

**somewhat
different**

Sustainability Strategy 2015 – 2017

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Sustainability at Hannover Re

As a leading player in the reinsurance industry, the commercial success of Hannover Re is crucially dependent on the correct assessment of present and emerging risks. In the process of evaluating risks we are faced today with growing complexity as a consequence of the increasing importance attached to various aspects of sustainability. In some instances these also have direct strategic and operational relevance to our reinsurance products and our investments.

Our goal, therefore, is to achieve economic success on the basis of a profit-oriented business model – while at the same time acting in accordance with the needs of our staff and the company and giving due consideration to protection of the environment and conservation of natural resources. Sustainable action is not something which is static; rather, it must take place dynamically and in accordance with changing environmental circumstances. In conformity with the Group Strategy, our sustainability considerations are hence also regularly revised every three years.

We have systematically adhered to the Sustainability Strategy adopted in 2011. The recent inclusion of Hannover Re in the internationally recognised sustainability index FTSE4Good confirms that we are on the right track. Our refined Sustainability Strategy 2015–2017 defines the four key action fields for Hannover Re as well as specific goals and measures.

Governance and Dialogue

The goal is to maintain Hannover Re’s good financial performance and enhance our appeal for sustainability-minded investors, e.g. by expanding our compliance concepts. We provide information about our sustainability achievements through an active dialogue with our relevant stakeholders and through transparent reporting.

Product Responsibility

We shall continue to move forward in our efforts to develop reinsurance solutions and support primary insurers in their product development work, e.g. in the field of microinsurance, and we shall be guided even more closely by sustainability criteria when it comes to the management of our investments. The existing intensive dialogue with customers is to be cultivated and in some areas stepped up.

Employees

Through our programme of health and wellness management we enable our employees to maintain their performance capability. Further training activities for our specialist and executive staff are being extended to our international locations. We also seek to promote diversity within the Hannover Re Group.

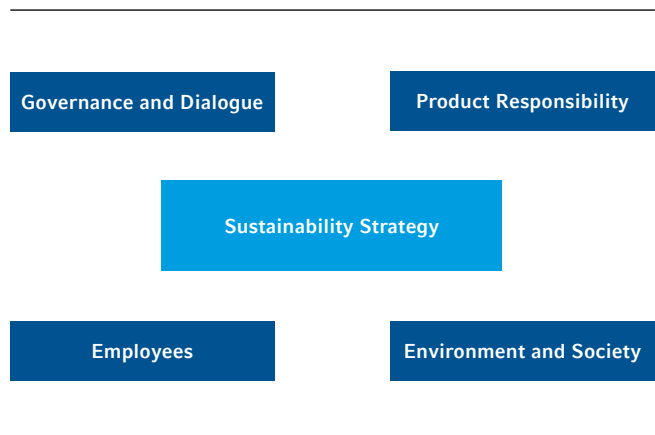
Environment and Society

We are continuously reducing the greenhouse gas emissions caused by Hannover Re’s business activities in order to close in on our target of carbon neutrality for the Hannover Home Office location. We continue to factor environmental and social standards into the selection and evaluation of our suppliers. We shall stand by our worldwide commitment to society and report on this transparently.

Hannover Re’s operational units are supported in their implementation of the sustainability strategy by our holistic management system “Performance Excellence”. This EFQM (European Foundation for Quality Management) Excellence Model includes a clear focus on societal aspects and makes a measurable contribution to fulfilment of our sustainability goals and measures.

Systematic realisation of the goals that we have set ourselves under our sustainability strategy establishes a foundation for our Group’s further stable economic development and is vital to the expansion of our position as one of the leading and most profitable globally operating reinsurers.

Sustainability action fields at Hannover Re



I. Governance and Dialogue

We are committed to responsible and transparent corporate governance geared to lasting success. In this context, we seek an active and continuous dialogue with our stakeholders, whose trust is a vital prerequisite for our entrepreneurial success.

The considerable importance attached to the issue of sustainability is also reflected in the associated responsibility within the enterprise. The Executive Board of the company jointly bears responsibility for and tracks implementation of the sustainability strategy. The German Corporate Governance Code and our own company's Corporate Governance

principles are the foundations of our responsible actions. From our employees – and especially from managers – we expect systematic compliance with our Code of Conduct, which is applicable worldwide. Through our high ethical and social standards we ensure integrity in dealings with our business partners, employees, shareholders and the public at large both as part of our company's strategic orientation and in day-to-day business.

In the context of the Sustainability Strategy 2015–2017 goals and measures in three subject areas were defined for the “Governance and Dialogue” action field: “Compliance”, “Responsible, value-based enterprise management” and “Transparency and disclosure”.

Compliance

Goal: Expansion of compliance concepts and guidelines in relation to specific topics

Measures:

- Extension of compliance requirements in IT
- Expansion of the international compliance network

Responsible, value-based enterprise management

Goal: Value creation for our shareholders

Measures:

- Our goals and performance indicators for value-based enterprise management are set out as part of our Group strategy.

Goal: Attractive investment for sustainability-minded investor groups

Measures:

- Active dialogue with rating agencies for sustainability with a view to ongoing inclusion in at least one recognised sustainability index as well as maintaining the oekom “Prime” rating
- Enlarge on rating-specific sustainability topics

Transparency and disclosure

Goal: Expansion of reporting on sustainability issues

Measures:

- Changeover to GRI G4 reporting, “Core” level
- Bringing forward of the publication date of the Sustainability Report
- Setting up of a sustainability competence team and appointment of a sustainability officer
- Expansion of the sustainability information provided on the website
- Extension of ESG (environmental, social and governance) data collection to include the Group's international locations
- Group-wide recording of sustainability projects

Goal: Purposeful stakeholder dialogue

Measures:

- Systematic expansion of the stakeholder dialogue, e. g. with investors practising socially responsible investment (SRI) through participation in SRI conferences/roadshows, with rating agencies and by means of regular stakeholder surveys
- Compilation of a fact sheet on sustainability at Hannover Re

II. Product Responsibility

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

The responsible management of our investments is a high priority. In the interests of our clients and shareholders, our investment strategy strives to generate a commensurate

market return. In accordance with our sustainability strategy this is done by incorporating environmental, social and governance (ESG) criteria into our investment policy.

In the context of the Sustainability Strategy 2015–2017 goals and measures in three subject areas were defined for the “Product Responsibility” action field: “Customer orientation/satisfaction”, “Sustainable insurance solutions” and “ESG criteria in asset management”.

Customer orientation/satisfaction

Goal: Step up our dialogue with customers

Measures:

- Expand avenues for international dialogue

Sustainable insurance solutions

Goal: Development and expansion of “sustainable” products

Measures:

- Closer cooperation with primary insurers to develop and expand sustainable products
- Development of products that promote, for example, renewable energies
- Further expansion of microinsurance products
- Expansion of the dialogue on emerging risks

ESG criteria in asset management

Goal: Extension of ESG guidelines for asset management

Measures:

- Signing of the UN Principles for Responsible Investment (PRI) to be reviewed
- Refinement of the ESG Investment Policy incl. development of positive screening
- Appointment of an ESG officer on the investment team

III. Employees

Given that our employees are a crucial factor in the success of our company, we have defined strategic principles for human resources management. In order to ensure that we are consistently perceived as an attractive employer by both existing staff and potential new recruits alike, we pay special attention to their skills enhancement and further development. With this in mind, we offer our employees the best possible framework conditions and foster both their professional and personal growth.

The health of our employees is an essential prerequisite for the sustainable development of our business and for safeguarding our high quality standard. Hannover Re's company

physician advises employees on matters of health protection and health promotion. The focus is on the prevention of diseases, e. g. through medical check-ups, workplace inspections, advice and treatment on matters of general medicine as well as vaccinations and vaccination advice.

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

In the context of the Sustainability Strategy 2015–2017 goals and measures in three subject areas were defined for the “Employees” action field: “Health management”, “Executive development/Employee advancement” and “Diversity”.

Health management

Goal: Preserve and restore the performance capability of our staff

Measures:

- Continuation of existing health programmes/check-ups
- Development of a counselling service for professional and personal crises (“Employee Assistance Programme” at the Hannover location)
- Implementation of Occupational Integration Management for employees returning after illness or parental leave
- Continuation of the offered family services

Executive development/Employee advancement

Goal: Expansion of further training measures for specialist and executive staff

Measures:

- Continuation and internationalisation of the executive development programme
- Expansion of the training programme, e. g. through blended learning
- Internationalisation of the surveys on employee satisfaction

Diversity

Goal: Promoting diversity and a work/life balance

Measures:

- Continuation of the mentoring programme for female employees with the aim of increasing the proportion of women in management positions
- Training/awareness-raising of executives
- Expansion of the care services provided for employees' children at the company's infant daycare centre

IV. Environment and Society

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

The focus of our environmental efforts is on reducing the CO2 emissions associated with supplying energy and heat to our premises as well as those caused by our business travel. Above and beyond this, we strive towards the economical and environmentally friendly use of (raw) materials and resources such as paper and water in our offices.

In the context of procurement we pay close attention to compliance with social and environmental standards when it comes to choosing products and selecting our suppliers.

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

In the context of the Sustainability Strategy 2015–2017 goals and measures in three subject areas were defined for the “Environment and Society” action field: “Environmental protection”, “Supplier management” and “Social commitment”.

Environmental protection

Goal: Ongoing reduction of CO2 emissions as well as carbon neutrality at Hannover Home Office by 2015

Measures:

- Recertification according to ISO 14001 at Hannover Home Office
- Progressive worldwide rollout of the transition to renewable energies
- Staff training in environmental protection
- Creation of an international network of Hannover Re environmental managers
- Extension of environmental data collection to include the Group’s international locations

Supplier management

Goal: 100% of relevant suppliers are measured by environmental and social standards

Measures:

- Clustering of (groups of) suppliers into ESG risk categories
- Ongoing selection and evaluation of suppliers according to environmental and social standards
- Adoption of supplier evaluation in all areas of the company at Hannover Home Office
- Green IT: Development of IT purchasing guidelines and minimum standards

Social commitment

Goal: Group-wide guidelines and recording of social activities

Measures:

- Review and refine uniform Group-wide guidelines for donations and sponsorship (“Social Activity Guidelines”)
- Group-wide recording of donations and sponsorship activities

