally complies with these. Above and beyond this, providing easy-to-understand information about insurance solutions is a key part of the  **German Insurance Association’s Code of Conduct for Insurance Distribution**. The revised Code aims to present a sector-wide standard for fair, needs-driven customer advice. The companies affected at HDI (HDI Versicherung AG, HDI Lebensversicherung AG)

and the bancassurance companies (neue leben Lebensversicherung, PB Lebensversicherung and TARGO Lebensversicherung) signed up to the Code as from February 2014.

The first principle set out in the Code requires **clear and understandable insurance products** and specifies that customers must be told about the features and exclusions of the insurance product in a simple and understandable manner using standardised, recognised procedures. One of the main ways in which HDI, for example, ensures that its products are clear and understandable is by using product/consumer information sheets. These score highly on the Hohenheimer Verständlichkeitsindex, a German readability index that measures how understandable texts are. The general terms and conditions for insurance policies, the annual life insurance policy statements and the sample calculations for life insurance are also based on the GDV recommendations. In addition, products are developed using standardised creation and consultation processes, including uniform readability specifications.

The Code’s second principle states that advisory and brokerage activities must focus on **customer needs**, in particular in order to preserve customer trust. HDI obliges its tied agents to put ascertaining customer requirements during consultations at the heart of their brokerage activities. In addition, consultations have to be carefully documented using standardised report forms. This is monitored by Complaints Management.

Providing easy-to-understand information for customers and focusing on customer needs are also part of the official external audit mandated by the Code. HDI Versicherung AG and HDI Lebensversicherung AG will be audited in spring 2016. A sales compliance management system that meets the requirements of the Code will be developed and implemented by then. The audit of the bancassurance companies is scheduled for 2017.

¹  G4-PR3

 www.gdv.de/2015/04/verhaltenskodex-fuer-den-vertrieb (German)

At the WARTA Group, products are developed, modified and sold using standardised processes. In particular, we take the necessary measures when developing and selling products to ensure that the law is complied with. Customers are provided with comprehensive, detailed product information, while products are properly labelled and comply with all other legal requirements.

¹ Talanx is not aware of any cases in the reporting period in which regulations or codes of conduct relating to product information or labelling were not complied with. The same goes for any cases in which prohibited or controversial products were sold or advertising regulations or voluntary codes were not complied with.

The Group companies' normal business activities may involve it in court and regulatory proceedings as well as arbitration cases. In the reporting period and at the reporting date there were no legal disputes, other than proceedings that are customary to the insurance and reinsurance business, that have a material impact on the Group's net assets, financial position and results of operations. See also the "Other disclosures" chapter of the Group Annual Report 2015, page 241.

Two **consumer interest** cases were pending in Germany in 2015. In 2014, the Hamburg Consumer Advice Centre brought an action for an injunction against PB Lebensversicherung in relation to its clauses on cancellation charges and offsetting acquisition costs. In its February 2015 judgement, the Regional Court in Düsseldorf ruled in favour of the injunction.

The Centre also brought another action for an injunction together with the Bund der Versicherten (Association of Insurance Clients), this time against HDI Lebensversicherung, relating to the use of certain clauses in the company's new Riester policies. Some of these clauses are no longer used anyway in new policies, while the Regional Court in Cologne in its final judgement in October 2015 ruled that there was no cause for complaint in relation to others. The plaintiffs have appealed against the ruling.

At the WARTA Group, the following consumer interest cases were pending or completed in 2015.

In 2014, a case was brought against TUIR WARTA for alleged anti-competitive behaviour in connection with replacement vehicles; this was dismissed in the first instance in 2015. The plaintiff appealed and judgement is awaited.

In April 2015, TUnŻ WARTA paid a fine following the ruling by the Polish Office of Competition and Consumer Protection (UOKiK; Urząd Ochrony Konkurencji i Konsumentów) that the fees charged to clients by the insurer in connection with life insurance policies were too high.

The case brought by a natural person in 2010 alleging illegal clauses in life insurance policies was upheld in part. WARTA has appealed and judgement is expected in 2016.

Proceedings against WARTA dating back to 2011 relate to the terms and conditions for a hospital insurance policy; after these had gone through a number of instances the Supreme Court dismissed WARTA's application for permission to appeal on a point of law in 2015.

In addition, the UOKiK informed TUnŻ WARTA and other insurance companies in 2015 that proceedings had been instituted on suspicion that collective consumer interests had been infringed in relation to life insurance policies.

RAPID, TRANSPARENT CLAIMS PROCESSING

The individual divisions have defined service levels for the rapid, transparent processing of customer transactions. For example, internal service levels are an established feature in all areas of Industrial Lines, and service level agreements are also used with customers in the area of direct sales in particular. These define workflows for the service times for certain transactions, which are discussed annually with customers. The objective here is to ensure and improve competitiveness.

¹ G4-PR4 | G4-PR6
G4-PR7 | G4-PR9

 [www.talanx.com/
investor-relations/
presentations-and-
events/disclosure/
2016?sc_lang=en](http://www.talanx.com/investor-relations/presentations-and-events/disclosure/2016?sc_lang=en)

The situation in the Retail Germany Division is particularly challenging at present. This is due among other things to external factors such as the persistently low interest rates, stricter regulatory requirements and increasing digitisation. Internal challenges such as sales efficiency and processes, service quality and the cost situation also play an important role. To ensure the division's future, a programme was launched in financial year 2014 to permanently enhance its competitiveness, and a significant level of investment has been set aside for this.

We are initially focusing on optimising our business processes to improve the quality of service provided to our customers and sales partners. As part of this, we are also developing quality management activities, modernising our IT and enhancing the transparency of our portfolio data and costs. In addition, we have decided to realign our life insurance business: among other things, traditional classic life insurance products will be replaced by capital-efficient concepts in 2016.

FINANCIAL INCENTIVES FOR FAIR SALES ADVICE

Talanx's Group-wide Code of Conduct sets standards for responsible and ethical behaviour at all levels of the Group (see also the [chapter](#) entitled "Compliance and Transparency", [page 19ff.](#)). Sales compliance is also covered by the Code, as well as being the subject of extensive compliance training sessions.

In order to ensure that intermediaries have the necessary qualifications and expertise required for advising customers, HDI has also been active since 2013 (the year of its launch) in the "Gut beraten – Weiterbildung der Versicherungsvermittler in Deutschland" initiative launched by the GDV and all associations of intermediaries in the German insurance industry. Not only did HDI help develop the concept for the project, it has also been using it internally since January 2014, and requires all tied agents to contractually agree to take part. Furthermore, HDI provides ongoing support for the initiative by participating actively in the relevant bodies. In addition to HDI Vertriebs AG, the neue leben, TARGO and PB bancassurance companies have joined the educational initiative in order to raise the qualification levels of their sales partners and employees transparently and for the long term.

The GDV Code of Conduct for Insurance Distribution also emphasises the importance of having **qualified intermediaries** and focuses on continuous professional development. With respect to remuneration, the GDV Code of Conduct notes that additional remuneration above and beyond the contractual fee arrangements cannot be allowed to negatively affect the intermediary's independence or customer interests. The Retail Germany Division has therefore reviewed all existing agreements in line with this. Where necessary, the division's staff have drafted new sample agreements and drawn up clear rules for restructuring additional remuneration. The documents were prepared and approved by the relevant sales units and the Compliance department.

The GDV Code of Conduct and the GDV's interpretation of its principles also offer a framework for dealing with **conflicts of interest**; in addition, their implementation in the Retail Germany Division is leading to its own guidelines being drawn up. The future requirements of the EU's Insurance Distribution Directive (IDD), including the guidelines on product oversight and governance (POG) arrangements issued by the European Insurance and Occupational Pensions Authority (EIOPA) were taken into consideration as far as possible. Once the HDI companies have been successfully certified as complying with the Code and the directives have been implemented by the legislature, their application by the insurance companies needs to be driven forward as a high priority.

ECOLOGICAL AND SOCIAL IMPACTS OF PRODUCTS

A large number of products from the Talanx Group's insurance companies support **environmentally friendly products and technologies** or take social interests into account. For example, their services help ensure that environmental risks are suitably insured and that, in case of loss, the impact can be remedied or mitigated.

Under the German Environmental Damage Act (USchadG), entities, traders and self-employed professionals are liable for emissions and events that result in damage to protected species and natural habitats (biodiversity), water and the soil. Commercial **environmental insurance** covers such damage and enables it to be made good. In addition, **third-party liability** insurance covers environmental damage in those cases in which a party causes such damage to a third party. In addition, for example, the tariff structure used in motor insurance favours low average annual mileage and hence promotes environmentally friendly driving behaviour.

HDI Lebensversicherung AG offers a quality-assured range of funds as part of its unit-linked annuity insurance. This selection of funds also contains two sustainably managed funds: the Pioneer Funds – Global Ecology A EUR fund invests in environmental technology companies, while the fund managers for the terrAssisi Aktien I AMI fund use ethical criteria to select their investments. In addition, HDI has created proprietary portfolios such as the Investment-Stabilitäts-Paket Zukunft and the Managed Fund Konzept Zukunft for customers. Both portfolios invest exclusively in companies and bonds whose sustainability is reassessed at regular intervals. See also the [📖](#) section on “Sustainability of Investments”, [page 49ff.](#)

The various insurance areas within **Industrial Lines** also offer a wide range of approaches that are relevant from a sustainability perspective. For example, insurance against environmental damage is offered in the areas of **motor** and **third-party liability insurance**.

Additionally, in the motor vehicle area, some fleet business already makes use of telematics, which can reward ecologically friendly and safe driving. We also offer driving training classes for customers. Additionally, above and beyond the insurance business itself, safety engineers offer fleet consulting and risk management services that take sustainability criteria into account. Last but not least, the line also produces a number of publications for customers, e.g. on driving times and rests, hazardous goods transports and first aid at the scene of accidents.

Customers in the renewable energies, photovoltaics and solar cells areas are offered **marine insurance**. Our risk management staff also provide support for customers on how to secure loads, advise on packaging and assist in logistics planning. Among other things, this “start assist”

service from our risk management experts ensures that projects can qualify for insurance in the first place. Another example of a service above and beyond the insurance business in the narrower sense of the word is the range of publications and information produced by the Marine line, such as information for drivers about freight thefts. The line partners with a number of organisations, including customers and the Lower Saxony State Office of Criminal Investigation, in order to prevent freight thefts, accidents and attacks, and to conserve resources.

Products with ecological and social components are also offered in the field of **third-party liability** insurance. This includes insurance cover for hospitals, for major pharmaceutical risks and for participants in clinical trials – and hence contributes to ensuring progress in research – as well as cover for renewable energies.

Engineering insurance offers a wide range of insurance solutions that promote renewable energies, from onshore and offshore wind power projects through photovoltaics down to geothermal energy. The Industrial Lines division also covers prototype development, such as tidal power plants. Insurance cover starts with construction and extends for many years of operation at the customer. In this way, Talanx Group companies such as HDI Global SE provide support for technologies that reduce CO₂ emissions and for the change in energy policy in Germany.

In the field of **wind power**, we offer cover for the construction and operation of onshore and offshore projects. In Europe, cover has already been provided for offshore wind farms, while in the rest of the world preparations for this are being made with the active support of HDI Global SE. Engineering insurance has created a dedicated centre of competence to provide end-to-end customer support and offer optimal solutions. Cover has been written for the construction and operation of onshore projects around the world. As regards **photovoltaics**, the Industrial Lines Division supports systems ranging from just a few megawatts to large plants in the gigawatt category. HDI Global SE does not restrict itself to conventional photovoltaic modules that convert solar energy directly into **green power**, but also offers insurance cover for new ways of generating power from solar energy, such as parabolic trough power plants. In addition, HDI Global SE supports customers by making risk inspections during the construction and operation phases for all of the above-mentioned types of power plant, in order to make operations as smooth as possible.

¹  G4-F57 | G4-F58

 https://vds.de/fileadmin/vds_publicationen/vds_3549en_web.pdf

HDI Global SE's commitment to renewable energies is also underscored by its work with the German Insurance Association (GDV) and other insurance companies and partners in developing the  "Offshore Code of Practice" (OCoP) in 2014. This publication offers international guidelines for the offshore wind farm risk management process.

HDI Global SE is also the first industrial insurer in Germany to have offered the option of comprehensive insurance cover for weather risks and their potential consequences, and hence to offset losses resulting from insured weather events. Its "KLIMARisk – Die Wetterrisikoversicherung" product is offered to enterprises in all sectors.

²  G4-F513


In April 2015, HDI Global SE and the Competence Center for Insurance Science hosted an event entitled "Germany's change in energy policy – a challenge for the insurance business" in Hannover, which was attended by over 50 participants from the energy sector and research institutions, public authorities and the insurance industry. The event discussed the urgent issues of energy storage and transmission and the concrete opportunities and challenges arising for insurers, in relation both to the insurance business (e.g. in the case of offshore wind power) and to investment, with a particular focus on infrastructure investments in renewable energies.

¹  No information is currently available on the monetary value of products and services designed to deliver a specific environmental or social benefit.

²  **Access to the insurance market for all sections of the population** is offered, for example, by Industrial Lines. This not only provides cover and advice on constructing and operating different types of power plant in developed markets in Europe, North America and parts of Asia, but also promotes climate-friendly energy development in South America, Africa, and other emerging markets and developing countries.

The Talanx Group also makes an impact in emerging markets and developing countries via joint ventures such as those in India or Vietnam, among other things. These joint ventures can create jobs and facilitate economic growth, e.g. by transferring risk or extending loans. In addition, Hannover Re offers microinsurance and agricultural insurance designed to mitigate against the financial impact of climate-related crop damage.


The question is less relevant for the Retail Germany Division. Business at HDI Versicherung, HDI Lebensversicherung and the bancassurance companies is focused on the German market.


The Talanx Group's  Code of Conduct (page 22ff.) covers **compliance with human rights at industrial policyholders**. Legally correct, responsible behaviour is critical for our business success. This also applies to our relationships with business partners, clients and the general public.

We do not capture data on the **support of a healthy lifestyle**, since the Talanx Group is only active in the field of e.g. health insurance to a very limited extent.

8

CORPORATE
CITIZENSHIP


¹  **Materiality:** Talanx is aware of the social responsibility that comes from being a listed company with over 20,000 Group employees around the world. As a corporate citizen, the Group works to promote the social good, supporting **charitable projects** and **local initiatives**. In this way, we generate positive impacts above and beyond our actual business activities.


Measures and guidelines: Currently, the main focus of the Talanx Group's corporate citizenship activities is on promoting **education and training**, both at its Hannover location and beyond. Activities revolve around the up to 15 scholarships per semester that are awarded by the  **Talanx Foundation** to talented students throughout Germany. The support provided covers selected insurance-related disciplines at the University of Braunschweig, Clausthal University of Technology, Georg-August-Universität Göttingen, the University of Hamburg, Leibniz Universität Hannover, the University of Leipzig, the University of Cologne, Karlsruhe Institute of Technology and the University of Ulm. The total support package amounts to around EUR 200,000 per year.

In addition, our “**Deutschlandstipendium**” scholarships provide support for students at universities in Hannover; these take the form of a mix of financial assistance and events and workshops held at the Company. The topics covered range from specialist lectures to training courses in key skills.


Talanx also supports the international **Enactus** student network, a non-profit organisation active at over 1,800 universities in more than 40 countries worldwide. In practical projects of their own choosing, students help disadvantaged people and organisations to improve their situation and to achieve lasting stability through their own efforts. In addition to financial assistance, Talanx offers students specialist support with this: employees act as “business advisors” for the projects and enhance the quality of the work by contributing their expert knowledge, experience and contacts.

Responsibilities: Because of the wide-ranging nature of the Talanx Group's social commitment, activities are performed by a number of different functions. These include Human Resources, Group Communications and the individual divisions, which organise donations, for example. The same also applies to Group subsidiaries in Germany and abroad, such as the WARTA Group in Poland. In addition, our employees contribute personally or as members of their departments to activities such as gift initiatives at Christmas or vocational trainees' projects in support of charitable causes. No dedicated **employee volunteering** programme exists at present.

The Talanx Group is building on these many different activities ¹  to develop a **corporate citizenship strategy** with which we shall align our social commitment in future.

²  We currently do not collect any data on the value of the community investments made by the Group.

¹  G4-DMA

 karriere.talanx.com/karriere/studierende/stipendien?sc_lang=en

¹  Sustainability goal

²  G4-EC1 FS

GRI CONTENT INDEX

 G4-32

 Table 14 contains the Talanx-specific GRI Content Index for the Core “In accordance” option. The Index only contains the specific standard disclosures relating to material Aspects and additional aspects for Talanx.  Table 3 (page 17f.) shows how the GRI Aspects are assigned to the material Aspects at Talanx.

T14 GRI CONTENT INDEX

PART 1: GENERAL STANDARD DISCLOSURES

GRI G4 no.	Indicators (in abridged form)	Page	Comments and omissions
Strategy and Analysis			
G4-1	Statement from the most senior decision-maker of the organisation	3	See Letter from the Chairman
Organisational Profile			
G4-3	Name of the organisation	5	
G4-4	Primary brands, products and services	5	
G4-5	Location of the organisation's headquarters	5	
G4-6	Countries where the organisation has significant operations	5	
G4-7	Nature of ownership and legal form	5	
G4-8	Markets served	5	
G4-9	Scale of the organisation, including various key figures	5	
G4-10	Total number of employees, including various key figures	35	
G4-11	Percentage of total employees covered by collective bargaining agreements	35	
G4-12	Description of the organisation's supply chain	6	
G4-13	Significant changes during the reporting period	5	
G4-14	Whether and how the precautionary approach or principle is addressed	47	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	12	
G4-16	Memberships of associations and national or international advocacy organisations	20	
Identified Material Aspects and Boundaries			
G4-17	List of all entities included in the organisation's consolidated financial statements and scope of the report	4, 5	
G4-18	Process for defining the report content and implementing the Reporting Principles	13	
G4-19	List of all material Aspects	16	
G4-20	Aspect Boundary within the organisation for each material Aspect	16	
G4-21	Aspect Boundary outside the organisation for each material Aspect	16	
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organisation	13	
G4-25	Basis for identification and selection of stakeholders with whom to engage	13	
G4-26	Approach to stakeholder engagement	13, 48	
G4-27	Key stakeholder topics and concerns	13	
Report Profile			
G4-28	Reporting period	4	
G4-30	Reporting cycle	4	

PART 1: GENERAL STANDARD DISCLOSURES

GRI G4 no.	Indicators (in abridged form)	Page	Comments and omissions
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G4-32	"In Accordance" option and GRI Content Index	4, 62	
G4-33	Practice with regard to seeking external assurance for the report	4	
Governance			
G4-34	Governance structure, including committees of the highest governance body	12, 19	
G4-36	Existence of an executive-level position or positions with responsibility for economic, environmental and social topics	12	
G4-38	Composition of the highest governance body and its committees	19, 20	
G4-39	Whether the chair of the highest governance body is also an executive officer and, if so, the reasons for this arrangement	20	
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used	19	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed, and whether they are disclosed	19	
G4-42	Highest governance body's and senior executives' roles with respect to strategies, policies and goals, etc. related to economic, environmental and social impacts	12	
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities	48	
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	49	
G4-48	Highest committee or position that formally reviews and approves the organisation's sustainability report	12	
G4-51	Remuneration policies for the highest governance body and senior executives	19	
Ethics and Integrity			
G4-56	Values, principles, standards and norms of behaviour	21	

PART 2: SPECIFIC STANDARD DISCLOSURES

GRI G4 no.	DMA and Indicators (in abridged form)	Page	Reference to Talanx-specific DMA, comments and omissions
Category: Economic			
Aspect: Economic Performance			
G4-DMA	Management approach and sector-specific guidance (FS ¹)	61	DMA – Corporate Citizenship
G4-EC1	Direct economic value generated and distributed, and sector-specific guidance (FS)	5, 61	
G4-EC2	Financial implications and other risks and opportunities due to climate change	48	
Aspect: Market Presence			
G4-DMA	Management approach	36	DMA – Recruitment, Education and Training
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage	39	
G4-EC6	Proportion of senior management hired from the local community	40	
Aspect: Indirect Economic Impacts			
G4-DMA	Management approach	49	DMA – Sustainability of Investments
G4-EC7	Development and impact of infrastructure investments and services supported	51	
G4-EC8	Nature and extent of significant indirect economic impacts	47	

PART 2: SPECIFIC STANDARD DISCLOSURES

GRI G4 no.	DMA and Indicators (in abridged form)	Page	Reference to Talanx-specific DMA, comments and omissions
	Aspect: Procurement Practices		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-EC9	Proportion of spending on local suppliers	34	
	Category: Environmental		
	Aspect: Materials		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-EN1	Materials used by weight or volume	28	
G4-EN2	Percentage of materials used that are recycled input materials	28	
	Aspect: Energy		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-EN3	Energy consumption within the organisation	27	
G4-EN5	Energy intensity	28	
G4-EN6	Reduction of energy consumption	28	
	Aspect: Water		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-EN8	Total water withdrawal by source	29	
	Aspect: Emissions		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1) and sector-specific disclosures (FS)	30	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	30	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3) and sector-specific disclosures (FS)	30	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	31	
	Aspect: Effluents and Waste		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-EN22	Water discharge	32	
G4-EN23	Waste and sector-specific guidance (FS)	32	
	Aspect: Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	—	The direct ecological impacts of products and services are not actually relevant, see instead Indicator FS8 for the environmental aspects of insurance products and Indicator FS11 for the sustainability of investments
	Aspect: Compliance		
G4-DMA	Management approach	22	DMA – Compliance in the Narrower Sense
G4-EN29	Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations	23	
	Aspect: Transport		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-EN30	Significant environmental impacts of transporting members of the workforce	31	
	Aspect: Overall		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-EN31	Total environmental protection expenditures and investments	27	
	Aspect: Supplier Environmental Assessment		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement

PART 2: SPECIFIC STANDARD DISCLOSURES

GRI G4 no.	DMA and Indicators (in abridged form)	Page	Reference to Talanx-specific DMA, comments and omissions
G4-EN32	New suppliers that were screened using environmental criteria	33	
G4-EN33	Negative environmental impacts in the supply chain and actions taken	33	
Category: Social			
Sub-category: Labour Practices and Decent Work			
Aspect: Employment			
G4-DMA	Management approach	26, 36	DMA – Day-to-Day Operations and Procurement and DMA – Recruitment, Education and Training
G4-LA1	Total number and rates of new employee hires and employee turnover	38	
G4-LA2	Benefits provided solely to full-time employees	36	
G4-LA3	Return to work and retention rates after parental leave	45	
Aspect: Occupational Health and Safety			
G4-DMA	Management approach and sector-specific guidance (FS)	45	DMA – Occupational Health and Safety
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, etc.	46	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	45	
Aspect: Training and Education			
G4-DMA	Management approach	36	DMA – Recruitment, Education and Training
G4-LA9	Average hours of training per year	40	
G4-LA10	Programmes for skills management and lifelong learning	40	
G4-LA11	Percentage of employees receiving regular performance and career development reviews	41	
Aspect: Diversity and Equal Opportunity			
G4-DMA	Management approach	41	DMA – Diversity and Family Friendliness
G4-LA12	Composition of governance bodies and breakdown of employees according to indicators of diversity	43	
Aspect: Equal Remuneration for Women and Men			
G4-DMA	Management approach	41	DMA – Diversity and Family Friendliness
G4-LA13	Ratio of remuneration of women to men	44	Omission: The precise details are confidential, but the approach is described
Aspect: Supplier Assessment for Labour Practices			
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-LA14	New suppliers that were screened using labour practices criteria	34	
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	34	
Aspect: Labour Practices Grievance Mechanisms			
G4-DMA	Management approach	22	DMA – Compliance in the Narrower Sense
G4-LA16	Grievances about labour practices filed, addressed and resolved through formal grievance mechanisms	23	
Sub-category: Human Rights			
G4-HR1 FS	Sector-specific disclosures (FS): screening for assets under management that include human rights clauses	51	See Indicator FS11
Aspect: Non-discrimination			
G4-DMA	Management approach	41	DMA – Diversity and Family Friendliness
G4-HR3	Incidents of discrimination and corrective actions taken	44	

PART 2: SPECIFIC STANDARD DISCLOSURES

GRI G4 no.	DMA and Indicators (in abridged form)	Page	Reference to Talanx-specific DMA, comments and omissions
	Aspect: Freedom of Association and Collective Bargaining		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken	34	
	Aspect: Child Labour		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken	34	
	Aspect: Forced or Compulsory Labour		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken	34	
	Aspect: Supplier Human Rights Assessment		
G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-HR10	New suppliers that were screened using human rights criteria	34	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	34	
G4-HR12	Grievances about human rights impacts filed through formal grievance mechanisms	—	Human rights impacts are only relevant for Talanx, if at all, in the supply chain; see Indicators HR10 and HR11.
	Sub-category: Society		
	Aspect: Local Communities		
G4-DMA	Management approach	—	In general, the local communities aspect is not relevant for Talanx, since our activities in or near business locations do not have any relevant impacts on groups of people; see Indicator FS13 and the chapter entitled “Corporate Citizenship”.
FS13	Access points in low-populated or economically disadvantaged areas	60	
	Aspect: Anti-corruption		
G4-DMA	Management approach	23	DMA – Anti-Corruption and Anti-Money Laundering
G4-SO3	Operations assessed for risks related to corruption and significant risks identified	24	
G4-SO4	Communication and training on anti-corruption policies and procedures	24	
G4-SO5	Confirmed incidents of corruption and actions taken	24	
	Aspect: Anti-competitive Behaviour		
G4-DMA	Management approach	22	DMA – Compliance in the Narrower Sense
G4-SO7	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	23	
	Aspect: Compliance		
G4-DMA	Management approach	22	DMA – Compliance in the Narrower Sense
G4-SO8	Significant fines and non-monetary sanctions for non-compliance with laws and regulations	23	

PART 2: SPECIFIC STANDARD DISCLOSURES

GRI G4 no.	DMA and Indicators (in abridged form)	Page	Reference to Talanx-specific DMA, comments and omissions
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G4-DMA	Management approach	26	DMA – Day-to-Day Operations and Procurement
G4-SO9	New suppliers that were screened using criteria for impacts on society	34	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	34	
	Aspect: Grievance Mechanisms for Impacts on Society		
G4-DMA	Management approach	22	DMA – Compliance in the Narrower Sense
G4-SO11	Grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms	23	
	Sub-category: Product Responsibility		
	Aspect: Product and Service Labelling		
G4-DMA	Management approach and sector-specific guidance (FS)	53	DMA – Sustainability of Insurance Products
G4-PR3	Product and service information required	56	
G4-PR4	Non-compliance with regulations and voluntary codes concerning product and service information and labelling	57	
G4-PR5	Results of surveys measuring customer satisfaction	55	
	Aspect: Marketing Communications		
G4-DMA	Management approach	53	DMA – Sustainability of Insurance Products
G4-PR6	Sale of banned or disputed products	57	
G4-PR7	Non-compliance with regulations and voluntary codes concerning advertising	57	
	Aspect: Customer Privacy		
G4-DMA	Management approach	24	DMA – Data Protection
G4-PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	25	
	Aspect: Compliance		
G4-DMA	Management approach	53	DMA – Sustainability of Insurance Products
G4-PR9	Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	57	
	Aspect: Product Portfolio (FS)		
G4-DMA FS	Management approach	53	DMA – Sustainability of Insurance Products
FS6	Percentage of the portfolio for business lines by specific region, size and sector	54	
FS7	Products and services designed to deliver a specific social benefit	60	
FS8	Products and services designed to deliver a specific environmental benefit	60	
	Aspect: Audit (FS)		
G4-DMA FS	Management approach	53	DMA – Sustainability of Insurance Products
	Aspect: Active Ownership (FS)		
G4-DMA FS	Management approach	49	DMA – Sustainability of Investments
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social topics	53	
FS11	Assets subject to positive and negative environmental or social screening	51	

¹⁾ fs: Refers to the Financial Services Sector Disclosures drawn up by the Global Reporting Initiative (G4)

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Online Sustainability Report
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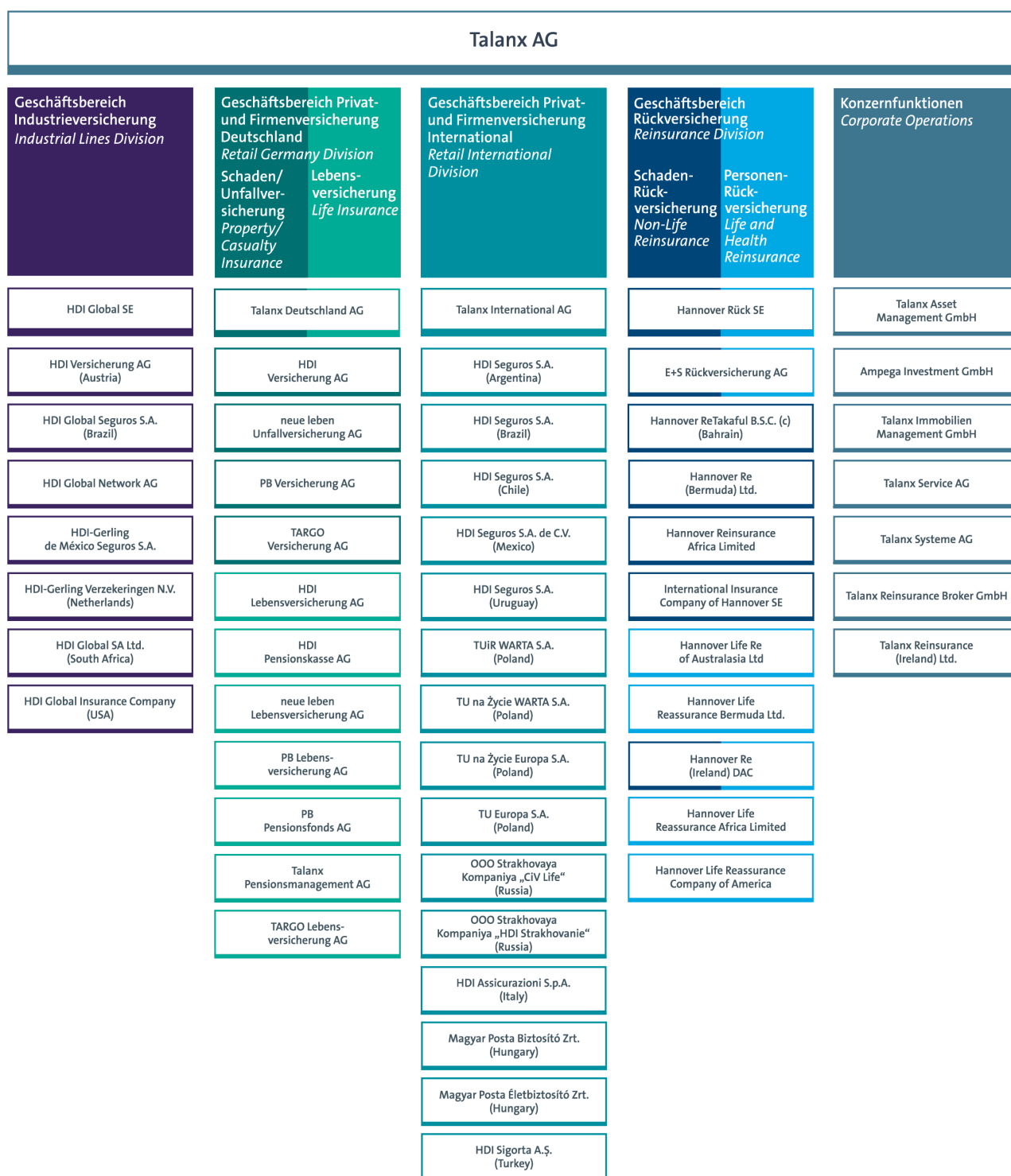
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GROUP STRUCTURE



Nur die wesentlichen Beteiligungen
Main participations only

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