

**Annual General Meeting on 8 May 2019**

**Counter motions**

The following counter motion regarding the Annual General Meeting on 8 May 2019 was received by us in due time. You can support this counter motion by voting NO on the relevant agenda item 3 and thereby voting against the proposal of Management.

Hannover, 24 April 2019

**Counter-motion regarding agenda item 3, resolution ratifying the acts of management of the members of the Executive Board for the 2018 financial year**

The Umbrella Association of Critical Shareholders motions that the acts of management of the members of the Executive Board should not be ratified.

**Justification:**

The Executive Board of Hannover Rück SE is failing to adequately live up to its responsibility to take more effective steps to protect the climate and respect human rights. The measures taken to date do not suffice to make an adequate contribution to achieving the goals of the Paris Agreement on climate change and those of the UN Global Compact, to which Hannover Re has committed itself.

**Exclusion of coal-based risks commendable, but exceptions could significantly weaken climate benefits**

Before Easter Hannover Re revised its underwriting policy for coal-based risks and announced that as a general principle it will no longer reinsure any planned new coal-fired power plants and coal mines. This is a positive step. However, Hannover Re explicitly allows exceptions for countries in which coal accounts for a particularly large share of the energy mix and in which no adequate access to alternative energy sources is available. While it is true that exceptions can only be permitted subject to review and will be limited, the vagueness surrounding them leaves so much room for interpretation that many exceptions are conceivable. Yet every newly constructed coal-fired power plant is a burden on the climate and must be avoided. Furthermore, the policy only applies to individual risks and leaves out collective reinsurance covers (treaty reinsurance). In both areas additional improvements must be made.

Given that Hannover Re makes explicit reference to the goals of the Paris Agreement on climate change, the Group must begin to plan its exit from fossil fuels – above and beyond coal – because the burning of all fossil fuels drives climate change.

**Breach of duties of care with respect to human rights in the reinsurance of dam projects**

It is also not evident how the Executive Board is implementing ESG-oriented management that is guided by sustainability criteria and human rights conventions. Hannover Re is participating in controversial large dam projects that fail to respect the human rights of the local population and destroy the environment.

The first complications affecting the Hidroituango dam arose at the end of May 2018. The dam, which will be the largest in Colombia upon completion, has long been the subject of intense criticism. On 28 April the construction site's central diversion tunnel for the Cauca River failed; following heavy rainfall it became blocked by landslides, trees and mudslides. The second diversion tunnel had previously been sealed with concrete by the construction firm.

Owing to the fact that the retaining wall of the Hidroituango dam was already in place, the water level continued rising dangerously and flooded some settlements in the immediate vicinity. On 12 May 2018 the water that had also built up in the tunnels suddenly broke through, and the resulting flood wave washed over additional land, destroyed villages, caused losses running into the millions and necessitated a large-scale evacuation of the residents who were at risk. The more than 20,000 people impacted have not been adequately compensated to this day.

Hannover Re is involved in the Hidroituango dam catastrophe in its capacity as a reinsurer and, according to the Annual Report, is now required to pay out almost EUR 50 million for the resulting devastation (page 107). German human rights organisations and the Colombian organisation "Rios Vivos" have been expressly warning for years about the consequences of the Hidroituango large dam project for both people and the environment, and in this regard they have strongly urged German companies and policy-makers not to become involved in this project. For this reason, we had also asked at the last Annual General Meeting whether Hannover Re is involved in the Hidroituango project.

**Comment by Management:**

We consider the countermotion to be unfounded. We therefore recommend voting YES in the vote on agenda item 3 and hence in favour of ratifying the acts of management of the members of the Executive Board for the 2018 financial year. We shall comment in greater detail at the Annual General Meeting, insofar as necessary.

Hannover, 24 April 2019

The Executive Board