

**somewhat
different**

Sustainability Strategy 2018–2020

About us

Hannover Re, with gross premium of over EUR 16 billion, is the third-largest reinsurer in the world.

We transact all lines of property & casualty and life & health reinsurance and are present on all continents with around 2,900 staff. Established in 1966, the Hannover Re Group today has a network of more than 100 subsidiaries, branches and representative offices worldwide. The Group's German business is written by our subsidiary E+S Rück.

The rating agencies most relevant to the insurance industry have awarded both Hannover Re and E+S Rück very strong insurer financial strength ratings: Standard & Poor's "AA-" (Very Strong) and A.M. Best "A+" (Superior).

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Our Mission

“Creating value through reinsurance” – this is the vision of our Group Strategy for 2018–2020. We seek to achieve this goal by following ten company-wide strategic principles. One of these is a commitment to responsible and transparent corporate governance geared to lasting success: “We are committed to sustainability, integrity and compliance”.

The Sustainability Strategy approved by the Executive Board elaborates on this strategic principle in greater detail. In order to ensure that our Sustainability Strategy always remains up to date, it is revised every three years in tandem with our Group Strategy.

As a leading player in the reinsurance industry, the commercial success of Hannover Re is crucially dependent on the correct assessment of a wide range of present and emerging risks. The process of risk assessment and risk management is naturally of special significance to our company. From a strategic standpoint, it is essential that we are able to operate successfully and in conformity with the legal requirements applicable to our company as well as the needs of our major stakeholder groups. Furthermore, we attach considerable importance to being an attractive employer for our employees and potential new recruits. Along with supporting research, learning, the arts and culture, we also aim – as the third-largest reinsurer globally – to play a part in limiting potential adverse impacts of climate change and to minimise our CO₂ emissions.

We are convinced that this approach will ensure our success on a lasting basis and in case of doubt we are willing to forego short-term profits. The considerable importance that we attach 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. An interdisciplinary working group is responsible for operational implementation of the Sustainability Strategy. This also verifies the extent to which the defined goals are achieved in the context of our holistic management system Performance Excellence 2.0, which is based on the EFQM Excellence Model (European Foundation for Quality Management).

Our Action Fields

In the strategy cycle 2015–2017 we defined four strategic action fields for our Sustainability Strategy. These action fields – in common with the key topics allocated to them – remain relevant to the strategy cycle 2018–2020. We reviewed our existing goals as part of a company-wide process. We intend to retain long-term goals and have additionally defined new goals and measures for each action field as described below.

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. In this connection we report annually on relevant topics in our Sustainability Report.

The German Corporate Governance Code and our own company's Corporate Governance principles serve as the foundation for our responsible action. From our employees – and especially from managers – we expect systematic compliance with

this Code of Conduct, which is applicable world-wide. 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. The efficiency of our corporate governance is monitored by our Compliance function and our Group Auditing division and it is refined as required.

| Goals | Performance indicators |
|--|--|
| Responsible enterprise management | |
| Optimisation of sustainability management | |
| Raise employee awareness of the topic of sustainability by expanding internal communication and developing a training concept | |
| Enhance our appeal in the eyes of value- and sustainability-minded investors by participating in major sustainability ratings | Inclusion in at least one sustainability index |
| Refinement and optimisation of reporting on sustainability topics in accordance with the GRI standards | |
| Compliance | |
| Optimisation of compliance management | |
| Stakeholder dialogue | |
| Intensification of the stakeholder dialogue | |



II. Product Responsibility

Our reinsurance products and services are geared to the needs of the market and our clients, with whom we engage in an ongoing dialogue. In view of the changing social challenges, products designed to protect against new economic, social and environmental risks are growing steadily in significance. We attach special importance to protection against risks resulting from climate change as well as to insurance coverage for socially vulnerable groups. In this context we set great store by continuously expanding our knowledge and risk management, especially when it comes to environmental, social and governance (ESG) topics.

In the interests of our clients and shareholders, our investment strategy strives to generate a return that is commensurate with the risks. In this regard we prioritise the responsible management of our investments by consciously incorporating ESG criteria into our investment policy.

| Goals | Performance indicators |
|--|--|
| Risk expertise | |
| Enhancement of risk management including as it relates to ESG risks | |
| Intensifying the sharing of knowledge about emerging risks with our customers, business partners, universities and research institutions | |
| Sustainable insurance solutions | |
| Supporting, developing and expanding sustainable insurance solutions | |
| ESG in asset management | |
| Refinement of the sustainability approach in asset management | ~ 90% of assets under management covered by ESG criteria |
| Customer orientation and satisfaction | |
| Fostering customer dialogue including on ESG-related topics | |



III. Employees

Our employees are a crucial factor in the success of our reinsurance business. In order to ensure that we are perceived as an attractive employer, we have dedicated ourselves to continuous executive development and employee advancement with an eye to both the professional and personal growth of our staff.

With a view to safeguarding the sustainable development of our business and preserving our high quality standards, we also focus on protecting physical and mental well-being.

At the same time, we promote diversity and equal opportunities in the workplace and enable our employees to maintain a healthy work/life balance.

| Goals | Performance indicators |
|--|--|
| Executive development and employee advancement | |
| Optimisation of further training measures for employees and executives | Training days per employee and year > 4 days (Group-wide) |
| Promote, preserve and restore the physical and mental well-being of employees, including through our Employee Assistance Programme (EAP) | |
| Employee affinity | |
| Maintaining strong employee affinity | Low staff turnover rate of 3–5% (Hannover location) |
| Holding of Group-wide employee surveys on a recurring basis | 60% of employees took part |
| Diversity | |
| Promoting diversity and equal opportunities | Proportion of women on the second and third levels of management 18% (Hannover location) |
| Improving the conditions needed to ensure a healthy work/life balance for our employees | |



IV. Environment and Society

We take responsibility for the environment and the social sphere in which we operate. To this end we dedicate ourselves to environmental conservation and social projects at all our locations.

The focus of our environmental conservation efforts is on reducing CO₂ emissions through the sustainable supply of energy and heat to our premises, the use of environmentally friendly travel options and the economical consumption of resources in our working practice. In the context of our procurement

we pay close attention to compliance with environmental and social standards and we exercise care in choosing our products and suppliers.

Our social involvement extends beyond our location in Germany to include our subsidiaries, branches and representative offices, which conduct their own projects targeting social concerns in the individual countries. In terms of content, our efforts are concentrated on supporting the areas of research, learning, the arts and culture as well as on fostering the voluntary social engagement of our staff.

Goals

Operational environmental protection

Continuous refinement of environmental management

Supplier management

Ongoing evaluation of ~ 90% of suppliers (measured by purchasing volume) according to environmental and social standards

Social commitment

Refinement of the concept for social commitment

Expansion of reporting on social commitment and donations

Published by

Hannover Rück SE

Karl-Wiechert-Allee 50

30625 Hannover

Valid: September 2017

www.hannover-re.com