

somewhat  
different

# GRI Report 2014

# Company Portrait



Hannover Re, with gross premium of more than EUR 14 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 roughly 2,500 staff. The German business of the Hannover Re Group is transacted 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 good financial strength ratings: Standard & Poor's "AA-" (Very Strong) and A.M. Best "A+" (Superior).

Our vision: Long-term success in a competitive business.

# Content

<b>Company Portrait</b>	<b>2</b>	Category "Economic" (EC) (Management Approach and Indicators EC1 – 9)	50
<b>Foreword by the Chairman of the Executive Board</b>	<b>6</b>	Category "Environmental" (EN) (Management Approach and Indicators EN 1 – 30)	54
<b>Executive Board of Hannover Re</b>	<b>8</b>		
<b>Our Vision</b>	<b>10</b>	Category "Labour Practices and Decent Work" (LA) (Management Approach and Indicators LA1 – 14, LA15)	67
<b>Review of the Goals and Measures of our Sustainability Strategy 2012–2014</b>	<b>14</b>	Category "Human Rights" (HR) (Management Approach and Indicators HR1 – 11)	79
<b>Our Sustainability Strategy 2015–2017</b>	<b>16</b>		
<b>GRI Report: Profile</b>		Category "Society" (SO) (Management Approach and Indicators SO1 – 10, FS13 – 14)	83
1. Strategy and Analysis	20		
2. Organisational Profile	23	<b>Appendix: Support for Research, Art and Culture at Hannover Re</b>	<b>87</b>
3. Report Parameters	27		
4. Governance, Commitments and Engagement	29	<b>Imprint</b>	<b>89</b>
<b>GRI Report: Management and Performance</b>			
Category "Financial Services Sector Indicators" (FS) (Management Approach and Indicators FS1 – 12)	37		
Category "Product Responsibility" (PR) (Management Approach and Indicators FS15, PR1 – 9, FS16)	46		

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## Degree of Fulfilment of Individual GRI Disclosures and Indicators

In accordance with the Guidelines G3.1 of the Global Reporting Initiative (GRI), we report

1. all Standard Disclosures (42 Profile Disclosures, 6 Management Approaches and 84 Performance Indicators) and
2. all Financial Services Sector Disclosures (one Management Approach, 16 Indicators and all 6 Additional Indicators) either **fully**, **partially** or we **explain**, the reason why we are **not reporting** corresponding Indicators **□**.

Indicators shown in black are Core Indicators, those in grey are Additional Indicators.

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GRI has confirmed that the report was drawn up in conformity with the GRI G3.1 Guidelines, Application Level B.

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# Keyfigures

## Key financial indicators of the Hannover Re Group

in EUR million	2014	+/- previous year	2013	2012 <sup>1</sup>	2011	2010
<b>Results</b>						
Gross written premium	14,361.8	+2.9 %	13,963.4	13,774.2	12,096.1	11,428.7
Net premium earned	12,423.1	+1.6 %	12,226.7	12,279.2	10,751.5	10,047.0
Net underwriting result	-23.6		-83.0	-96.9	-535.8	-185.1
Net investment income	1,471.8	+4.3 %	1,411.8	1,655.7	1,384.0	1,258.9
Operating profit (EBIT)	1,466.4	+19.3 %	1,229.1	1,393.9	841.4	1,177.9
Group net income (loss)	985.6	+10.1 %	895.5	849.6	606.0	748.9
<b>Balance sheet</b>						
Policyholders' surplus	10,239.5	+16.8 %	8,767.9	8,947.2	7,338.2	6,987.0
Equity attributable to shareholders of Hannover Rück SE	7,550.8	+28.2 %	5,888.4	6,032.5	4,970.6	4,509.0
Investments (excl. funds withheld by ceding companies)	36,228.0	+13.7 %	31,875.2	31,874.4	28,341.2	25,411.1
Total assets	60,457.6	+12.1 %	53,915.5	54,811.7	49,867.0	46,725.3
<b>Key figures</b>						
Earnings per share (basic and diluted) in EUR	8.17	+10.1 %	7.43	7.04	5.02	6.21
Book value per share in EUR	62.61	+28.2 %	48.83	50.02	41.22	37.39
Dividend per share in EUR	3.00+1.25 <sup>2</sup>	+41.7 %	3.00	2.60+0.40 <sup>2</sup>	2.10	2.30
Return on investment (excl. funds withheld by ceding companies) <sup>3</sup>	3.3 %		3.4 %	4.1 %	4.1 %	4.0 %
Return on equity (after tax)	14.7 %		15.0 %	15.4 %	12.8 %	18.2 %

<sup>1</sup> Adjusted pursuant to IAS 8

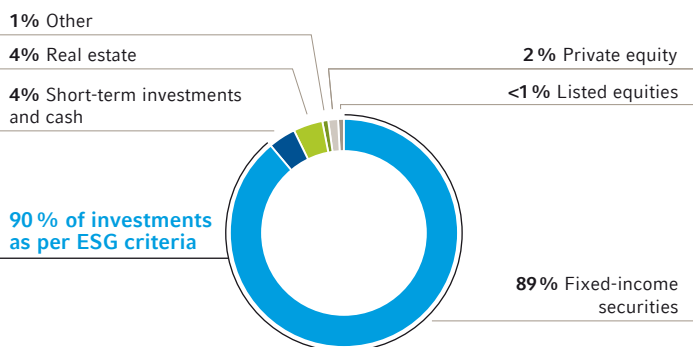
<sup>2</sup> Dividend of EUR 3.00 plus special dividend of EUR 1.25 for 2014 as well as EUR 2.60 plus special dividend of EUR 0.40 for 2012

<sup>3</sup> Excluding effects from ModCo derivatives and inflation swaps

## Key personnel indicators of the Hannover Re Group and at the Hannover location

	2014	+/- previous year	2013	2012	2011	2010
<b>Hannover Re Group</b>						
Number of employees	2,534	+4.8 %	2,419	2,312	2,217	2,192
Women	1,303	+4.8 %	1,243	1,192	1,156	1,139
Men	1,231	+4.7 %	1,176	1,120	1,061	1,053
<b>Hannover location</b>						
Number of employees	1,289	+5.7 %	1,219	1,164	1,110	1,089
Age structure						
Up to age 29	160	+7.4 %	149	141	140	157
Ages 30 to 49	855	+5.0 %	814	789	754	743
Aged 50 and over	274	+7.0 %	256	234	216	189
Proportion of women in management positions	17.0 %	+1.4 % pt.	15.6 %	16.8 %	15.5 %	12.3 %
Average number of training days per employee	4.3	-14.0 %	5.0	5.0	5.0	5.0
Staff turnover rate	1.5 %	-1.3 % pt.	2.8 %	2.8 %	4.3 %	1.9 %
Absenteeism	3.6 %	+0.2 % pt.	3.4 %	3.5 %	3.4 %	3.0 %

**Asset allocation of the Hannover Re Group as at 31 December 2014:**  
~ 90% of investments are subject to environmental, social and governance (ESG) criteria



Book value 2014: EUR 36.2 billion

**Key environmental indicators of Hannover Re at the Hannover location<sup>1</sup>**

	2014 <sup>4</sup>	+/- previous year	2013 <sup>4</sup>	2012 <sup>3</sup>	2011 <sup>2</sup>	2010 <sup>2</sup>
Number of employees at the Hannover location	1,289	+5.7 %	1,219	1,164	1,110	1,089
Electricity consumption (in kWh)	8,969,975	-1.6 %	9,114,482	8,802,262	8,214,917	8,055,429
Heat demand (in kWh)	2,748,014	-18.2 %	3,359,694	2,319,854	1,859,119	2,383,918
Water consumption (in l)	15,176,000	-3.8 %	15,778,000	14,961,000	14,464,500	14,722,000
Paper consumption (in sheets)	7,551,200	-11.2 %	8,502,060	8,766,000	9,172,180	9,074,300
Waste (in kg)	193,760	-9.6 %	214,250	205,790	257,400	297,000
Business trips (in km)	20,447,867	+12.4 %	18,185,062	16,654,504	17,658,598	16,018,500
CO <sub>2</sub> emissions (in kg)	7,798,000	+8.3 %	7,203,000	4,984,000	8,123,000	7,685,000
Degree of coverage of the Environmental Management System (in % of Group employees)	50.9 %	-0.5 % pt.	50.4 %	50.3 %	50.1 %	49.7 %

<sup>1</sup> Data capture percentage for the environmental indicators corresponds to 50.9% of Group employees

<sup>2</sup> Karl-Wiechert-Allee 50, Roderbruchstrasse 26 and crèche, Hannover.

<sup>3</sup> Karl-Wiechert-Allee 50, Roderbruchstrasse 21 and 26 as well as crèche, Hannover.

<sup>4</sup> Karl-Wiechert-Allee 50 and 57 (pro rata), Roderbruchstrasse 21 and 26 as well as crèche, Hannover

<sup>5</sup> Radiative Forcing Index: 2.7.



Ulrich Wallin  
Chairman of the  
Executive Board

## Ladies and gentlemen,

For us, sustainability means a commitment to responsible and transparent enterprise management that is geared to lasting success. The foundation for good enterprise management is established by our Group Strategy, the Corporate Governance Principles and our Code of Conduct. In 2014 we continued our long-standing practice of reviewing our Group Strategy and our Sustainability Strategy in a three-year cycle. The most recently revised version dated back to 2011 with our overarching mission of “Growing Hannover Re profitably”. Looking back on what has been achieved over the past three years, I am pleased to say that this mission was accomplished with considerable success. Between 2011 and 2014 we increased our gross premium volume from EUR 12.1 billion to EUR 14.4 billion, equivalent to growth of 19 percent. At the same time Group net income rose from EUR 606.0 million to EUR 985.6 million – representing bottom-line growth of 63 percent. We were just as systematic in our pursuit of the sustainability goals that we defined in 2011. The inclusion of our share in the internationally recognised FTSE4Good sustainability index in the year under review was one of the goals that we accomplished, and it shows that our approach and our efforts in recent years have been appreciated.

Bearing in mind the successful implementation of our strategy to date, we left its core largely unchanged during the revision process. We did, however, adapt the strategy for the years 2015–2017 to the changing business environment because the pressure of competition in our industry has increased sharply in recent times. From a strategic perspective it is therefore vitally important for us to position Hannover Re in the market such that we can succeed in this more challenging business environment. In so doing, we should not only look at the necessary short-term success, but also need to recognise the importance of sustainability in our performance over the medium and long term. This was the primary consideration in framing our vision for the coming strategy cycle as “Long-term success in a competitive business”. We have updated the Sustainability Strategy on the basis of a materiality analysis.

As a leading player in the reinsurance industry, our commercial success is crucially dependent on the correct assessment of current and emerging risks. In the process of evaluating such risks, we find ourselves confronted today with increasing complexity due to the growing importance of various aspects of sustainability. These have included of late not only the proliferation of geopolitical and economic uncertainties, but also developments such as shifting demographics, changing human mobility patterns, increasingly widespread digitalisation and the resulting cyber risks as well as climate changes and the associated debates in relation to food and water security. Some of these considerations have direct strategic and operational relevance to reinsurance products and our investments.

In light of the changing challenges facing society, we are increasingly offering solutions to protect against new economic, social and environmental risks. With a view to creating incentives for reducing greenhouse gases and energy consumption, Hannover Re has been working for some years now with its partners to offer an “Energy Savings Protect” programme. Our company was recognised with a number of honours for this product in 2015, including the enercity Energy Efficiency Award. In the year under review we further expanded our range of reinsurance solutions designed to alleviate the financial strains caused by climate-related crop damage, including for example microinsurance products and covers for agricultural risks. We are thereby taking targeted action in response to changing global risk structures and are playing a major role in increasing insurance penetration, including in developing and emerging markets. As far as the management of our investments is concerned, we intend to be guided even more closely by sustainability criteria going forward.

Hannover Re also promotes economic and at the same time sustainable action when it comes to avoiding adverse environmental impacts. We are taking steps to reduce CO<sub>2</sub> emissions, among other things by changing over to renewable energy sources for the supply of electricity and heating to our premises. We take our responsibility to society very seriously and our engagement spans the globe.

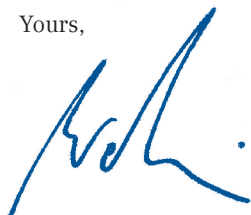
Along with the health and well-being of our 2,500 staff, their skills and dedication as well as a high level of diversity are key factors in the success of our business operations. A comprehensive approach to managing preventive healthcare coupled with the international expansion of our further training opportunities for specialist employees and managers alike ensure that we keep moving forward. We consider the education of young people to be a core task of society, and it is one in which we continue to play an active part.

Economic, environmental and social sustainability thus forms the cornerstone of our Group’s continued stable business development and is crucial to the expansion of our position as one of the leading and most profitable globally operating reinsurers.

In the present GRI Report 2014 we would like to update you on the latest developments, our sustainability goals and measures and our progress. As in the previous years, the GRI Report is based upon the internationally recognised guidelines of the Global Reporting Initiative (GRI G3.1).

I would like to thank you most sincerely for your interest and would welcome your engagement in a dialogue with us.

Yours,

A handwritten signature in blue ink, appearing to read 'U. Wallin', with a small dot at the end.

Ulrich Wallin  
Chairman of the Executive Board

## Executive Board of Hannover Re



### **Claude Chèvre**

Life & Health Reinsurance

- Africa, Asia, Australia/New Zealand, Latin America, Western and Southern Europe
- Longevity Solutions

### **Dr. Klaus Müller**

Life & Health Reinsurance

- United Kingdom/ Ireland, North America, Northern, Eastern and Central Europe

### **Ulrich Wallin**

**Chairman**

Business Opportunity Management  
Compliance  
Controlling  
Human Resources Management  
Internal Auditing  
Risk Management  
Corporate Development  
Corporate Communications

### **Roland Vogel**

Finance and Accounting  
Information Technology  
Investment and Collateral Management  
Facility Management





**Dr. Michael Pickel**

Group Legal Services  
 Run-Off Solutions  
 Target Markets in Property &  
 Casualty Reinsurance:

- North America
- Continental Europe

**Sven Althoff**

Specialty Lines Worldwide

- Marine
- Aviation
- Credit, Surety and Political Risks
- United Kingdom, Ireland, London Market and Direct Business
- Facultative Reinsurance

**Jürgen Gräber**

Global Reinsurance

- Worldwide Treaty Reinsurance
- Catastrophe XL (Cat XL)
- Structured Reinsurance and Insurance-Linked Securities

Coordination of Property & Casualty Reinsurance  
 Business Group  
 Quotations  
 Retrocessions

# Our vision: Long-term success in a competitive business



## 1 We have ambitious profit and growth targets

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

## 2 We are a preferred business partner

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

## 3 We aim for successful employees

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

## 4 We strive for an optimal balance between stability and yield of our investments

- Achieve the target return – risk-free interest rate plus cost of capital

## 5 We manage risks actively

- Ensure protection of capital through quantitative risk management
- Ensure protection of capital through qualitative risk management

**6** We maintain an adequate level of capitalisation

- Ensure that requirements for equity resources (economic capital model, solvency regulations, etc.) are met
- Optimise the overall cost of capital

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

- Ensure a lower expense ratio than our competitors

**8** We use information technology to achieve a competitive advantage

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

**9** We are committed to sustainability, integrity and compliance

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

**10** We strive for Performance Excellence and continuous improvement

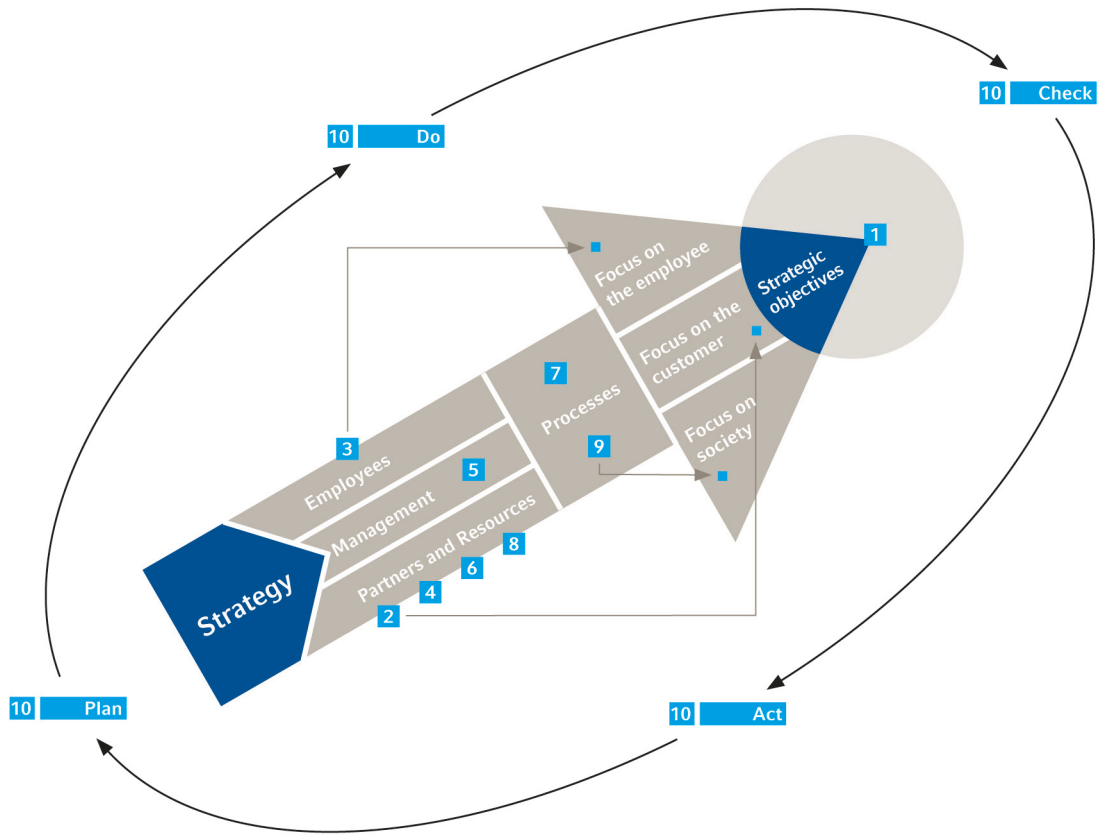
- Ensure the rigorous derivation of strategic objectives across all areas of the company

# Our strategy in practice








Our strategy encompasses ten strategic principles for ensuring the realisation of our vision “Long-term success in a competitive business” across business units. We implement the strategy in accordance with our holistic management system Performance Excellence 2.0.


This forward-looking management system is based on the Excellence Model of the EFQM (European Foundation for Quality Management) and has a clear strategic focus: each organisational unit of the Hannover Re Group defines its own contribution to the Group strategy with the aid of the internal Strategy Guide and our Strategy Cockpit tool. In this way, we ensure that all initiatives and activities within Hannover Re are rigorously linked to the corporate strategy.











# Review of the goals and measures of our Sustainability Strategy 2012–2014


The goals and measures defined under our Sustainability Strategy 2012–2014 complemented and/or specified in greater detail the objectives set out in our Group Strategy. All our goals were systematically pursued in the last strategy cycle. In the context of the strategy review carried out in the 2014 financial year we made a final assessment of our progress and we carried over goals that had not yet been achieved to the new Sustainability Strategy 2015–2017.

Our goals	Our measures and results	Fulfilment
<b>Action field 1 – Governance and dialogue</b>		
We report on our sustainability activities regularly, transparently and in line with customary industry standards.	Since the 2011 financial year we have reported annually on our approach and our efforts as a responsible company in the form of a GRI report. In this context we are guided by the standards of the Global Reporting Initiative (GRI G3.1) and the medium transparency requirements (Application Level B).	
In terms of our sustainability efforts, we rank among the leading companies in our industry (oekom research Prime Status).	On the basis of the publication of our GRI Report on the 2011 financial year we were included by the rating agency oekom research AG in its "oekom Prime Universe" and have been listed there since that time. Hannover Re therefore ranks among the leading companies in the insurance industry that meet oekom's sector-specific minimum requirements.	
Our standing and reputation have improved	On the basis of the publication of our GRI Report on the 2011 financial year we were included by the rating agency oekom research AG in its "oekom Prime Universe" and have been listed there since that time. Hannover Re therefore ranks among the leading companies in the insurance industry that meet oekom's sector-specific minimum requirements. In addition, in 2014 we were added to the global FTSE4Good Index Series. In the context of the stakeholder survey conducted in 2013 we also received predominantly positive feedback on our performance as a responsible company. All this shows that our approach and our efforts are appreciated.	
We are included in the leading global sustainability indices, and investors perceive us as a sustainable investment.	In September 2014 we were added to the global FTSE4Good Index Series.	
<b>Action field 2 – Product responsibility</b>		
We incorporate environmental, social and governance (ESG) criteria into the management of our investments.	Our investment policy is geared to the generation of stable and risk-commensurate returns while at the same time safeguarding liquidity and solvency. In so doing, we ensure high diversification of risks and limit currency exposures and maturity risks through matching currencies and maturities. In addition, we incorporate environmental, social and governance (ESG) criteria into our investment policy. This is guided in particular by the ten principles of the United Nations Global Compact, i.e. it reflects values relating to human rights, working conditions, the environment and anti-corruption. Our investments are reviewed half-yearly with an eye to compliance with these ESG criteria. Exclusion from our investment universe is provided for in the event of failure to comply with the criteria. Furthermore, investments in correspondingly identified securities are also prospectively avoided.	

 goal achieved

 we continue to work towards this goal

Our goals	Our measures and results	Fulfilment
We design and develop our product range in light of sustainability criteria.	This goal involves an ongoing process. We have therefore carried our aspiration over to the new Sustainability Strategy 2015–2017 within the Product Responsibility action field under the goal “Development and expansion of “sustainable” products”. We report on our activities in this regard as part of the annually published GRI Report.	
	We motivate our clients to engage more closely with the issue of sustainability and we support them with the development of their sustainability offerings.	
	We aim to expand our business activities in the area of covers for agricultural risks and in the field of microinsurance beyond our existing involvement.	
<b>Action field 3 – Successful employees</b>		
We systematically encourage talented young staff through targeted support measures.	Our wide-ranging (further) training programmes are open to all employees. On average each member of staff within the Group received 3.3 days of training in 2014. In the area of vocational qualifications we offer young people the opportunity each year to obtain a “Bachelor of Arts” degree in business administration with an insurance concentration or to study for a “Bachelor of Science” in business information technology under an integrated degree programme.	
We promote the compatibility of career and personal life for our employees.	We offer flexible working-time arrangements that facilitate a balance between work and leisure. At our Hannover location we also operate our own crèche.	
<b>Action field 4 – Procurement and environmental protection</b>		
Our major suppliers have been evaluated and are in compliance with our environmental and social standards.	This goal involves an ongoing process. We have therefore carried our aspiration over to the new Sustainability Strategy 2015–2017 within the Environment and Society action field under the goal “100% of relevant suppliers are measured by environmental and social standards”. We report on our activities in this regard as part of the annually published GRI Report.	
Concretely defined goals and measures for climate conservation.	Our Environmental Management System implemented in 2012 in accordance with DIN EN ISO 14001 has since been successfully recertified each year. In this connection we have evaluated the direct and indirect environmental aspects of our business activities with an eye to their significance and our ability to influence them, and on this basis we have developed targeted measures to reduce CO <sub>2</sub> emissions from our business operations. We report on our activities in this regard as part of the annually published GRI Report and in the context of the Carbon Disclosure Project (CDP).	
We have reduced our emissions and are on track to be carbon-neutral by 2015.	This goal involves an ongoing process. We have therefore carried our aspiration over to the new Sustainability Strategy 2015–2017 within the Environment and Society action field under the goal “Ongoing reduction of CO <sub>2</sub> emissions as well as carbon neutrality at the Hannover Home Office by 2015”. We report on our activities in this regard as part of the annually published GRI Report and in the context of the Carbon Disclosure Project (CDP).	
<b>Action field 5 – Social commitment</b>		
Transparent communication of spending on donations and sponsorship.	This goal involves an ongoing process. We have therefore carried our aspiration over to the new Sustainability Strategy 2015–2017 within the Environment and Society action field under the goal “Group-wide guidelines and recording of social activities”. We report on our activities in this regard as part of the annually published GRI Report.	

 goal achieved

 we continue to work towards this goal

# Our Sustainability Strategy 2015 – 2017

## Strategic approach and action fields

As a leading player in the reinsurance industry, our goal is to achieve economic success while at the same time acting in accordance with the needs of our staff and the company and giving due consideration to conservation of the environment and natural resources. In the operational process of assessing risks we are similarly 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.

With the adoption of our Sustainability Strategy and its refinement in the year under review, we have set ourselves concrete sustainability goals and measures with a view to tackling these challenges. In accordance with our Group Strategy, we have defined our four most important action fields: Governance and dialogue, Product responsibility, Employees, Environment and society.

### Our action fields

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This was based upon an internal materiality analysis. In several workshops held with the participation of representatives from all relevant specialist areas and led by an external consultancy service provider, we identified the key topics for Hannover Re in the value creation chain, compulsory and voluntary standards as well as long-term trends. We then weighted the topics using an evaluation tool in order to determine materiality. These topics were then reviewed with an eye to any associated need for action and grouped together into four action fields; goals and measures for the achievement of these goals were then drawn up.

### Governance and dialogue

We are committed to responsible and transparent enterprise management geared to the long-term profitability of the company. In this context, we strive for an active, ongoing dialogue with our stakeholders, whose trust is a vital prerequisite for our entrepreneurial success.

The considerable importance attached to the topic of sustainability is also reflected in the assignment of the associated responsibility within the undertaking. The company's Executive Board jointly takes responsibility for and tracks implementation of the Sustainability Strategy. The German Corporate Governance Code and the Corporate Governance Principles were adopted by our company for the basis for our responsible action. We expect our staff and especially our managers to act in systematic compliance with our Code of Conduct, which is applicable worldwide. With our high ethical and social standards we ensure – not only in the context of our company's strategic orientation but also in day-to-day business – integrity in dealings with our business partners, fellow members of staff, shareholders and the public at large.

### Product responsibility

Our range of reinsurance products and services is geared to the needs of the market and our clients. In response to changing social challenges, we are increasingly offering solutions to protect against emerging economic, social and environmental risks. We attach special importance to protecting against risks that result from climate change as well as to insurance coverage for social deprived groups.



Responsible management of our investments is a high priority for us. In the interests of our customers and shareholders, our investment strategy is designed to generate a commensurate market return. This is achieved in the context of our Sustainability Strategy by incorporating environmental, social and governance (ESG) criteria into our investment policy.

### **Employees**

Given that our employees are absolutely crucial to the success of our company, we have defined strategic principles for our human resources management. In order to ensure that we are always perceived as an attractive employer by our existing staff and potential new junior recruits, we pay special attention to their skills and further growth. To this end we offer our employees the best possible general working conditions and we support them in both their professional and personal development.

The health and wellness of our employees is an essential prerequisite for the sustainable development of our business and for safeguarding our high quality standards. Hannover Re's in-house physicians advise employees on matters of health protection and health promotion. The focus is on the prevention of sickness and disease, 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 the skills and dedication of our workforce, its considerable diversity is one of the cornerstones of our successful business activities. This diversity safeguards our high global quality standard.

### **Environment and society**

We take our responsibility to the environment and the social sphere in which we operate very seriously and are actively engaged worldwide.

The focus of our efforts to conserve the environment is on reducing CO<sub>2</sub> emissions associated with the supply of electricity and heating to our premises as well as with our business travel. In addition, we make every effort to ensure the economical and resource-saving use of materials and raw materials such as paper and water at our offices. In our procurement activities we pay close attention to compliance with social and environmental standards when selecting products or choosing suppliers. Our social engagement extends beyond our location in Germany to our international subsidiaries with their specific projects catering to social concerns in their own country. Content-wise, our support is concentrated on the areas of research, learning and art as well as on assisting our employees with their voluntary contributions to society.

## Our sustainability goals for 2015–2017

The goals defined under our Sustainability Strategy complement and/or specify in greater detail the 10 objectives set out in our Group Strategy – especially the ninth objective: “We are committed to sustainability, integrity and compliance”.

Governance and dialogue	<b>Compliance</b>	
	<b>Goal: Expansion of compliance concepts and guidelines in relation to specific topics</b>	
	Measures	Extension of compliance requirements in IT Expansion of the international compliance network
	<b>Responsible, value-based enterprise management</b>	
	<b>Goal: Value creation for our shareholders</b>	
	Measures	Our goals and performance indicators for value-based enterprise management are set out as part of our Group Strategy.
	<b>Goal: Attractive investment for sustainability-minded investor groups</b>	
	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
	<b>Transparency and disclosure</b>	
	<b>Goal: Expansion of reporting on sustainability issues</b>	
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	
<b>Goal: Purposeful stakeholder dialogue</b>		
Measures	Systematic expansion of the stakeholder dialogue, e.g. with investors practising Socially Responsible Investment (SRI) through participation in SRI conferences and road shows, with rating agencies and by means of regular stakeholder surveys. Compilation of a fact sheet on sustainability at Hannover Re	
Product responsibility	<b>Customer orientation / satisfaction</b>	
	<b>Goal: Step up our dialogue with customers</b>	
	Measures	Expand avenues for international dialogue
	<b>Sustainable insurance solutions</b>	
	<b>Goal: Development and expansion of “sustainable” products</b>	
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

### Health management

#### Goal: Preserve and restore the performance capability of our staff of employees' achievement potential

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 Reintegration 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 surveys on employee satisfaction

### Diversity

#### Goal: Promotion of 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 for managers
	Expansion of the care services provided for employees' children at the company's crèche

### Environmental protection

#### Goal: Ongoing reduction of CO<sub>2</sub> 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

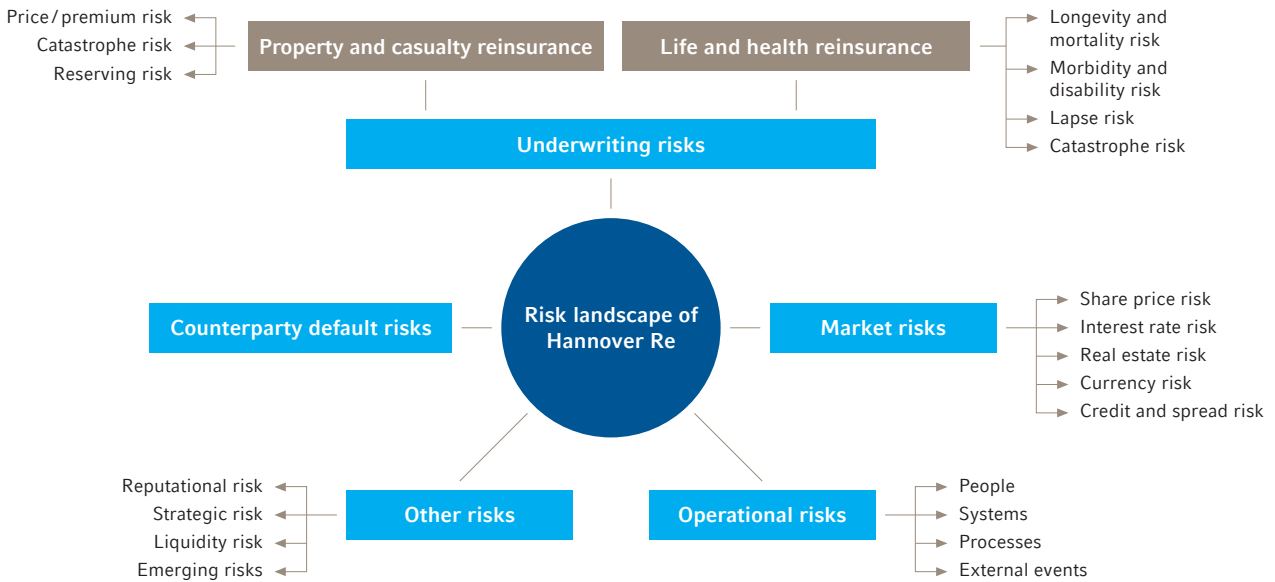
Measures	Review and refine uniform Group-wide guidelines for donations and sponsorship ("Social Activity Guidelines")
	Group-wide recording of donations and sponsorship activities

GRI Indicator	Information from Hannover Re	Further Details
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## 1. Strategy and Analysis

<p><b>1.1</b> Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and its strategy</p>	<p>The statement by the Executive Board on the relevance of sustainability to Hannover Re is provided in the Chief Executive Officer's foreword (p. 6) to this GRI Report.</p>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Strategy and management</p>
<p><b>1.2</b> Description of key impacts, risks and opportunities</p>	<p>In the context of its business activities Hannover Re ensures that people or businesses have reliable and long-term protection against various risks.</p> <p>Risk management is of crucial importance in this regard. Hannover Re's expertise in appropriately evaluating risks is correspondingly strong. The parameters and decisions of the Executive Board with respect to the risk appetite of the Hannover Re Group, which are based on calculations of the company's risk-bearing capacity, are fundamental to the acceptance of risks. Through our business operations on all continents and the diversification between our Property &amp; Casualty and Life &amp; Health reinsurance business groups we are able to effectively allocate our capital in light of opportunity and risk considerations and generate a higher-than-average return on equity.</p> <p>The risk landscape of Hannover Re encompasses:</p> <ul style="list-style-type: none"> <li>• underwriting risks in property &amp; casualty and life &amp; health reinsurance which originate from our business activities and manifest themselves inter alia in fluctuations in loss estimates as well as in unexpected catastrophes and changes in biometric factors such as mortality,</li> <li>• market risks which arise in connection with our investments and also as a consequence of the valuation of sometimes long-term payment obligations associated with the underwriting business,</li> <li>• counterparty default risks resulting from our diverse business relationships and payment obligations inter alia with clients and retrocessionaires,</li> <li>• operational risks which may derive, for example, from deficient processes or systems and</li> <li>• other risks, such as reputational and liquidity risks.</li> </ul>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Business &gt; Opportunities and risks</p>  <p>Opportunity and risk report in the Group Annual Report p. 74–100</p> <p>Group Strategy</p> <p>Sustainability Strategy</p> <p>Federal Financial Supervisory Authority (BaFin) <a href="http://www.bafin.de/EN">www.bafin.de/EN</a></p>

**Risk landscape of Hannover Re**



We make a fundamental distinction between risks that result from business operations of past years (reserving risk) and those stemming from activities in the current or future years.

As far as the other risks are concerned, emerging risks play a particularly important role because the content of such risks cannot be reliably assessed with respect to our portfolio of underwriting business. It is therefore vital to detect these risks at an early stage and then determine their relevance. Emerging risks include, among others, risks arising out of the formation of large cities and urban conurbations – so-called megacities – as well as risks associated with pandemics, the use of nanotechnology and increasingly widespread digitalisation/cyber crime. For the purpose of early detection we have developed an efficient process that spans divisions and lines of business and we have ensured its linkage to risk management. Operational implementation is handled by an expert working group assembled specially for this task. By way of example, risks that may arise out of aspects of climate change are analysed by this working group. Megatrends such as climate change and the growth of emerging markets have twofold implications for business: on the one hand, they can generate greater demand for reinsurance solutions, while on the other hand the potential risk assumed – above all the catastrophe risk – can lead to a greater financial burden for Hannover Re.



Hannover Re pursues the goal of integrated opportunity and risk management in order to generate sustainable growth and strengthen the company's profitable development. Of significance here is the interplay without overlaps between the various functions within opportunity and risk management, which is ensured by interfaces.

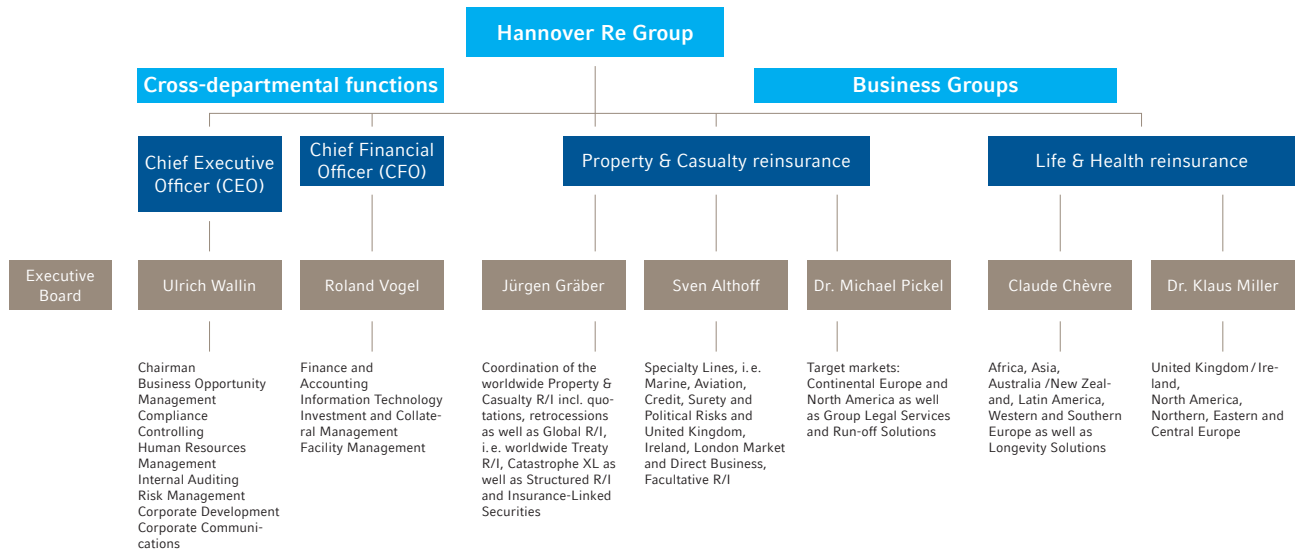
Key elements in Hannover Re's opportunity management include its various market-specific innovations in the Life & Health and Property & Casualty reinsurance business groups. What is more, innovative and creative ideas are generated by our employees. If they can be successfully translated into additional profitable premium volume, such ideas are financially rewarded. Further elements are the "Future Radar" initiative and the working group on "Emerging Risks and Scientific Affairs". Not only that, Hannover Re has set up a stand-alone organisational unit for "Business Opportunity Management". This service unit focuses exclusively and systematically on ideas and opportunities and it concentrates its activities on generating additional premium volume with profit potential. In this context, among other things, ideas for business opportunities are refined and optimal framework conditions for fresh commercial ideas are put in place.

The "Future Radar" initiative, the members of which cut across divisions and hierarchies, picks up on a broad range of topics and arrives at initial business approaches. The working group is tasked with evaluating trends and issues of the future. This includes, for example, increasing fluctuations in the weather, obstacles to the turnaround in energy policy, greater scarcity of resources, developments in the health market or cyber crime.

A stable financial market is of vital importance both for sustainable development globally and for us as a listed company. Of greatest significance in the period under review was the agreement reached in November 2013 on the implementation of Solvency II effective 1 January 2016. The Solvency II Framework Directive is primarily intended to strengthen protection for insureds, establish uniform standards of competition in the insurance sector of the Single European Market and hence assure broadly consistent regulatory practice in Europe. At Hannover Re we have long practised a risk-based, value-based management approach of the type called for by regulators under Solvency II and we began to prepare for the requirements of Solvency II at an early stage. Our internal capitalisation targets are far higher than the regulatory standards, and Hannover Re is therefore well placed for the capital requirements that will exist under Solvency II. We can also apply the know-how gained from development of our internal capital model, which was approved by the Federal Financial Supervisory Authority (BaFin) in August 2015, to the design of bespoke reinsurance solutions for primary insurers.

We publish detailed information on strategic objectives, governance mechanisms and approaches adopted in our management of opportunities and risks in the opportunity and risk report contained in the Group Annual Report.

GRI Indicator	Information from Hannover Re	Further Details
<b>2. Organisational Profile</b>		
<b>2.1</b> Name of the organisation	The company operates under the name Hannover Rück SE.	
<b>2.2</b> Primary brands, products, and/or services	<p>With gross premium of around EUR 14.4 billion, Hannover Re is the third-largest reinsurer in the world. It transacts all lines of property &amp; casualty and life &amp; health reinsurance. The Group's German business is written exclusively by the subsidiary E+S Rückversicherung AG.</p> <p>Of the gross premium totalling EUR 14.4 billion written in 2014, 55% was attributable to property and casualty reinsurance and 45% to life and health reinsurance.</p> <p>Through the acceptance of largely uncorrelated reinsurance risks by our Property &amp; Casualty and Life &amp; Health reinsurance business groups in all lines of business and based on our global presence, we are able to achieve efficient risk diversification. In conjunction with our capital management, this is the key to our comparatively low cost of capital.</p> <p>Reflecting the areas of Board responsibility, property and casualty reinsurance is split into the following three subsegments<sup>1</sup>:</p> <ol style="list-style-type: none"> <li>1. target markets, which we have defined as Continental Europe and North America,</li> <li>2. specialty lines, i. e. marine, aviation, credit, surety and political risks, facultative reinsurance as well as the United Kingdom, Ireland, the London Market and direct business,</li> <li>3. global reinsurance, i. e. treaty reinsurance worldwide, natural catastrophe business as well as structured reinsurance and insurance-linked securities (ILS).</li> </ol> <p>Since 2012 we have split our life and health reinsurance business into financial solutions and risk solutions, with risk solutions further differentiated according to the risk types longevity, mortality and morbidity.</p> <p><sup>1</sup> Valid from 1 August 2014</p>	 <p>Group Annual Report, front inside cover flap and page 21 et seq.</p>
<b>2.3</b> Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	<p>The Hannover Re Group is organised according to strategic business groups, i. e. split into Property &amp; Casualty and Life &amp; Health reinsurance.</p> <p>In addition to the regional and treaty divisions, major areas that should be mentioned are Business Opportunity Management and Risk Management, Controlling, Finance and Accounting, Information Technology, Investments, Human Resources, Group Legal Services and Compliance, Group Auditing, Corporate Development, Corporate Communications and Facilities Management.</p> <p>Hannover Rück SE has a worldwide presence encompassing more than 120 subsidiaries, branches and representative offices with a total workforce of 2,534 (valid: 31 December 2014).</p>	 <p>Group Annual Report p. 6 et seq. and p. 101 et seq.</p>

Our operational Group structure<sup>1</sup>

<sup>1</sup> Valid from 1 August 2014. RI = Reinsurance

## 2.4 Location of organisation's headquarters

Hannover, Germany

## 2.5 Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report

Hannover Re is present in 22 countries on all continents with representative offices and subsidiaries. In addition to the headquarters in Hannover (50.9% of the workforce), major operations are in the United States (11.2% of the workforce), the United Kingdom (7.9% of the workforce) and South Africa (6.5% of the workforce).

The sustainability issues covered in this GRI Report refer, unless otherwise indicated, to the business operations of Hannover Re in Germany.



Group Annual Report, map on the front inside cover flap and p. 65 et seq.

## 2.6 Nature of ownership and legal form

Hannover Re is a European Company (SE) with its registered office in Germany. 50.2% of the altogether 120,597,134 outstanding shares of Hannover Re are held by Talanx AG.

The shareholding of private investors increased slightly year-on-year by 0.5 percentage points to 8.3%. The proportionate holding of institutional investors, on the other hand, decreased to 41.5% (valid: 31 December 2014).

Talanx AG, the long-standing principal shareholder of Hannover Re, is also a listed company; the majority of its shares are currently held by "Haftpflichtverband der deutschen Industrie" (HDI), a mutual insurance company whose long-term orientation contributes to attainment of our goal of sustainable value creation.



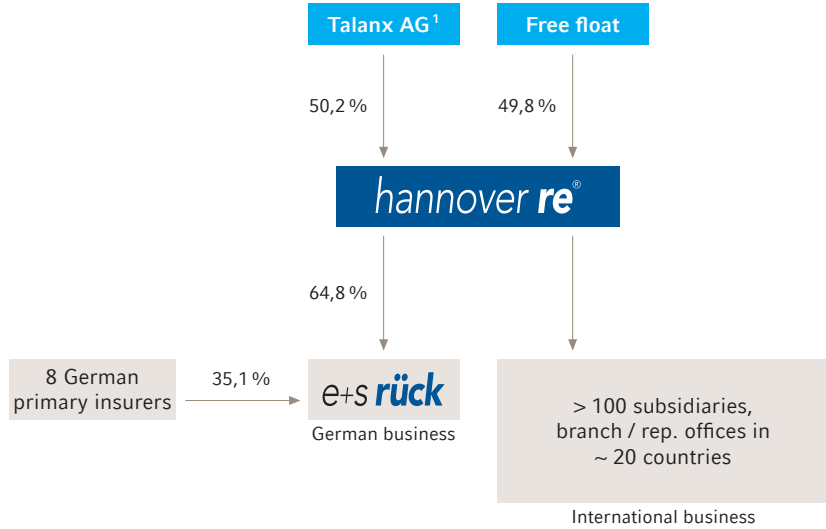
[www.hannover-re.com](http://www.hannover-re.com)  
> Investors > Share  
> Shareholder Structure



Group Annual Report  
p. 10 et seq.










**Shareholder Structure**



<sup>1</sup> 1 Majority owner HDI V.a.G. with 79.0%




<p><b>2.7</b> Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)</p>	<p>Information on the markets and sectors served by Hannover Re is provided under Disclosure 2.2 of this GRI Report and in our Group Annual Report.</p> <p>Our clients in the Property &amp; Casualty reinsurance business group are primary insurers and reinsurers. Clients in the Life &amp; Health reinsurance business group include not only life and health insurers but also banks, sales companies and pension funds.</p>	<p> Group Annual Report p. 30 et seq.</p>
<p><b>2.8</b> Scale of the reporting organisation, including (as appropriate by region):</p> <ul style="list-style-type: none"> <li>• Number of employees</li> <li>• Number of operations</li> <li>• Net sales</li> <li>• Total capitalisation</li> <li>• Quantity of products or services provided</li> </ul>	<p>Hannover Re employs a workforce of altogether 2,534 (valid: 31 December 2014), thereof 1,289 (50.9%) in Germany, 407 (16.1%) in the rest of Europe (incl. the United Kingdom with 200 employees) and 285 (11.3%) in the United States. Detailed information can be obtained from the Indicators for the Category “Labour Practices and Decent Work” in this GRI Report.</p> <p>The gross premium written by Hannover Re increased in 2014 by 2.9% to around EUR 14.4 billion (previous year: EUR 14.0 billion). Net premium earned climbed by 1.6% to EUR 12.4 billion (EUR 12.2 billion). The balance sheet total (corresponding to the definition of “total capitalisation” as per GRI) of Hannover Re for the 2014 financial year amounted to EUR 60.5 billion, thereof EUR 52.2 billion as liabilities and EUR 8.3 billion as shareholders’ equity. The market capitalisation as at year-end 2014 stood at EUR 9.0 billion.</p> <p>Hannover Re offers all standard treaty types, such as obligatory, facultative and excess of loss covers. The total number of services that we offer cannot be specified owing to the highly complex, specialised and in some cases individually tailored contractual arrangements.</p>	<p> Group Annual Report p. 64; p. 138 et seq.; 244 et seq.</p> <p>Company Portrait on p. 2 of this GRI Report</p>




GRI Indicator	Information from Hannover Re	Further Details
<p><b>2.9</b> Significant changes during the reporting period regarding size, structure, or ownership</p>	<p>Significant changes in the structure of the Hannover Re Group are set out in the Group Annual Report 2014. These include major acquisitions and new formations, major disposals and retirements as well as other corporate changes.</p>	<p> Group Annual Report p. 172</p> <p>Group Annual Report p. 10</p>
<p><b>2.10</b> Awards received in the reporting period</p>	<p>In 2014 and 2015 Hannover Re was again the recipient of multiple awards:</p> <p>The “Reactions London Market Awards 2015” recently named Hannover Re “Reinsurance Company of the Year”. Our Chief Executive Officer Ulrich Wallin was honoured as “Reassurance CEO of the Year” in recognition of his achievements. Reactions also awarded the title of Best Colombia Reinsurer to Hannover Re this year.</p> <p>Hannover Re had already been honoured in the year under review by the “Reactions Latin America Awards 2014” as “Best Argentina Reinsurer” and as “Best Reinsurer in the rest of South America (including Peru, Ecuador, Bolivia, Uruguay and Paraguay)”.</p> <p>Hannover Re was named “Best Reinsurer for Client Service” in the “Middle East Insurance Industry Awards 2014”.</p> <p>At the “International Takaful Awards 2014” Hannover Re ranked among the winners as “Best Retakaful Company”. Mahomed Akoob, Managing Director of Hannover Re Takaful B.S.C., Bahrain, was crowned “CEO of the Year”.</p> <p>The “Flaspöhler US Surveys” alternate annually between surveys of brokers and ceding companies. In the 2014 broker survey Hannover Re achieved the outstanding rating of “Best reinsurer overall “ for the sixth consecutive time. In the Flaspöhler Surveys North America and Latin America Life 2013 Hannover Re’s life and health reinsurance operations placed it in the top three in the category of “Best reinsurer overall”.</p> <p>In 2015 Hannover Re was honoured with the enercity Energy Efficiency Award for the “Energie Einspar Protect” (EEP) product, which it developed jointly with b2b Protect GmbH. This prize is awarded to companies’ business models, services and products that have the potential to help the turnaround in German energy policy succeed. The “Energie Einspar Protect” (EEP) solution creates incentives to invest in energy-saving technologies and energy-efficient products. In this connection Hannover Re covers the energy savings warranties given to customers by energy service providers. In addition to the enercity Energy Efficiency Award, Hannover Re was also the recipient of the German energy efficiency prize PERPETUUM 2015 from the Deutsche Unternehmensinitiative Energieeffizienz e. V. (DENEFF) and of the inscom innovation award from .msg in recognition of the “Energie Einspar Protect” product.</p>	<p> Flaspöhler Research Group www.frssurveys.com</p> <p>Insurance Insider www.insuranceinsider.com</p>

GRI Indicator	Information from Hannover Re	Further Details
<b>3. Report Parameters</b>		
<b>3.1</b> Reporting period for information provided	<p>The reporting period for this sustainability report ("GRI Report") published by Hannover Re is the 2014 financial year (1 January to 31 December 2014). For selected criteria comparative figures from prior years are available.</p> <p>The editorial deadline for the Hannover Re GRI Report was in the third quarter of 2015. Significant developments in 2015 have therefore already been taken into account and disclosed accordingly.</p>	
<b>3.2</b> Date of most recent previous report (if any)	<p>Hannover Re's most recent Sustainability Report was published in October 2014. Further information on the topic of sustainability is published at shorter intervals on the company's website and regularly in its Group Annual Report.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability</p> <p> Group Annual Report p. 67 et seq.</p>
<b>3.3</b> Reporting cycle	Annual	
<b>3.4</b> Contact point for questions regarding the report or its contents	<p>Karl Steinle, General Manager Corporate Communications Tel. +49 511 5604-1500 <a href="mailto:karl.steinle@hannover-re.com">karl.steinle@hannover-re.com</a></p> <p>Julia Hartmann, Senior Investor Relations Manager Tel. +49 511 5604-1529 <a href="mailto:julia.hartmann@hannover-re.com">julia.hartmann@hannover-re.com</a></p> <p>Lea Stoffers Tel. +49 511 5604-1725 <a href="mailto:lea.stoffers@hannover-re.com">lea.stoffers@hannover-re.com</a></p>	<p> GRI Report, Contact Information</p>
<b>3.5</b> Process for defining report content	<p>The present Sustainability Report reflects the issues and challenges of sustainable development that are material to our company. It takes into account the requirements of stakeholders who are of major significance to Hannover Re. The underlying principles on which the report is based are materiality, the inclusion of stakeholders, the sustainability context and comprehensiveness.</p> <p>A materiality analysis was carried out in the last financial year in order to identify material issues for Hannover Re.</p> <p>A stakeholder survey conducted in 2013 explored issues, expectations, suggestions and points of criticism among stakeholders with respect to the company's sustainability performance. The participants were made up of representatives of the capital market, clients, staff, NGOs and public sector employees. These findings were also incorporated into the present report.</p>	<p> Global Reporting Initiative (GRI) <a href="http://www.globalreporting.org">www.globalreporting.org</a></p> <p> Information on the stakeholder dialogue: GRI Report p. 35 et seq.</p> <p>Sustainability Strategy</p>
<b>3.6</b> Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	<p>The present GRI Report 2014 published by Hannover Re covers, unless otherwise indicated, the activities of Hannover Re in Germany (more than 50% of the Group as a whole).</p> <p>In the case of selected Management Approaches and Performance Indicators, the scope of consolidation is extended to include non-German representative offices and subsidiaries or the entire Group. This is indicated where applicable.</p> <p>Over the long term, Hannover Re strives to extend the boundary of the report.</p>	

GRI Indicator	Information from Hannover Re	Further Details
<p><b>3.7</b> Limitations on the scope or boundary of the report</p>	<p>In this GRI Report and on the company website Hannover Re reports on the relevant product-related, economic, ecological and social impacts of the company on its stakeholders and the environment. Please see Indicator 3.6 with regard to any limitations on the scope or boundary of the report.</p> <p>Hannover Re's business operations involve the provision of services. Consequently, we do not report on GRI Standard Disclosures that are exclusively product-related.</p>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability</p>
<p><b>3.8</b> Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations</p>	<p>Mention of additional information on subsidiaries is, as described under 3.6, explained accordingly.</p>	
<p><b>3.9</b> Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report</p>	<p>In order to compile this GRI Report we used internally collected data from various departments as well as the consumption data taken from the bills provided by our electricity and district heat suppliers.</p> <p>With regard to the calculation of our CO<sub>2</sub> emissions from business travel, we adopt the calculation methods used by our carbon offset service providers "atmosfair" and "Deutsche Bahn AG".</p> <p>For the purpose of calculating the CO<sub>2</sub> savings achieved through the use of videoconferences, we draw on data from our service provider "Tata Communications" as well as in-house calculations and estimates made on the basis of this data.</p>	
<p><b>3.10</b> Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement</p>	<p>The presentation of information in the GRI Report 2014 has not changed in comparison with the previous year.</p>	
<p><b>3.11</b> Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report</p>	<p>Any significant changes in the scope, boundary or measurement methods applied are noted at the appropriate point in the report.</p>	
<p><b>3.12</b> GRI Content Index</p>	<p>The present report is structured in accordance with the GRI Content Index.</p>	
<p><b>3.13</b> External assurance for the report</p>	<p>This report has not been externally assured.</p>	

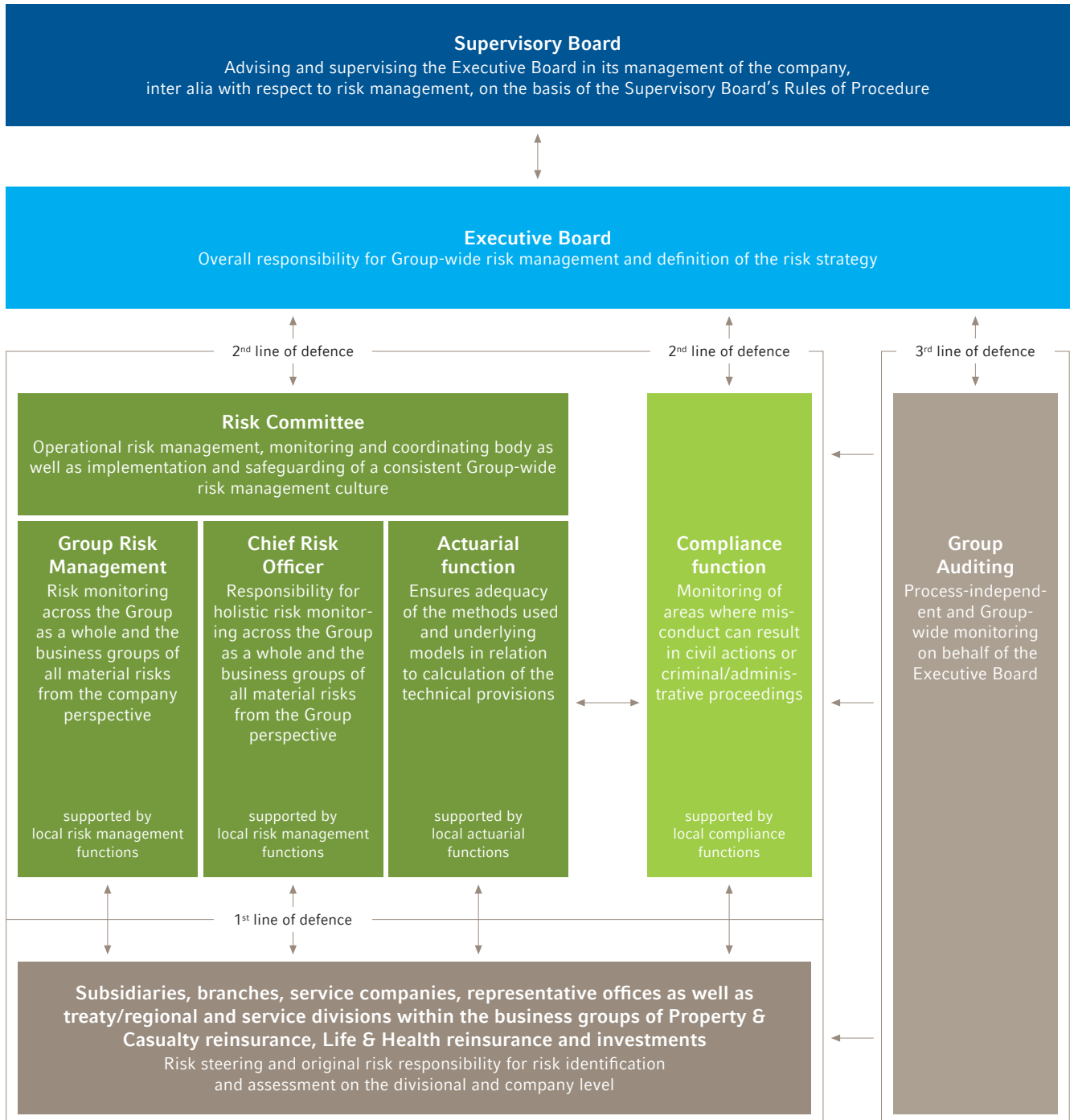
#### 4. Governance, Commitments and Engagement

<p><b>4.1</b> Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight</p>	<p>As a listed European joint-stock company (SE) based in Hannover, Hannover Re is subject to SE-specific laws – as well as German laws governing stock corporations and the capital market – and laws on co-determination, especially the participation agreement concluded with the employees. The three governance bodies of Executive Board, Supervisory Board and General Meeting make up the governance structure of the organisation. Their cooperation is regulated by law and by the company’s Articles of Association.</p> <p>For detailed information on the composition of the Executive Board and Supervisory Board please see pages 6 et seq. and 243 of the Annual Report 2014 as well as our corporate website. We do not make any breakdown according to age group or belonging to a minority.</p> <p>State-of-the-art Corporate Governance is embodied by Hannover Re as a matter of course. In addition to constant engagement with the changing legal framework, since 2003 we have provided annually a Declaration of Conformity with the German Corporate Governance Code which can be accessed on the company’s website. Furthermore, the Corporate Governance Principles of Hannover Rück SE undergo regular updating and reflect the recommendations contained in the latest version of the German Corporate Governance Code as amended.</p> <p>Responsibility for sustainability rests with the full Executive Board of Hannover Re. Further information on the management of specific sustainability issues can be found in the respective descriptions of the Management Approaches to the GRI Categories in the section of this GRI Report entitled “Management and Performance”.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Group</p> <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Governance and dialogue &gt; Corporate governance</p> <p> Group Annual Report p. 101 et seq.</p> <p>Articles of Association</p> <p>Corporate Governance Principles</p>
<p><b>4.2</b> Indicate whether the Chair of the highest governance body is also an executive officer</p>	<p>In conformity with legal requirements, the Chairman of the Supervisory Board of Hannover Re is not at the same time a member of the Executive Board, i. e. he is not active with the company in an operational role or as a managing director.</p>	
<p><b>4.3</b> For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members</p>	<p>This disclosure is not relevant because Hannover Re has an independent Supervisory Board.</p>	
<p><b>4.4</b> Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body</p>	<p>The shareholders of Hannover Re exercise their right of co-determination at the company’s Annual General Meeting, in particular by appointing the members of the Supervisory Board, ratifying the actions of the Executive Board and Supervisory Board, adopting the resolution on the appropriation of the disposable profit and by exercising their right to ask questions and receive information.</p> <p>The right of employees to have their say within the company is safeguarded by the SE Employee Council, the joint German Employee Council of Hannover Re and E+S Rück and by the three employee representatives on the Supervisory Board elected by this joint Employee Council.</p>	<p> Articles of Association</p> <p>Corporate Governance Principles</p>



GRI Indicator	Information from Hannover Re	Further Details
<p><b>4.5</b> Linkage between compensation for members of the highest governance body, senior managers, and executives</p>	<p>The linkage between the performance of Hannover Re and the compensation of the governance bodies is ensured by a remuneration system with two components: fixed salary/benefits in kind and variable remuneration. The variable remuneration elements have multi-year calculation bases and thereby support the company's sustainable development.</p> <p>Detailed information on the remuneration of the Executive Board, Supervisory Board and senior managers below board level is published in the remuneration report contained in the Group Annual Report 2014.</p>	<p> Remuneration Report in the Group Annual Report p. 105–125</p>
<p><b>4.6</b> Processes in place for the highest governance body to ensure conflicts of interest are avoided</p>	<p>The avoidance of conflicts of interest is ensured by the control mechanisms existing between the three governance bodies as defined by law and the Articles of Association.</p> <p>The members of the Supervisory Board ensure that they have sufficient time available to perform their duties; potential conflicts of interest are avoided. Under the Rules of Procedure of the Supervisory Board members of the Supervisory Board may not have reached the age of 72 at the time of their election. In order to make sure that the Executive Board receives independent advice and supervision from the Supervisory Board, no more than two former members of the Executive Board shall belong to the Supervisory Board. Members of the Supervisory Board may not exercise a governance function or perform advisory tasks at significant competitors of the company.</p>	<p> Articles of Association</p>
<p><b>4.7</b> Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity</p>	<p>The anticipated commitment to sustainable value creation by the company is a central criterion for determining the members of the Supervisory Board and Executive Board.</p> <p>The objectives of Hannover Re's Sustainability Strategy are pursued collectively by all members of the governance bodies.</p> <p>The Supervisory Board consists of nine members. In accordance with legal requirements and the participation agreement, the employees are represented by three members. When selecting the shareholders' candidates who are to be proposed to the General Meeting for election to the Supervisory Board, care is taken to ensure that the persons in question have the necessary knowledge, abilities and professional experience. In addition, consideration is given to the principle of diversity in the selection process.</p> <p>In order to deal with complex matters and depending upon the specific circumstances of the company, the Supervisory Board forms committees within the scope of its Rules of Procedure. These currently consist of the Standing Committee, the Finance and Audit Committee and the Nomination Committee. The relevant necessary professional suitability is determinative in the appointment of committee members.</p>	<p> Group Annual Report p. 65 et seq. and p. 240 et seq.</p>


GRI Indicator	Information from Hannover Re	Further Details
<p><b>4.8</b> Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation</p>	<p>The issue of sustainability is the ninth of ten strategic action fields (“We are committed to sustainability, integrity and compliance”) in our Group Strategy, which was revised in 2014. We have defined our orientation towards sustainability more concretely in our Sustainability Strategy 2015–2017.</p> <p>Compliance with the law is a fundamental prerequisite of our business, for which trust and an immaculate reputation are essential. Hannover Re’s internal Code of Conduct ensures adherence to our high ethical and legal standards. It applies to all members of staff around the world. Compliance with relevant rules and regulations at all our locations and subsidiaries is overseen by local compliance officers or staff members with a compliance function and the local management teams in cooperation with the Compliance Department and Group Legal Services as well as by our unit responsible for managing participating interests and is verified by Group Auditing at regular intervals. Tips can be submitted anonymously through an Internet-based system. In this way, possible instances of misconduct can be reported anonymously and Hannover Re can be assisted with their resolution. In addition, the company is able to take steps to prevent any reoccurrence in the future.</p> <p>Since mid-2012 our Code of Conduct for Suppliers has been in force for large areas of the company at the Hannover location. The Code of Conduct was developed with the support of Group Legal Services by the areas of Facilities Management (FM) and Information Technology (IT). It requires, among other things, compliance with environmental and social standards and forms an integral contractual component in, for example, the tendering and contracting by FM of infrastructure services as well as various construction projects. In addition, existing supplier relationships are also successively checked by FM and IT for compliance with the Code of Conduct as part of an ongoing process.</p> <p>This has been complemented by the development of an application-based process for self-reporting by suppliers and service providers that also contains criteria from the Code of Conduct. The procedure is now used on a regular basis by Facilities Management. In the context of an assessment carried out in 2014 we wrote to all IT vendors and evaluated them using a checklist. This evaluation will be factored into the selection of vendors when it comes to awarding future contracts.</p> <p>Our Environmental Management System certified according to DIN EN ISO 14001 has been in place since June 2012. Our company’s commitment to protecting the environment is thus unambiguous. An internal national and international Donations Guideline ensures that in the context of our social commitment we support primarily organisations that benefit the common good. Please see here Indicator SO1.</p>	<p> Group Strategy p. 13 et seq.</p> <p>Sustainability Strategy</p> <p>Code of Conduct</p>
<p><b>4.9</b> Procedures of the highest governance body for overseeing the organisation’s identification and management of economic, environmental, and social performance</p>	<p>At Hannover Re responsibility for the topic of sustainability rests with the Executive Board as a whole. The Environmental Management Officer and a member of staff entrusted with the corporate governance function both report directly to the Executive Board on a regular basis.</p> <p>In addition, the sustainable value creation of Hannover Re is further ensured by a comprehensive risk management system with appropriately established reporting structures, responsibility for which rests with the entire Executive Board.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability</p>



### Central functions of risk monitoring and steering







GRI Indicator	Information from Hannover Re	Further Details
<p><b>4.10</b> Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance</p>	<p>The Executive Board is appointed and supervised by the Supervisory Board, and its actions are ratified by a vote of the General Meeting. The goals on the basis of which the Executive Board is evaluated are geared towards sustainable development of the company. This is also reflected in the variable remuneration structure, an appropriate part of which is based on a multi-year assessment method.</p> <p>The profit- and performance-based remuneration (variable remuneration) is contingent on certain defined results and the attainment of certain set targets. The targets set vary according to the function of the Board member in question.</p> <p>The variable remuneration consists of a profit bonus and a performance bonus. In the event of goal attainment of 100%, the share of the variable remuneration attributable to the profit bonus amounts to 70% for the Chief Executive Officer and Chief Financial Officer and 50% for the members of the Executive Board with business group responsibility. The performance bonus accounts for the remaining 30% or 50%.</p> <p>The profit bonus is dependent on the risk-free interest rate and the average return on equity (RoE) over the last three financial years.</p> <p>The performance bonus for the Chief Executive Officer and the Chief Financial Officer is arrived at from individual qualitative and, as appropriate, quantitative targets defined annually by the Supervisory Board that are to be accomplished in the subsequent year.</p> <p>For members of the Executive Board with responsibility for a certain business group, the performance bonus consists in equal parts of the business group bonus and the individual bonus.</p> <p>The goals of Hannover Re's Sustainability Strategy are pursued jointly by all members of the governance bodies.</p>	<p> Remuneration report in the Group Annual Report p. 105–125</p> <p>Articles of Association</p>
<p><b>4.11</b> Explanation of whether and how the precautionary approach or principle is addressed by the organisation</p>	<p>The business model of Hannover Re is closely linked to the principle of early detection of risks. As a general principle, risk management, especially the assessment of risks in order to avoid adverse consequences, is accorded central importance at Hannover Re.</p> <p>Furthermore, our forward-looking approach is also reflected in the regular analysis and evaluation of emerging risks. We take this to mean risks, the potential losses from which are still unknown and the implications of which are difficult to assess. Climate change and its effects on global social trends and technological developments as well as pandemics may be cited by way of example. These risks, too, are actively managed in the spirit of the precautionary principle.</p>	<p> Opportunity and risk report in the Group Annual Report, p. 74–100</p>


GRI Indicator	Information from Hannover Re	Further Details
<p><b>4.12</b> Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses</p>	<p>In the context of the “Climate Alliance Hannover 2020”, a joint project of the state capital and Greater Hannover region, Hannover Re has undertaken to emit 40% less harmful greenhouse gases by 2020 than in the base year of 1990. Hannover Re’s emissions have been regularly checked every two years since 2011.</p> <p>Under the “Climate Alliance” Hannover Re additionally participates in the Business Strategy Group of the “Master Plan 2050 for the City and Region of Hannover, 100% for Climate Protection”.</p> <p>Since 2007 Hannover Re has also taken part in the “Ecological Project for Integrated Environmental Technology” (Ecoprofit) of the Greater Hannover region. The underlying idea of the project is the connection between economic gain and ecological benefit through preventive environmental protection. The participating companies are regularly involved in work on specific topics such as “Ecoprofit in the Urban Development Process” and “Current Changes in Energy Management”. The energy-saving successes already achieved are regularly publicised in the relevant project publications.</p> <p>On the international level the Chief Executive Officer of Hannover Re is a signatory to the Geneva Association’s “Climate Risk Statement”. In May 2014 Hannover Re’s CEO – together with the Chief Executives of a further 65 of the world’s leading insurance undertakings – reaffirmed his support for this declaration, which had originally been made in 2009. The guiding principles set out therein describe how the insurance industry will play its part in global efforts to tackle climate-related risks. These include activities in the areas of product innovation, climate research and investment.</p> <p>The design of our investment policy is guided primarily by the ten principles of the United Nations Global Compact.</p> <p>We support ensuring decent working conditions in our supply chain. Our Code of Conduct for suppliers requires respect for human rights and compliance with the core labour standards of the International Labour Organisation (ILO).</p>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Environment and society</p> <p>Greater Hannover Region <a href="http://www.hannover.de">www.hannover.de</a></p> <p>Ecological Project for Integrated Environmental Technology <a href="http://www.oekoprofit-hannover.de">www.oekoprofit-hannover.de</a></p> <p>Geneva Association <a href="http://www.genevaassociation.org">www.genevaassociation.org</a></p> <p>United Nations <a href="http://www.unglobalcompact.org">www.unglobalcompact.org</a></p> <p>International Labour Organization <a href="http://www.ilo.org">www.ilo.org</a></p>
<p><b>4.13</b> Memberships in associations and/or national/international advocacy organisations</p>	<p>Hannover Re is a member of numerous national, regional and global associations, interest groups and organisations. Employees of the Hannover Re Group participate in working groups on various topics and contribute their specialist expertise to relevant discussions.</p> <p>The following list shows a selection of the most significant bodies to which the company belongs:</p> <ul style="list-style-type: none"> <li>• American Council of Life Insurers (<a href="http://www.acli.com">www.acli.com</a>)</li> <li>• Association Internationale de Droit des Assurances (<a href="http://www.aida.org.uk">www.aida.org.uk</a>)</li> <li>• Chief Risk Officer Forum (<a href="http://www.thecroforum.org">www.thecroforum.org</a>)</li> <li>• Dublin International Insurance &amp; Management Association (<a href="http://www.dima.ie">www.dima.ie</a>)</li> <li>• European Insurance CFO Forum (<a href="http://www.cfoforum.eu">www.cfoforum.eu</a>)</li> <li>• German Insurance Association (<a href="http://www.gdv.de">www.gdv.de</a>)</li> <li>• Geneva Association (<a href="http://www.genevaassociation.org">www.genevaassociation.org</a>)</li> <li>• Global Earthquake Model (<a href="http://www.globalquakemodel.org">www.globalquakemodel.org</a>)</li> <li>• Global Reinsurance Forum (<a href="http://www.grf.info">www.grf.info</a>)</li> <li>• International Actuarial Association (<a href="http://www.actuaries.org">www.actuaries.org</a>)</li> <li>• International Credit Insurance &amp; Surety Association (<a href="http://www.icisa.org">www.icisa.org</a>)</li> <li>• International Insurance Law Association (<a href="http://www.aida.org.uk">www.aida.org.uk</a>)</li> <li>• International Underwriting Association of London (<a href="http://www.iua.co.uk">www.iua.co.uk</a>)</li> <li>• Reinsurance Advisory Board of the Insurance Europe federation (<a href="http://www.insuranceeurope.eu">www.insuranceeurope.eu</a>)</li> <li>• South African Insurance Association (<a href="http://www.sai.co.za">www.sai.co.za</a>)</li> </ul>	

GRI Indicator	Information from Hannover Re	Further Details
<p><b>4.14</b> List of stakeholder groups engaged by the organisation</p>	<p>The following stakeholder groups are particularly relevant to Hannover Re: our clients, our employees, the public sector, non-governmental organisations (NGOs) and the capital market.</p>	
<p><b>4.15</b> Basis for identification and selection of stakeholders with whom to engage</p>	<p>The stakeholder universe of Hannover Re was defined in the context of the elaboration of the Sustainability Strategy. The selection of relevant stakeholders is based on our business operations and our geographical presence, and is regularly reconciled with representatives of the business units.</p>	
<p><b>4.16</b> Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group</p>	<p>Hannover Re maintains an open dialogue with its stakeholders and has made the further systematic expansion of dialogue channels a goal of its Sustainability Strategy 2015–2017. By sharing information and opinions with our stakeholders we seek to integrate, as far as possible, the expectations and aspirations of the various groups into our business operations. Furthermore, this dialogue helps to identify risks and opportunities at an early stage and serves to build trust.</p> <p>In 2013 we conducted a stakeholder survey with the participation of 30 representatives spanning the capital market, clients, staff, NGOs and public sector employees. Their answers were taken into account in the main topics of our Sustainability Strategy. Further information is provided under 4.17.</p> <p>Based on our GRI Report, which was published for the third consecutive year, Hannover Re’s sustainability performance was again evaluated by the rating agency oekom research AG; our company was awarded “Prime” status in recognition of its above-average fulfilment of industry-specific requirements. In addition, Hannover Re was added to the worldwide FTSE4Good Index Series for the first time in the financial year just ended by the FTSE4Good Advisory Committee. The company’s inclusion was based on its sustainability rating according to ESG (environmental, social and governance) criteria for 2014. As part of our Sustainability Strategy we plan to further intensify our dialogue with practitioners of Socially Responsible Investment (SRI) and ESG rating agencies and, in particular, to step up our efforts in relation to rating-specific sustainability issues.</p> <p>We participate in an ongoing dialogue with our clients around the world. Customer relationships are normally maintained by individual divisions at Hannover Re. In this regard, the Life &amp; Health reinsurance business group is especially committed to long-term customer relationships founded on a trusting and partnership-based approach.</p> <p>Since 2014 we have published the quarterly newsletter “ReCent Medical News” as a new source of information that enables our customers to learn about the latest research results in various fields of medicine as well as new methods with a bearing on medical underwriting.</p> <p>The Property &amp; Casualty reinsurance business group thoroughly revised its customer relationship strategy in 2012. Going forward, it intends to respond even more closely and systematically and with even greater anticipation to the individual reinsurance needs of clients.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Investors</p> <p> Group Annual Report p. 10, 67 et seq.</p> <p>Sustainability Strategy</p>

GRI Indicator	Information from Hannover Re	Further Details
	<p>With this in mind a new seminar concept dubbed “Building Bridges” was developed for customers. The newly designed seminars have been held once a year since 2012, with an emphasis also being placed on cultivating long-standing contacts with the seminar participants.</p> <p>In addition, Hannover Re regularly conducts employee surveys, the most recent of which took place in the autumn of 2012 with the participation of altogether some 800 members of staff. Among other things, the aims were to measure employee satisfaction and assess in detail the appeal of Hannover Re as an employer. 93% of the employees surveyed considered Hannover Re to be a particularly good place to work. Potential room for improvement was identified, above all, in the expansion of our range of personnel development and advancement activities, in opportunities for project work and in dealing with conflicts.</p>	
<p><b>4.17</b> Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting</p>	<p>Hannover Re is one of the largest reinsurers in the world. For the company’s stakeholders, therefore, corporate responsibility with regard to economic concerns and product responsibility – including asset management – are fundamentally of central importance.</p> <p>It is in the area of responsible enterprise management that Hannover Re’s activities have to date been most widely recognised and most favourably evaluated by stakeholders. Room for improvement is identified in our communication on the topic of sustainability and in our product responsibility as well as with respect to corporate environmental protection and our employees. It is also important to keep a close eye on emerging global issues such as renewable energies, climate change, environmental conservation, financial inclusion and tax policy.</p> <p>Particularly evident in the stakeholder survey conducted in the summer of 2013 was a desire for greater communication on the topic of sustainability at Hannover Re. We are seeking to address this concern through annual reporting in accordance with the GRI guidelines and have specified the further expansion of reporting on sustainability issues in our Sustainability Strategy. Sustainability also features as a fixed topic on the agenda of our company presentation; in this way we would like to encourage discussion of the subject with our stakeholders. Further activities to promote dialogue are described in the strategy section of this GRI report.</p> <p>Turning to its asset management, Hannover Re avoids investment in sectors that are to be judged critically from a social perspective and in light of sustainability considerations. Hannover Re incorporates environmental, social and governance (ESG) criteria into its investment policy. This is guided in particular by the ten principles of the United Nations Global Compact, i. e. it reflects values relating to human rights, working conditions, the environment and anti-corruption. Investments are reviewed regularly for compliance with these ESG criteria. Exclusion from the investment universe is provided for in the event of failure to comply with the criteria. We have set ourselves the goal of expanding the ESG guidelines in our Sustainability Strategy 2015–2017.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Product responsibility</p> <p> Sustainability Strategy</p>

# Management and Performance

## Category: "Financial Services Sector Indicators" (FS)

GRI Indicator	Information from Hannover Re	Further Details
<b>DMA</b> Description of the Management Approach to Aspects of the Financial Services Sector Indicators	<p>In 2014 we revised our Group Strategy and updated our Sustainability Strategy on a parallel basis for the years 2015–2017. The latter states that we shall align and refine our business operations according to sustainability criteria. Responsibility rests with the Executive Board as a whole. In accordance with our holistic management system of Performance Excellence 2.0, each organisational unit of the Hannover Re Group defines its own contribution to the Group strategy with the aid of the internal Strategy Guide and our Strategy Cockpit tool. In this way, we ensure that all initiatives and activities within Hannover Re are rigorously linked to the Group Strategy and Sustainability Strategy and that strategic innovations cascade further to reach all actors. Controlling and corresponding reporting to the Executive Board are carried out on a regular basis by the responsible department.</p> <p>In designing our range of products and services we apply insights gained from our research activities on topics such as the turnaround in energy policy, climate change, new mobility and shifting demographics in order to be able to identify new risks and devise specific solutions at an early stage.</p> <p>By means of conferences that we hold on specific topics, business visits and our presence at trade fairs and specialist gatherings, we enable clients to share in our insights and thereby consolidate our customer relationships. Further examples are the "ReCent Medical News" newsletter launched in 2014 to report on medical research findings of substantial relevance to medical underwriting and the new "Building Bridges" seminar concept for property and casualty reinsurance.</p> <p>Along with our product portfolio, we attach priority to the responsible management of our investments. Hannover Re's investment policy is geared to the generation of stable and risk-commensurate returns while at the same time safeguarding liquidity and solvency. In so doing, we ensure high diversification of risks and limit currency exposures and maturity risks through matching currencies and maturities. i. e. the modified duration of our bond portfolio is guided largely by the insurance-side liabilities.</p> <p>In addition, we incorporate environmental, social and governance (ESG) criteria into our investment policy. This is guided in particular by the ten principles of the United Nations Global Compact, i. e. it reflects values relating to human rights, working conditions, the environment and anti-corruption. Our investments are reviewed half-yearly with an eye to compliance with these ESG criteria. Exclusion from our investment universe is provided for in the event of failure to comply with the criteria. Furthermore, investments in correspondingly identified securities are also prospectively avoided. As we develop and continuously review our investment strategy, we work together with a service provider that specialises in sustainability.</p> <p>In the context of our Sustainability Strategy we have set ourselves the goal of extending our ESG guidelines for asset management. Specifically, Hannover Re plans to refine the ESG Investment Policy including the development of positive screening. Implementation of the guidelines is ensured by a staff member on the investment team with ESG responsibility. We are currently exploring the possibility of signing the six principles of the UN-supported investor initiative Principles for Responsible Investment (PRI).</p>	 <a href="http://www.hannover-re.com">www.hannover-re.com</a> > Sustainability > Product responsibility

**Aspect: Product Portfolio**

**FS1** Policies with specific environmental and social components applied to business lines

Our updated Sustainability Strategy for 2015–2017, which was approved by the full Executive Board, is considered to be the overarching guideline for the design of our range of products and services. We have adopted both environmentally and socially oriented measures in the Sustainability Strategy with a specific eye to reinsurance business. This includes, for example, expanding microinsurance products, stepping up our involvement in agricultural insurance to alleviate the financial consequences of crop damage and developing products with a bearing on climate change, such as weather insurance and covers for energy savings warranties.

The high ethical and moral standards to which we aspire not only for our products and services but also in our dealings with one another are defined in our Group-wide Code of Conduct as being binding upon all members of staff. The Compliance Department of Hannover Re in Germany, as part of our Group Legal Services, bears responsibility for compliance with all laws – which also includes observance of all sanction regulations relevant to our company. Members of staff receive appropriate training. Compliance with relevant rules and regulations at all our locations and subsidiaries is overseen by local compliance officers or staff members with a compliance function and the local management teams in cooperation with the Compliance Department and Group Legal Services as well as by our unit responsible for managing participating interests and is verified by Group Auditing at regular intervals. In our Sustainability Strategy we have set ourselves the goal of extending Hannover Re's IT-specific compliance standards in the context of sustainability and expanding the international compliance network.

Our investments are subject to strict ESG criteria, compliance with which we verify regularly in cooperation with an external service provider. As part of our Sustainability Strategy we have set ourselves the goal of extending our ESG guidelines for asset management. We intend to refine our ESG Investment Policy including the development of positive screening. In addition, we are currently exploring the possibility of signing the UN-supported Principles for Responsible Investment (PRI).



Group Strategy

Sustainability Strategy

Code of Conduct

**FS2** Procedures for assessing and screening environmental and social risks in business lines

In the context of its business operations Hannover Re enters into a broad range of risks. These risks are consciously accepted and steered in order to be able to act on the associated opportunities. We manage the process through our Group-wide risk management system, in which the individual elements are closely interlinked and the roles, tasks and reporting channels are clearly defined and documented in guidelines. This makes possible a common understanding of the Group-wide, holistic monitoring and steering of all material risks.



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> Group > Emerging Risks




Opportunity and risk report in the Group Annual Report p. 74–97

Social and environmental risks are considered as part of the analysis of emerging risks. Emerging risks are future risks that cannot be definitively assessed with any reliability. It is vital to detect and evaluate these risks at an early stage. A separate working group of specialists is therefore deployed Group-wide in a process that cuts across divisions. The members of the working group on "Emerging Risks and Scientific Affairs" regularly attend conferences on selected risks and engage in a dialogue with other globally operating risk managers. This dialogue encompasses universities, other reinsurers, industry associations such as the Geneva Association and the German Insurance Association (GDV) as well as political actors. In 2015, for example, Hannover Re took part in a panel discussion organised by the Geneva Association on the subject of pandemics. Discussion papers on topical risk issues also assist Hannover Re in the risk assessment process and play a part in fostering public discourse. In our Sustainability Strategy for the years 2015–2017 we have set ourselves the goal of further expanding the dialogue on emerging risks.

Emerging risks directly affect our treaty portfolio, not only in the form of risks (e.g. liability issues) but also in the form of opportunities (such as those associated with increased demand for reinsurance products). Close coordination therefore takes place between the working group on "Emerging Risks und Scientific Affairs" and Hannover Re's central risk monitoring function. In addition, the evaluation results are integrated into the quarterly internal risk reports, which serve to keep the Executive Board – among others – updated on material risk assessments. The insights and risk assessments of the working group are utilised Group-wide in order to determine any measures that may be needed. A committee was set up in January 2015 to safeguard this process. The committee supports the coordination and implementation of recommendations relating to emerging risks. In this way, we ensure that the recommendations made by the working group are factored into underwriting decisions. The committee also takes responsibility for the preparation of position papers and the assessment of new emerging risks.

Climate change constitutes a major environmental risk. Experts from a wide range of specialist disciplines engage with this topic at Hannover Re. Not only insurance specialists but also geophysicists, meteorologists, seismologists and mathematicians – among others – are involved when natural hazards are evaluated and their economic impacts analysed and regionally monitored. As a member of the International Insurance Law Association (AIDA), we also regularly share insights with insurers and reinsurers in the "Climate Change" working group on coverage concepts and on loss events that may be attributable to climate change. By way of natural hazards modelling, for example, risk management standards are developed for dealing with natural disasters, as illustrated by the models for managing windstorm, flood, hail and earthquake risks. At the beginning of 2015 we successfully completed the development of a simulation model for the earthquake risk in Germany. In the field of natural hazards modelling we cooperate with universities and research institutions and provide financial assistance to appropriate initiatives. For example, Hannover Re has been a long-time supporter of the Geo Research Center in Potsdam and the Global Earthquake Model Foundation (GEM), whose mission is to improve public understanding and awareness of earthquake risks worldwide by promoting science and establishing consistent standards as well as to reduce the impacts of earthquakes on populations and concentrations of values.

GRI Indicator	Information from Hannover Re	Further Details
	<p>All potential risks known to Hannover Re are split into three risk categories, evaluated accordingly and checked for changes in risk probability at least twice a year.</p> <p>For further information please see Disclosure 1.2 in the "Profile" section of this GRI Report.</p>	
<p><b>FS3</b> Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions</p>	<p>To date, we have not set up mechanisms for monitoring compliance with environmental and social principles at our reinsurance clients. However, we motivate our clients – also in their own interest – to engage more closely with the issue of sustainability and we support them with the development of their sustainability offerings.</p> <p>Thus, for example, we support insurance concepts under which agricultural actors receive better policy conditions if they practise smart cultivation techniques tailored to local conditions, the appropriate use of fertilizers and animal welfare etc.</p> <p>Insurers and reinsurers can play a part in promoting the stable development of rural regions. Agricultural insurance in general and policies for small farmers in particular offer rural populations protection against existential losses and can thereby help to reduce migration to the cities and contribute to food security. In addition to our business in traditional agricultural lines, which we transact worldwide, we are increasingly supporting the development of innovative insurance solutions and index-linked agricultural insurance policies for small farmers in emerging and developing countries. Furthermore, our service company in New Delhi, for example, plays an active role by providing information on agricultural insurance products both to our clients and the Indian government.</p>	
<p><b>FS4</b> Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines</p>	<p>The high ethical and moral standards to which we aspire not only for our products and services but also in our dealings with one another are defined in our Group-wide Code of Conduct as being binding upon all members of staff. The Compliance Department of Hannover Re in Germany, as part of our Group Legal Services, bears responsibility for compliance with all laws and the topics of anti-corruption and the prevention of anti-competitive practices; it ensures that members of staff receive appropriate training. Hannover Re's Sustainability Strategy envisages the expansion of the international compliance network. In this way we seek to promote knowledge transfer between compliance officers not only in Germany but also internationally and improve the implementation of topically specific compliance concepts and guidelines.</p> <p>As part of our reinsurance business we observe ESG criteria on the investment side and have set ourselves the goal in our Sustainability Strategy of extending the guidelines developed in 2011 for evaluating investments according to ESG criteria.</p>	<p> Sustainability Strategy</p>



**FS5** Interactions with clients/investees/business partners regarding environmental and social risks and opportunities

In our Sustainability Strategy 2015–2017 we have set ourselves the goal of expanding and developing sustainable products, inter alia in cooperation with partners or customers. A purposeful stakeholder dialogue is to be achieved by systematically stepping up discussions with, among others, practitioners of socially responsible investment (SRI) and rating agencies as well as through regular stakeholder surveys.

Since mid-2012 our Code of Conduct for Suppliers has been in force for large areas of the company at the Hannover location. The Code of Conduct was developed with the support of Group Legal Services by the areas of Facilities Management (FM) and Information Technology (IT) in the context of the sustainability project. It requires, among other things, compliance with environmental and social standards and forms an integral contractual component, for example, in the tendering and contracting of infrastructure services as well as various construction projects. In addition, existing supplier relationships in the areas of FM and IT are also successively checked for compliance with the Code of Conduct as part of an ongoing process.

This has been complemented by the development of an application-based process for self-reporting by suppliers and service providers that also contains criteria from the Code of Conduct. In the context of an assessment carried out in 2014 we wrote to all IT vendors and evaluated them using a checklist. This evaluation will be factored into the selection of vendors when it comes to awarding future contracts.

In developing sustainability-related insurance solutions we work in partnerships. For example, under the “Energie Einspar Protect (EEP)” programme we cooperate with the specialised partner “b2bProtect”. The insurance solution is considered a value-creating contribution by the insurance industry towards ensuring the successful turnaround in energy policy. The guaranteed return on investment has created incentives for private and commercial clients to invest in energy-saving technologies and solutions, without which many of the steps needed to accomplish energy policy objectives might not have been taken in the first place. We are also working together with “b2bProtect” to establish weather insurance products in a number of countries.

We want to intensify our cooperation with primary insurers, as reflected in our Sustainability Strategy by the goal of developing and expanding sustainable products. Going forward, we are also working to extend the dialogue on emerging risks. In our Property & Casualty reinsurance business group a concept dubbed “Building Bridges” has been launched to cultivate closer customer relationships. The first seminar of the series, which was devoted to the theme of “Advanced Reinsurance Methods, Practices and Current Topics” and spanned several days, was held in 2012 and targeted 20 customers from various countries. The seminar has since been offered once a year.

The quarterly newsletter “ReCent Medical News” exemplifies a new dialogue channel that was opened up in 2014 in the Life & Health reinsurance business group. The issues published to date on our website, which are accessible to everyone, have already presented and discussed topics such as cancer, HIV and depression with an eye to the latest medical research results, case studies and new methods of underwriting.

Our subsidiary E+S Rück, which bears responsibility for German business, has developed various services and applications so as to be able to identify potential risks for its clients. These include, for example, simulation models used to calculate and capture (potentially extreme) events and the associated losses such as “es I bebt®” and “es I hagelt®” (for the earthquake and hail risks respectively) as well as a service offering for underwriting of the flood risk in Germany (“es I flutet®”). Similar tools have been developed to assess and evaluate accident risks (“es I unfallt®”). Building on the findings of this analysis, E+S Rück then helps its clients to decide how they wish to deal with such risks.



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> Sustainability > Product responsibility

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> Life & Health > ReCent medical news



4.14 to 4.17 of this GRI Report

4.8 of this GRI Report

Sustainability Strategy

The annual expert conferences organised by E+S Rück offer our clients a range of information in the areas of claims management and risk management as well as on general legal topics such as compliance and sanctions and on Solvency II, the supervisory regime due to enter into force in Europe effective 01.01.2016. Depending on the topic, speakers are on hand from various specialist disciplines, including for example physicians, lawyers or senior figures from our claims management or legal departments.

### Performance Indicators for the Product Portfolio Aspect

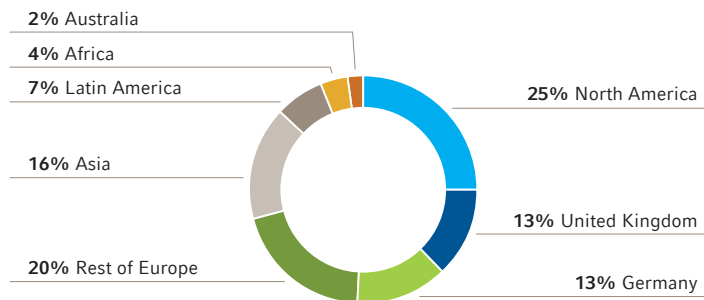
**FS6** Percentage of the portfolio for business lines by specific region, size, (e.g. micro/SME/large) and by sector

The Hannover Re Group transacts all lines of property & casualty and life & health reinsurance worldwide. Detailed information and indicators regarding the size and segmentation of our business groups are provided in the "Company Portrait" and the "Organisational Profile" in this GRI Report as well as in the "Report on economic position" contained in the Group Annual Report.

Hannover Re is active on all continents, with different regional concentrations depending on the business group.

#### Regional breakdown of gross premium in property and casualty reinsurance

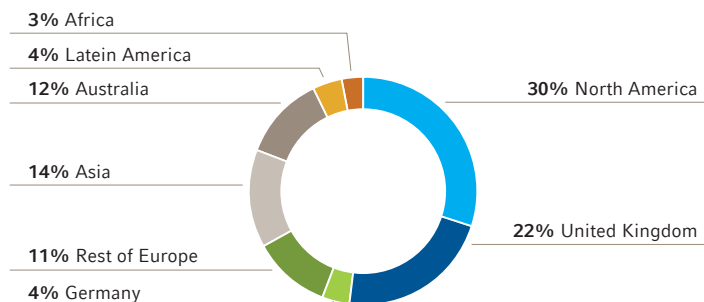
valid: 31 December 2014



Gross written premium 2014: EUR 7.9 billion

#### Regional breakdown of gross premium in life and health reinsurance

valid: 31 December 2014



Gross written premium 2014: EUR 6.5 billion



Group Annual Report  
p. 35–52

Company Portrait  
and Disclosures on  
"2. Organisational  
Profile" in this GRI  
Report

GRI Indicator	Information from Hannover Re	Further Details
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**FS7** Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose

Demand for the insurance of agricultural land and livestock continues to grow, especially in view of a steadily rising need for food and the effects of climate change. This is especially true of developing countries.

Safeguarding agricultural production is particularly important for the development of poor regions. In 2014 we wrote premium in the mid-triple-digit millions (EUR) in the area of agricultural risks, with around three-quarters of the total amount coming from developing and emerging markets in South America, Asia and Africa.

In Peru, for example, our involvement enables more than 450,000 peasant families to insure their crops against damage from flood, drought, hail or frost and hence rely on a secure minimum income. In Burkina Faso our engagement enabled 6,200 farmers to obtain insurance coverage for their cotton production.

Especially in developing countries, microinsurance programmes – which offer low-income population groups protection against fundamental risks such as disease, disability, the consequences of natural disasters or crop failures – are taking on added importance.

Hannover Re is committed to the goal that a financial infrastructure should not only exist in industrial nations, but can also develop in more socially deprived regions around the world. With this in mind, we work to develop and establish agricultural insurance solutions for small farmers and reinsure such contracts offered by primary insurers in a number of countries, including for example in Mexico, Peru, India, Pakistan, China and some African nations. We also participate in a cover against protracted periods of drought for eight African Union states and are thereby contributing to food security and the provision of rapid assistance following disastrous droughts in the region. Particularly in developing countries in Africa, where the majority of the population works in agriculture, long droughts cause famines every year that cost countless lives. Further projects to protect small farmers are currently in the pipeline for Bangladesh, Benin, Mexico and Paraguay. The premium income from agricultural insurance products for small farmers in emerging and developing nations was in the low triple-digit million euros in the year under review.




On the life and health reinsurance side, Hannover Re is particularly active in the area of government-assisted health microinsurance solutions in India. Poor sections of the population receive basic coverage for hospital treatment through state-subsidised covers offered by private and government health insurers alike. These programmes are able to reach millions of insureds thanks to the government's support. In this regard, the Indian government elected in 2014 is launching a new National Health Scheme in 2015. In addition to assisting with risk management tasks, we are able help our customers and various government agencies in particular with securing on a lasting basis and further expanding the development and supervision of these state-supported health insurance programmes for poorer sections of the population.

Microinsurance is also growing in markets such as Pakistan, the Philippines and Indonesia. Here, too, we offer appropriate products in cooperation with primary insurance partners.

Furthermore, we actively support and promote holistic lifestyle insurance concepts that are geared to insureds' healthy living and factor this accordingly into the pricing. The design and marketing of these insurance products is similarly carried out in cooperation with primary insurers and local partners. Initially rolled out in selected markets, the concept is being extended to other international markets after enjoying a thoroughly positive response. The combination of insurance protection and an informed and healthy lifestyle are the key drivers of this concept's considerable appeal.



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 > Sustainability > Product responsibility

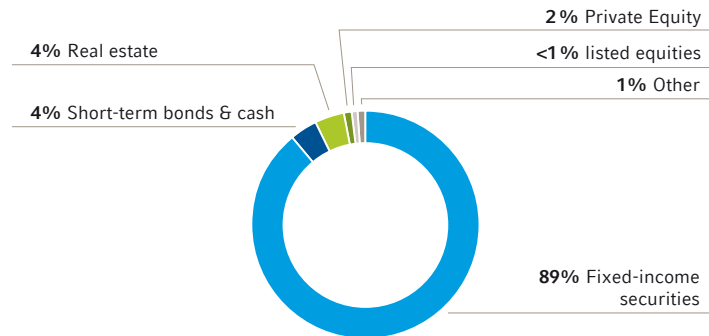
GRI Indicator	Information from Hannover Re	Further Details
<p><b>FS8</b> Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose</p>	<p>In view of their considerable risk potential, environmental issues are an essential component of our business operations, especially in property and casualty reinsurance. Minimising adverse environmental effects is therefore consistently a key goal for Hannover Re. With this in mind, we are always interested in working together with our clients to develop insurance solutions specifically designed to deliver environmental benefits.</p> <p>For example, Hannover Re offers – in cooperation with its partners “Energi” in the United States and “b2bProtect” in Europe – concepts that create incentives for businesses to invest in energy-saving technologies. In this connection Hannover Re covers the energy savings warranties given by energy service providers. Premium income from this programme more than doubled year-on-year; nevertheless, its share of Hannover Re’s total premium volume so far remains negligible. In the medium term there are plans to transfer the business model to other European countries too.</p> <p>Working together with its partner “b2bProtect”, Hannover Re has also developed parametric weather insurance products for its customers that enable companies to protect themselves against interruptions and losses. These help to alleviate the impacts on business operations of adverse weather situations, which are becoming increasingly severe against the backdrop of climate change.</p> <p>Generally speaking, insurance can create incentives to invest because the possibility of receiving deficiency payments makes the investment decision easier. The “Energie Einspar Protect (EEP)” programme, for example, incentivises private and commercial customers to invest in energy-saving technologies and solutions through the guaranteed return on investment.</p>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Product responsibility</p>
<b>Aspect: Auditing</b>		
<p><b>FS9</b> Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures</p>	<p>Our Environmental Management System, in which we have adopted measures to translate sustainability criteria into practice both in our business groups and in our investments, was audited and certified according to DIN EN ISO 14001 in 2012.</p> <p>In November 2014 the re-certification audit was carried out and successfully passed. The certificate can be viewed on the company’s website.</p> <p>Some 90% of our investments are subject to half-yearly negative screening on the basis of ESG criteria (see Indicator FS11). The screening is carried out by an independent external service provider.</p>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Environment and society</p> <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Product responsibility</p>
<p><b>FS10</b> Percentage and number of companies held in the institution’s portfolio with which the reporting organisation has interacted on environmental or social issues</p>	<p>We have not so far determined the number of companies in our portfolio with which a dialogue takes place on environmental or social issues.</p>	
<p><b>FS11</b> Percentage of assets subject to positive and negative environmental or social screening</p>	<p>Our investment policy strives for stable and attractive returns and takes into account environmental, social and governance (ESG) criteria. In this connection we are guided by the ten principles of the United Nations Global Compact, i. e. we pay attention to aspects relating to human rights, working conditions, the environment and anti-corruption.</p>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Group &gt; Business &gt; Capital and asset management</p> <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Product responsibility</p>

Since mid-2012 around 90% of Hannover Re’s investments have undergone half-yearly negative screening based on individual ESG criteria that we have developed and continuously review in cooperation with a service provider specialising in sustainability. The portfolio subject to this voluntary screening encompasses the asset classes of fixed-income securities (government bonds and debt securities issued by semi-governmental entities, corporate bonds and covered bonds) as well as listed equities. Securities of issuers identified as “non-adequate” are actively reduced. In addition, possible new investments are checked in advance to see whether the issuers violate the defined ESG criteria. Such exposure is rejected if this is found to be the case.

The criteria of the UN Global Compact are used to check entities that issue bonds or equities. Companies that fail to respect human rights or are complicit in human rights abuses thereby violate fundamental principles of the United Nations. Investments in securities of such entities are excluded, as are investments in instruments of issuers that disregard fundamental labour standards and environmental protection considerations. The primary concern here is with the use of forced or child labour and discrimination as well as with care for the environment and a heightened environmental awareness. Last but not least, exposures to entities that have attracted attention due to corruption are also ruled out. When checking government issuers the focus is on the question of whether – and if so, which – sanctions have currently been imposed on them.

**Asset allocation of Hannover Re**

as at 31 December 2014



Book value 2014: EUR 36.2 billion




**FS12** Voting polic(ies) applied to environmental or social issues for shares

Generally speaking, only in the case of listed equities can we efficiently exert an influence on companies’ sustainability orientation via voting rights. Given that the proportion of listed equities in our asset portfolio is less than 1% of the total investment portfolio of Hannover Re, the effect of engagement in this area would be limited in relation to our overall investment universe. For this reason, we have not to date approved any voting policies on environmental or social issues as part of the sustainable orientation of our investments. Within the bounds of our responsibility as an investor we concentrate on the development of the already mentioned ESG criteria and the regular screening of our investments. In this way, as shown in Indicator FS11, around 90% of our investments (including listed equities) are checked for sustainability and adjusted appropriately. Should the share of the portfolio attributable to listed equities increase significantly on a prolonged basis, the topic of “active ownership” will be subject to fresh review and/or a decision will be taken.



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> Sustainability > Product responsibility

## Category “Product Responsibility” (PR)

GRI Indicator	Information from Hannover Re	Further Details
<p><b>DMA</b> Description of the Management Approach to Product Responsibility Aspects</p>	<p>We engage primarily in business-to-business transactions and are in close contact with our clients – directly through our employees or indirectly through our reinsurance brokers. In our Sustainability Strategy, which was updated in 2015 and approved by the full Executive Board, we have set ourselves the goal of further intensifying our dialogue with customers and in particular expanding our international dialogue channels. We survey our interactions with clients at regular intervals. Specific approaches taken to involve stakeholders are reported under Indicator 4.16.</p> <p>Protection of customer data and compliance with the law are a mandatory prerequisite for our business. It is therefore important that all employees of Hannover Re adhere to data privacy regulations and collect, process and use personal data only insofar as this is permitted by law, serves a lawful, defined purpose and is necessary for the performance of duties. Our Code of Conduct as well as our Information Security and Data Privacy Guidelines, which are compulsory for all employees, assure our exacting quality and compliance standards. In this connection Hannover Re is subject first and foremost to the German Federal Data Protection Act (BDSG). This protects primarily the privacy rights of natural persons as well as the handling of personal data. Awareness among our staff of the relevant rules and regulations is ensured inter alia by training activities and the provision of practically oriented assistance.</p> <p>What is more, data is protected against unauthorised access by means of appropriate technical and organisational safeguards. These measures include, among others, rules governing building access and password protection as well as differentiated privileges for data processing systems and the encryption of sensitive data.</p> <p>An anonymous whistleblower system supports early detection of risks in relation to non-compliance with laws and internal guidelines. All systems used and measures taken are guided by the applicable legal provisions governing data protection.</p> <p>Unlike in retail insurance business, the reinsurance industry is not subject to statutory requirements to provide product or service information to its clients. By way of an ongoing dialogue we nevertheless endeavour to pass on new information relating to the reinsurance industry to our clients.</p> <p>Given the nature of our product, namely the provision of reinsurance services, the indicators relating to the physical health and safety of the customer are not relevant to us. We do not engage in advertising activities in the sense of product marketing.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Product responsibility</p> <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Group &gt; Compliance</p> <p> Code of Conduct</p>
<p><b>FS15</b> Policies for the fair design and sale of financial products</p>	<p>The foundation of our company’s success lies in Hannover Re being perceived by its clients as a sought-after business partner. If we are to be considered the best option, Hannover Re must offer prices commensurate with the risks, adequate capacities and a reliable performance commitment. As a business-to-business service provider, the fair design of our products – i. e. of contracts with primary insurers – is an essential prerequisite for our business. Hannover Re expects integrity from all its employees at all times in dealings with clients; this is stipulated in our Code of Conduct, which is applicable worldwide.</p>	<p> Group Strategy</p> <p>Code of Conduct</p>

**Aspect: Customer Health and Safety**


<p><b>PR1</b> Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures</p>	<p>This Indicator is not relevant to Hannover Re. Hannover Re’s products, i.e. reinsurance services, do not have any direct physical effects on customers and therefore do not entail any health and safety risks.</p>	
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<p><b>PR2</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes</p>	<p>For the reasons stated under Indicator PR1, this Indicator is not relevant to our company.</p>	
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**Aspect: Product and Service Labelling**




<p><b>PR3</b> Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements</p>	<p>The reinsurance industry is not subject to any statutory requirements to provide product or service information to its clients. On the contrary, in the context of taking out a reinsurance treaty it is normally the primary insurers that are required to provide detailed information to reinsurers about their business operations and the reinsured portfolio so that the reinsurer can accurately assess the risks.</p>	
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<p><b>PR4</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes</p>	<p>In the reporting period there were no incidents of non-compliance with Hannover Re’s duties to provide information about products or services. Nor were there any incidents of non-compliance with voluntary codes governing requirements to provide information.</p>	
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<p><b>PR5</b> Practices related to customer satisfaction, including results of surveys measuring customer satisfaction</p>	<p>The satisfaction of our clients matters to us. In order to respond quickly and flexibly to customer requirements, we have emphasised flat hierarchies and ensure that our underwriters are equipped with the appropriate authorities.</p> <p>We engage in an ongoing and regular dialogue with our clients around the world and use their direct feedback on our efforts for the purposes of further refining our activities. In our Sustainability Strategy 2015–2017 we have also set ourselves the goal of further intensifying our dialogue with customers and expanding our international dialogue channels.</p>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Media Centre</p> <p>Flaspöhler Research Group <a href="http://www.frsurveys.com">www.frsurveys.com</a></p>
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GRI Indicator	Information from Hannover Re	Further Details
	<p>Customer relationships are normally cultivated on the level of individual business units at Hannover Re. In life and health reinsurance we often have a direct local presence due to our decentralised approach and are thus able to engage in a quick and flexible exchange with our customers. We cultivate our long-term, partnership-based business relationships with an eye to each specific market. In this way we are also able to cater exceptionally well to cultural considerations. In addition to business trips to visit individual clients, we also frequently organise conferences and other events on specific topics in the markets where we operate. Furthermore, our staff attend trade fairs and expert conferences worldwide.</p> <p>In order to keep track of these aspects and continually improve ourselves, we conduct surveys on the satisfaction of our customers at regular intervals. Our business and underwriting centres around the world, for example, check the satisfaction of their business partners on an individual basis.</p> <p>The Flaspöhler surveys carried out for the Property &amp; Casualty reinsurance business group provide valuable insights on a rotating basis into how our company is viewed by US cedents and US brokers. In the Flaspöhler US Broker Survey Hannover Re has achieved the outstanding rating as “best reinsurer overall” six times in twelve years. The company received this distinction most recently in 2014 (following on from 2004, 2006, 2008, 2010, 2012 and 2014).</p> <p>In cooperation with the Flaspöhler Research Group we conduct a survey every two years of reinsurance clients in the markets of Latin and Central America, North America, Europe and Asia (including Australia) for the Life &amp; Health reinsurance business group. The data offer access to a comprehensive customer perspective on the quality of our services as well as an assessment of how the Hannover Re brand is perceived in each market. Since 2008 we have recorded a consistent improvement in the brand perception of our life and health reinsurance business and an increase in customer satisfaction. Particularly in 2014, our customers’ perception of us in international markets improved considerably on the previous year. The intensive and multi-layered dialogue in which we engage with our customers was a key factor here.</p> <p>Furthermore, since 2012 a consulting agency commissioned by the company has provided the Life &amp; Health reinsurance business group – through an annual global study – with insights into the development of various business segments, a dedicated view of the life reinsurance markets, an area-wide analysis of market penetration and market perception as well as a profile of strengths and weaknesses from the customer perspective. The findings show that our customers consider us to be an exceptionally pleasant business partner to work with. Our direct, flexible and quick approach is well received by customers and regarded as a competitive advantage over our rivals. Regular analysis of the study results additionally enables us to measure the success of our strategy.</p> <p>The findings of both studies are processed internally in order to identify possible areas for action.</p>	
<p><b>FS16</b> Initiatives to enhance financial literacy by type of beneficiary</p>	<p>Given that our clients are themselves experts from the insurance sector, training initiatives to enhance financial literacy are generally not of interest to them. Nevertheless, as described in the “Profile” section, Disclosure 4.16, and under FS5 and PR5, we engage in a constant Group-wide dialogue with our clients in which we communicate the latest information with a bearing on reinsurance business by way of events and seminars on specific topics.</p>	



GRI Indicator	Information from Hannover Re	Further Details
	<p>In addition, we support university education and research activities by sponsoring an endowed professorship in actuarial science at the University of Hannover. We similarly support the work of thematically relevant Associations of Friends at various universities, including for example the "Förderkreis des Instituts für Versicherungswesen" at Cologne Technical University and the Verein Braunschweiger Finanz- und Wirtschaftsmathematiker e.V. at the University of Braunschweig. We also belong to similar associations at the University of Hannover and the University of Oldenburg. Above and beyond our aforementioned involvement, we regularly offer study trips and systematically place various projects and topical issues with university departments.</p>	
<b>Aspect: Marketing Communications</b>		
<p><b>PR6</b> Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship</p>	<p>Hannover Re does not conduct any advertising measures aimed at end customers in the sense of product marketing. Isolated marketing activities are carried out for the Hannover Re and E+S Rück brands, for example through image advertisements and information brochures about the company's orientation. Sales promotion takes place solely through individual contacts with clients.</p> <p>In view of Hannover Re's extremely modest advertising expenditure, no special programmes for adherence to laws and standards related to marketing communications have been put in place.</p>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Environment and society &gt; Social commitment</p>
<p><b>PR7</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes</p>	<p>This Indicator is not relevant because Hannover Re does not carry out advertising activities aimed at end customers (cf. PR6).</p>	
<b>Aspect: Customer Privacy</b>		
<p><b>PR8</b> Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data</p>	<p>No complaints were made regarding breaches of customer privacy or losses of customer data during the reporting period. There was no requirement to provide any "data breach notifications" pursuant to Section 42a of the German Federal Data Protection Act (BDSG).</p> <p>Ensuring confidentiality, data privacy and data security plays a prominent role for Hannover Re. The most important rules are stipulated with binding effect for all members of staff in our Code of Conduct as well as in our Information Security and Data Privacy Guidelines.</p>	 <p>Code of Conduct</p>
<b>Aspect: Compliance</b>		
<p><b>PR9</b> Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</p>	<p>In the reporting period and in the preceding years Hannover Re was not required to pay any significant fines for non-compliance with laws or regulations concerning the provision and use of products and services.</p>	 <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Group &gt; Compliance</p>

## Category “Economic” (EC)

### GRI Indicator

#### DMA

Description of the Management Approach to Aspects of the Economic Category

(FSSS: Commentary added to invite reporting on key elements of the organisation’s community investment strategy)

### Information from Hannover Re

Our outstanding reinsurance solutions form the basis for strengthening and further expanding our position as one of the leading globally operating reinsurance groups. We generate competitive advantages to the benefit of our clients and shareholders by conducting our insurance business with lower capital costs and administrative expenses than our rivals. In this way we enjoy above-average profitability while at the same time being able to offer our customers reinsurance protection on competitive terms. Through the acceptance of largely uncorrelated reinsurance risks by our Property & Casualty and Life & Health business groups in all lines of business and based on our global presence, we are able to achieve efficient risk diversification. In conjunction with our capital management, this is the key to our comparatively low cost of capital. With a view to securing our financial strength on a lasting basis, we steer our business with an eye to preserving a capital base that is commensurate with the long-term nature of our business opportunities. This goal is achieved through rigorous risk management aligned with the risk appetite that is clearly defined by the Executive Board.

Our integrated system of enterprise management is central to the accomplishment of our strategic objectives. Located at its core are, first and foremost, our profit and growth targets, which are summarised for the Group and its business groups in the so-called target matrix. In addition to traditional performance indicators geared to the IFRS balance sheet, our system of strategic targets also includes economic targets derived from our internal capital model. The targets are regularly analysed and adjusted as necessary, for example in the context of the strategy review for the 2015–2017 cycle, and they are specified in concrete terms by the Sustainability Strategy. Our focus is on long-term strategic target attainment.

Our current corporate strategy encompasses ten strategic principles for ensuring the realisation of our vision “Long-term success in a competitive business” across business units. We implement this strategy in accordance with our holistic management system Performance Excellence 2.0. This forward-looking management system is based on the Excellence Model of the EFQM (European Foundation for Quality Management) and has a clear strategic focus: each organisational unit of the Hannover Re Group defines its own contribution to the Group strategy with the aid of the internal Strategy Cockpit tool. In this way, we ensure that all initiatives and activities within Hannover Re are rigorously linked to the corporate strategy.

In order to satisfy the exacting quality standards of our complex reinsurance services, Hannover Re deploys highly qualified personnel worldwide. The level of salaries reflects this high skills level and is therefore always above any local minimum wage. Our employees are selected without regard to their local origin. Rather, in order to deliver our complex international reinsurance services, it is necessary to have a diverse range of experts from various disciplines and with a variety of cultural backgrounds working for Hannover Re. The diversity of our workforce consequently constitutes a cornerstone of our international commercial success. Compliance with relevant rules and regulations at all our locations and subsidiaries is overseen by local compliance officers and the local management teams in cooperation with our Compliance Department and Group Legal Services as well as by our unit responsible for managing participating interests and is verified by Group Auditing at regular intervals.

Indirect economic impacts are linked to the product-related goals and measures of our Sustainability Strategy and Group Strategy and fall, in common with our investments in local communities, within the scope of responsibility of the Executive Board.

### Further Details



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Investors > Results and reports > Fact Sheet



Group Annual Report  
p. 12–15

**Aspect: Economic Performance**

**EC1** Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments (taxes)

(FSSS: Commentary added to the value generated by the organisation's community investment programmes and breakdown of community investment by theme)

In the 2014 financial year Hannover Re booked a gross premium volume of EUR 14.4 billion, equivalent to growth of 2.9% relative to the previous year. The operating profit (EBIT) came in at EUR 1.5 billion (EUR 1.2 billion). Earnings per share amounted to EUR 8.17.

Altogether, the company distributed around 52% of its Group net income to shareholders in the form of a regular dividend of EUR 3.00 plus a special dividend of EUR 1.25 per share. The total amount distributed was thus EUR 512.5 million.

The equity attributable to shareholders of Hannover Re rose by 28.2% relative to the previous year (position as at 31 December 2013) to EUR 7.6 billion (EUR 5.9 billion). The total policyholders' surplus (including non-controlling interests and hybrid capital) also climbed by a substantial 16.8% to EUR 10.2 billion (EUR 8.8 billion). This was reflected accordingly in the book value per share of EUR 62.61 (EUR 48.83). The return on equity amounted to 14.7%, after 15.0% in the previous year.

Personnel expenditure on wages and salaries amounted to EUR 224.7 million (EUR 203.1 million) in the last financial year, a modest increase relative to the previous year.

Each year we support selected charitable projects on the community level, especially in the City of Hannover, and we thereby invest in various ways in the common good. In addition, we support projects in the areas of science and research as well as art and music by way of sponsoring partnerships and with our foundation. More detailed information on this topic is to be found under Indicator SO1 and in the Appendix to this GRI Report entitled "Support for Research, Art and Culture at Hannover Re".

We do not record any indicators on the financial value generated by our investments in local communities.



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> Sustainability  
> Environment and society  
> Social commitment



Group Annual Report,  
front inside cover flap;  
p. 138 et seq.; p. 233

GRI Report p. 87 et seq.

**EC2** Financial implications and other risks and opportunities for the organisation's activities due to climate change

The effects and financial implications of climate change cannot as yet be exactly quantified. The challenges associated with climate change are taken into consideration by the Executive Board as part of our risk management. The internal working group on emerging risks and the team responsible for natural perils risk management regularly examine and review the latest scientific insights in the field of climate change.



As described in Disclosure 1.2 of this GRI Report, climate change presents us – as a reinsurer – with both risks and opportunities: on the one hand, we can expect to see stronger demand for reinsurance services, while on the other hand the potentially increased catastrophe risk can lead to a higher financial burden for our company. Strategies for dealing with the risks inherent in these perils are therefore of the utmost importance to our company as a reinsurer. Our department specialising in agricultural risks and our unit for Business Opportunity Management therefore work on products that can alleviate the financial implications of climate change.



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> Group > Emerging Risks






Opportunity and risk  
report in the Group  
Annual Report  
p. 74–100

GRI Indicator	Information from Hannover Re	Further Details
<p><b>EC3</b> Coverage of the organisation's defined benefit plan obligations</p>	<p>Hannover Re's expenditures for social security contributions and assistance amounted to altogether EUR 48.7 million in the year under review.</p> <p>Supplementary to individual and statutory retirement provision, every employee in Germany is entitled to inclusion in Hannover Re's employer-funded retirement provision models. The amount of the funding contributions is determined by the individual salary levels and calculated according to the pay scale groups under the collective agreement.</p> <p>Employees can accumulate further employee-funded occupational retirement provision by way of deferred compensation. In this case Hannover Re pays the contributions from the employee's gross salary into the pension fund.</p>	<p> Group Annual Report p. 233</p>
<p><b>EC4</b> Significant financial assistance received from government (e.g. subsidies)</p>	<p>Hannover Re did not receive any subsidies or other forms of support from the government in the year under review.</p>	
<p><b>Aspect: Market Presence</b></p>		
<p><b>EC5</b> Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation</p>	<p>In order to satisfy the exacting quality standards of our complex services, Hannover Re deploys highly qualified personnel worldwide. The level of salaries reflects this high skills level. There is consequently no risk of undershooting a local minimum wage.</p>	
<p><b>EC6</b> Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation</p>	<p>As a general rule we require scarcely any physical material in order to perform our reinsurance services. Environmentally friendly procurement is nevertheless a matter of course for our company. Where possible and practicable, we therefore source products from locally-based suppliers. For example, the operator of our staff cafeteria is committed to making preferential use of local produce that is in season.</p>	<p>GRI Report p. 80 et seq.</p>
<p><b>EC7</b> Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation</p>	<p>Throughout the entire Hannover Re Group employees are hired on the basis of their qualifications and without regard to local origin. Rather, in order to meet the exacting quality standards of our complex reinsurance services, it is necessary to have a diverse range of experts from various disciplines and with a variety of cultural backgrounds working for Hannover Re.</p> <p>At Hannover Home Office, for example, individuals from altogether 39 countries work alongside one another.</p>	
<p><b>Aspect: Indirect Economic Impacts</b></p>		
<p><b>EC8</b> Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement</p>	<p>Hannover Re is committed to the goal that a financial infrastructure should not only exist in industrial nations, but can also develop in more economically deprived regions around the world. With this in mind, we contribute to the development and establishment of agricultural insurance solutions for small farmers, for example in Mexico, Peru, India, Pakistan, China and some African countries, and we reinsure such contracts offered by primary insurers. We also participate in coverage against protracted periods of drought for eight African Union states and are thereby helping to provide food security and rapid assistance after catastrophic droughts in the region. Particularly in Africa's developing countries, where the majority of the population works in agriculture, droughts cause famines every year that cost countless lives. Further projects to protect small farmers are currently in the pipeline for Bangladesh, Benin, Mexico and Paraguay. The premium income from agricultural insurance products for small farmers in emerging and developing countries was in the low triple-digit million euros in the year under review.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a>  &gt; Sustainability  &gt; Product responsibility</p> <p><a href="http://www.hannover-re.com">www.hannover-re.com</a>  Sustainability &gt; Environment and society  &gt; Social commitment</p> <p><a href="http://www.enercity.de">www.enercity.de</a>  &gt; Energie-Effizienzpreis</p>

GRI Indicator	Information from Hannover Re	Further Details
	<p>Safeguarding agricultural production is particularly important for the development of poor regions. We therefore entered into cooperation arrangements with governments and international organisations in the year under review with a view to expanding agricultural insurance.</p> <p>In 2014 we wrote premium in the mid-triple-digit millions (EUR) in the area of agricultural risks, with around three-quarters of the total amount coming from developing and emerging markets in South America, Asia and Africa. In Peru, for example, our involvement enables more than 450,000 peasant families to insure their crops against damage from flood, drought, hail or frost and hence rely on a secure minimum income. In Burkina Faso our engagement enabled 6,200 farmers to obtain insurance coverage for their cotton production.</p> <p>On the life and health side, health insurance plays a particularly prominent role in the area of microinsurance solutions. We are heavily involved here in India, where poor sections of the population receive basic coverage for hospital treatment through state-subsidised covers organised by private and government health insurers alike. These programmes are able to reach many millions of insureds thanks to the government's support. The service company established in 2013 in New Delhi offers our clients and government bodies advice on the setting up, monitoring and risk management of state-subsidised health insurance schemes for poor sections of the population.</p> <p>We also see our support for science, art and culture as an investment for public benefit. For further information please see the Management Approach and the Indicator SO1 for the Category "Society" in this GRI Report.</p> <p>Hannover Re works with its partners to offer a so-called "Energie Einspar Protect (EEP)" programme with a view to promoting the reduction of greenhouse gases and lower energy consumption. It creates incentives for businesses to invest in energy-saving technologies and energy-efficient building methods. This insurance solution enables providers of energy-efficiency solutions to protect themselves in the event that the promised energy savings fail to materialise. In this case the business in question receives a compensatory payment from the insurer. Hannover Re, for its part, covers the energy savings warranties given by its primary insurance clients. In 2015 the programme was recognised inter alia with the energy Efficiency Award.</p> <p>Hannover Re's investment portfolio encompasses inter alia infrastructure funds that invest in renewables.</p>	
<p><b>EC9</b> Understanding and describing significant indirect economic impacts, including the extent of impacts</p>	<p>As the third-largest reinsurer in the world, our Group reinsures primary insurers who in turn protect a broad range of economic and social actors. The indirect impacts of our business operations cannot be quantified owing to their potentially endless reach.</p> <p>As an employer Hannover Re employs more than 2,500 employees at 27 worldwide locations on every continent.</p>	

## Category “Environmental” (EN)

GRI Indicator	Information from Hannover Re	Further Details
<p><b>DMA</b> Disclosure on Management Approach to Environmental Aspects</p>	<p>The environmental impacts of Hannover Re’s business operations are comparatively slight. This was borne out by our materiality analysis conducted in 2014. We nevertheless take our responsibility for the environment very seriously and define concrete environmental targets and measures in our Sustainability Strategy. In the 2014 financial year, by taking specific steps such as changing over to electricity from renewables, we had already very largely achieved our goal of operating on a CO<sub>2</sub>-neutral basis at our Hannover location by 2015. It remains our goal, however, to operate on a climate-neutral basis at the Hannover location from 2015 onwards.</p> <p>With the implementation of our Environmental Management System, which was certified according to DIN EN ISO 14001 in 2012, we have put in place standard processes for dealing with environmental protection and defined concrete measures in the environmental programme. In the context of our Sustainability Strategy we are planning recertification of the Environmental Management System for November 2015.</p> <p>Responsibility for environmental management rests with the Executive Board as a whole. Targets and measures for environmental management form part of our Sustainability Strategy and are regularly updated. We plan to establish an international network for sustainability issues and expand the collection of environmental data to international locations of the Group. Reporting directly to the Executive Board, the Environmental Management Officer is responsible for continuous refinement of the system; he or she also coordinates and advises on compliance with all legal provisions in Germany relating to the environment and takes responsibility for conducting the audits that are obligatory as part of the management system.</p> <p>All managers and staff are required to observe the stipulations in the Environmental Management Manual as well as supplementary directions. The relevant training documents on environmental protection and the Environmental Management System form part of the basic training activities that Hannover Re holds for all employees. Hannover Re’s environmental policy is evaluated at regular intervals in the context of the Environmental Management System audit.</p> <p>The focus of our efforts to conserve the environment is on reducing CO<sub>2</sub> emissions associated with the supply of electricity and heating to our premises as well as with our business travel. Having already converted our power supply at the German location to renewables, we now want to extend this progressively to our international offices as well. In addition, we make every effort to ensure the economical and resource-saving use of materials and raw materials such as paper and water at our offices.</p> <p>The issue of biodiversity has no relevance to our company when it comes to evaluating the impacts of our business activities on the environment because our offices are located exclusively in urban areas. The topic is, however, relevant to our core business of reinsurance and has therefore been integrated into our risk management system. We have made available to our clients a position paper on the Environmental Damage Act. For further information please see Indicator FS5.</p> <p>With a special eye to our reinsurance business, we support environmentally relevant scientific initiatives that are geared to the development of products, solutions or markets. In this way, although we do not engage in pure research, we promote the transfer of knowledge on topics such as renewables, CO<sub>2</sub> avoidance, climate change and shortage of resources as part of our business activities.</p>	<p> www.hannover-re.com &gt; Sustainability &gt; Environment and society</p> <p> www.hannover-re.com &gt; Sustainability &gt; Emerging risks</p> <p>Carbon Disclosure Project (CDP) www.cdproject.net</p> <p> Group Annual Report p. 67 et seq.</p>

When it comes to our investments, since 2012 we have pursued an investment strategy that reflects ESG criteria. Further information on sustainability in our reinsurance business is provided in the "Financial Services Sector Indicators" Category of this GRI Report.

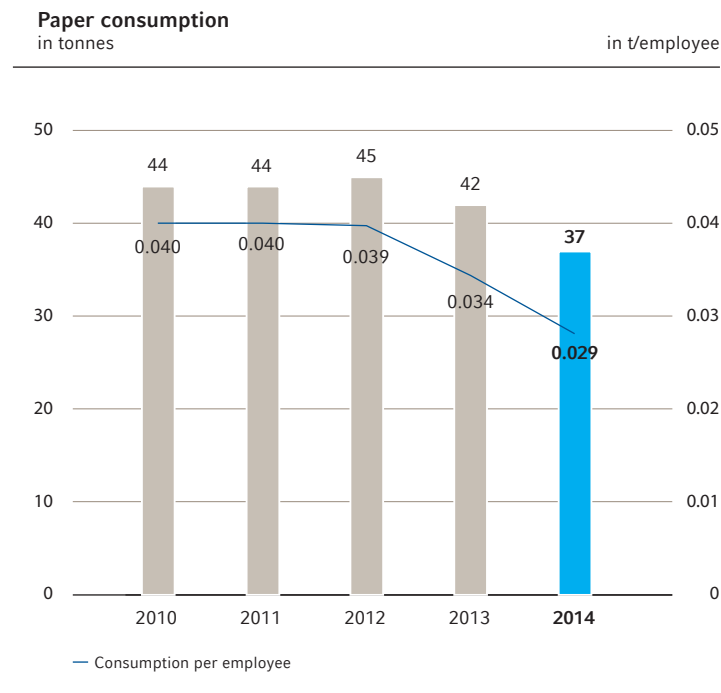
Above and beyond the implementation of the Environmental Management System at the Hannover location, we again participated in 2014 – as in previous years – in the survey conducted by the "Carbon Disclosure Project" (CDP). Information related to climate change is published here with a special orientation towards the capital market.

### Aspect: Materials

#### EN1 Materials used by weight or volume

Reinsurance business is a service and hence does not entail any appreciable use of physical materials. Only the paper consumption at our offices is relevant, and we therefore measure and manage this. It amounted to 7,551,200 sheets for the scope of consolidation in the year under review (equivalent to around 37 tonnes) and – with a drop of 11% – was thus significantly below the level of the previous year.

More revealing than the paper consumption in absolute terms is the relative paper consumption per employee. Since 2010 we have consistently reduced our per capita consumption. Whereas in 2010 the figure was 8,333 sheets per year and employee, this number had dropped to 5,951 sheets in the year under review (0.029 tonnes per employee). We have achieved this reduction inter alia by rolling out notebooks as part of the "Next Generation Workplace" programme. Instead of paper-intensive printouts members of staff now take their notebook to meetings. We avoid unintended print jobs by means of the "Print to me" solution implemented in the year under review. Print jobs are not executed immediately, but instead have to be actively initiated by the user at the device. If this is not done, the computer deletes print jobs automatically after 3 days. The continuous drop in paper consumption can also be attributed to ongoing expansion of our document management systems.



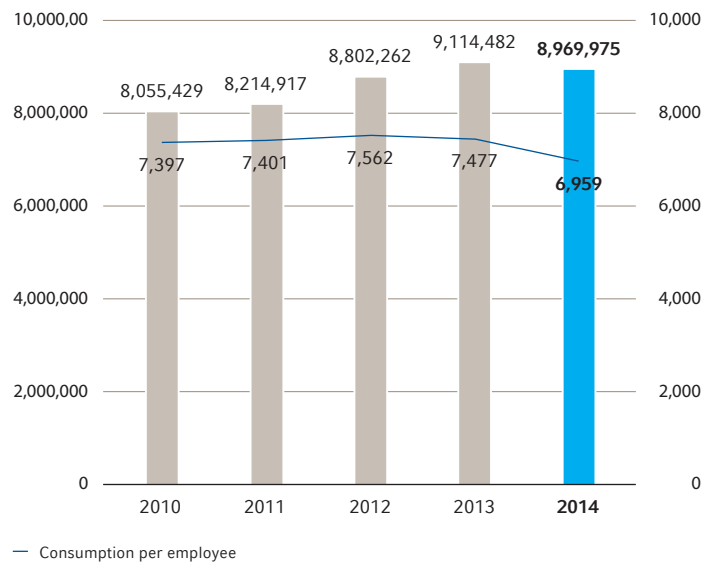
GRI Indicator	Information from Hannover Re	Further Details
<p><b>EN2</b> Percentage of materials used that are recycled input materials</p>	<p>Since 2012 we have purchased exclusively printer paper bearing the “Euroblume” European environmental seal. This quality seal is awarded to consumer goods which are manufactured with reduced emissions and low energy consumption and which stand out for their restrictive use of chemicals and auxiliary materials.</p> <p>Since 2011 we have used solely FSC-certified paper in the creation of printed products.</p> <p>In the year under review we tested the changeover over to lighter paper of a lower density. From 2015 onwards we shall use this paper, which has a lower wood content than the previously used paper and is therefore more environmentally friendly, in our printers.</p>	
<p><b>Aspect: Energy</b></p>		
<p><b>EN3</b> Direct energy consumption by primary energy source</p>	<p>We obtain our energy almost exclusively from external energy providers. The exception here is the electricity directly generated by our photovoltaic system at Hannover Home Office, which is fed entirely into the in-house grid. Details of our energy consumption, broken down into electricity and district heating, are shown under Indicator EN4.</p> <p>In November 2013 altogether 652 solar modules were installed on the roof of the office buildings in Hannover. In the 2014 financial year 145,000 kilowatt hours of solar energy were generated through operation of the system, roughly equivalent to the power consumption of 42 two-person households. This enabled us to avoid around 130 tonnes of CO<sub>2</sub> emissions.</p> <p>Some senior executives at Hannover Re use company cars. However, given that the proportion of our total energy consumption attributable to the kilometres driven on business is very small, we do not record the fuel consumption for these vehicles.</p>	
<p><b>EN4</b> Indirect energy consumption by primary source</p>	<p>We collect the data on our energy consumption broken down into electricity and district heating (both in kilowatt hours). Presentation in joules is not considered to be expedient for internal management purposes.</p> <p>At the beginning of 2012 we switched our electricity supply to 100% renewables and have since used exclusively hydroelectric power. Electricity consumption in the year under review stood at 8,969,975 kilowatt hours (this equates to roughly 32,292 gigajoules) and thus decreased again after a slight rise in the previous year. The drop in electricity consumption is due to operation of the photovoltaic system; the power that is generated is fed directly into the in-house grid and therefore no longer needs to be obtained externally.</p> <p>The consumption per employee was again lower than in the previous year. This reduction was achieved through an improved IT structure and more efficient devices. In November 2014 we replaced the existing department printers in Hannover with new state-of-the-art devices in the corridor areas. These new devices print more quickly, flexibly and reliably and also deliver lower paper consumption thanks to optimised print management. Printers used by individual offices and secretary’s offices were reviewed and in some instances eliminated at year-end.</p>	



**Electricity consumption**

in kWh

in kWh/employee

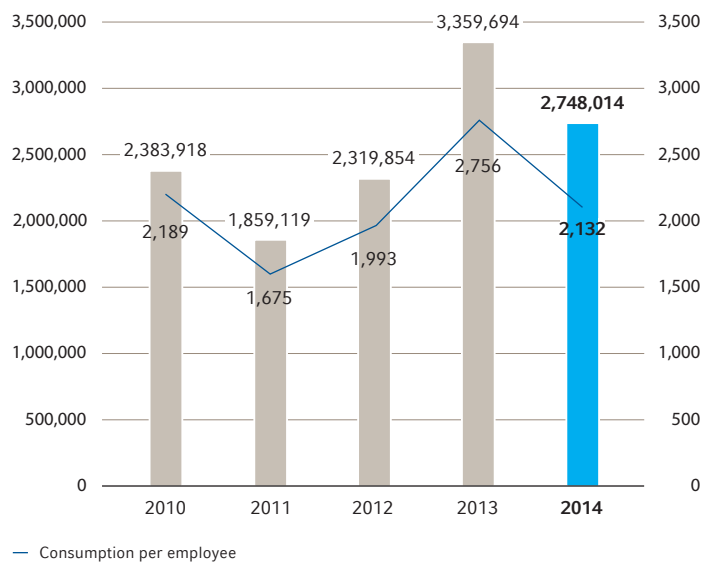




Our district heating consumption in 2014 amounted to 2,748,014 kilowatt hours (this equates to roughly 9,893 gigajoules); it was thus sharply lower by around 18% after a weather-related increase in the previous year. The underlying data in the following chart have not been adjusted to allow for weather conditions, i. e. the actual energy consumption figures are provided.

**District heating consumption**

in kWh

in kWh/employee



GRI Indicator	Information from Hannover Re	Further Details
<p><b>EN5</b> Energy saved due to conservation and efficiency improvements</p>	<p>In recent years we have successively raised the temperature in our server rooms to 26 degrees. Conservative estimates indicate that in so doing we have reduced the electricity consumption for cooling the server rooms by around 5%, or some 50,000 kilowatt hours, since 2012. The cost saving is put at around EUR 8,500 annually.</p> <p>In addition, we intend to move forward with the expansion of an energy-saving, intelligent LED lighting control system. The progressive change-over to this LED technology had already commenced in 2013, and the initiative was continued in light of economic considerations.</p> <p>When planning new or modified processes or projects (such as new construction activities), we ensure that adequate consideration is given to environmental aspects in conformity with our Environmental Management System.</p>	
<p><b>EN6</b> Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives</p>	<p>We endeavour to play an active part in motivating others to conserve energy. Working together with b2b Protect GmbH, Hannover Re therefore offers the so-called „Energie Einspar Protect“ (EEP) solution. This creates incentives to invest in energy-saving technologies and energy-efficient products. In this connection Hannover Re covers the energy savings warranties given to customers by energy service providers. In the German market the product has been expanded, in cooperation with KlimaProtect, to a broad range of industrial applications such as pumps, combined heat and power plants and lighting systems. If the promised energy savings fail to materialise, the business in question receives a compensatory payment.</p> <p>In 2015 Hannover Re was honoured with the enercity Energy Efficiency Award for the „Energie Einspar Protect“ product. This prize is awarded to companies’ business models, services and products that have the potential to help the turnaround in German energy policy succeed.</p>	<p>  <a href="http://www.hannover-re.com">www.hannover-re.com</a>            &gt; Sustainability &gt; Product responsibility</p>
<p><b>EN7</b> Initiatives to reduce indirect energy consumption and reductions achieved</p>	<p>The members of Hannover Re’s workforce are also encouraged to make energy savings. All our employees at Hannover Home Office receive annual training in efficient energy consumption and environmental protection at the workplace.</p> <p>We make increasing use of state-of-the-art communication capabilities and continue to expand them in order to conserve resources in our business activities. In 2012, in the context of a company-wide IT project, steps were initiated to make standard workstations more energy-efficient and hence more environmentally friendly. Notebooks, PCs and workstation printers with high energy consumption and CO<sub>2</sub> emissions were replaced with more modern energy-efficient devices. It is also envisaged that in the future it should be possible to hold web conferences at all workstations so as to give further impetus to the reduction of business travel within the Group. In September 2014 „WebEx on premise“ was made available in Hannover and at almost all other locations to every member of staff at these offices. WebEx is a web-based conference system which – in addition to serving as a standard teleconference tool – makes it possible for users to share desktop applications and documents, enable remote support via the handover function for keyboard and mouse control and conduct videoconferences using a notebook or desktop camera. We expect to generate savings in energy consumption on a progressive basis through the use of web-based video conferences starting in 2015. The IT project to restructure and optimise PC workstations („Next Generation Workplace“) has thus largely been completed.</p> <p>Our staff are encouraged to use public transport or cycle on their daily commute to work. 26% of the workforce employed in Germany already makes use of the option of teleworking from home.</p>	<p>  <a href="http://www.hannover-re.com">www.hannover-re.com</a>            &gt; Sustainability            &gt; Environment and society</p>

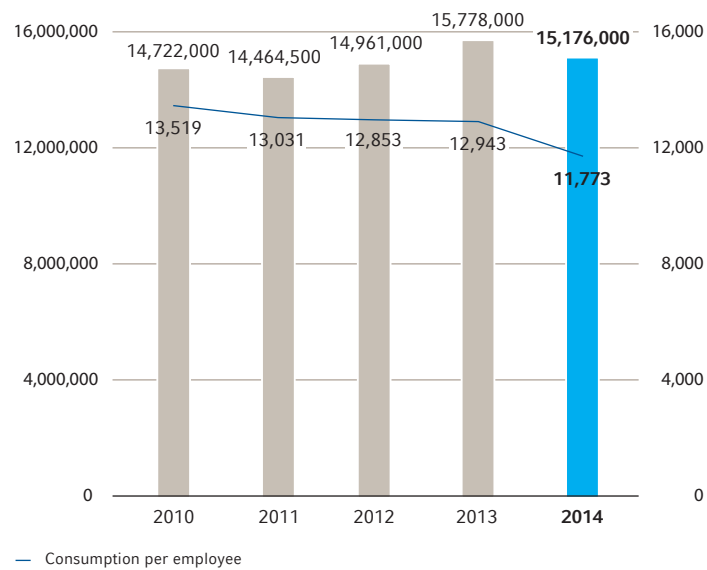
**Aspect: Water****EN8** Total water withdrawal by source

Hannover Re's water is supplied exclusively by the regional water utility company. The total water consumption in the year under review amounted to 15,176,000 litres and was thus slightly lower than in the previous year. The consumption per employee has decreased sharply, driven by the use of more energy-efficient and economical dishwashers in the canteen as well as the removal of the old dishwashers in the tea rooms and the associated centralisation of dishwashing functions. In addition, the modernisation of sanitary facilities has helped to reduce consumption.

**Water consumption**

in litres

in litres/employee

**EN9** Water sources significantly affected by withdrawal of water


We do not report on this Indicator because we obtain our water from the regional water utility company and therefore do not ourselves collect data on the water withdrawal sources.

**EN10** Percentage and total volume of water recycled and reused

As a non-manufacturing company, Hannover Re has not taken steps to recycle and reuse water.

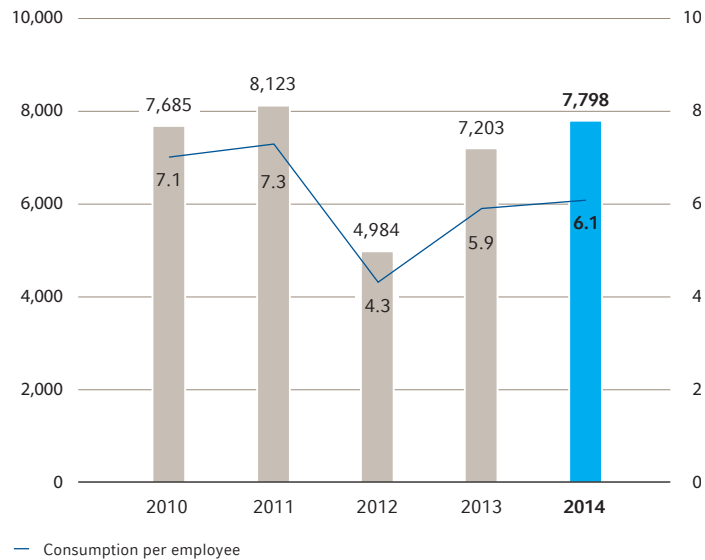
**Aspect: Biodiversity****EN11** Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

The land used by Hannover Re is not located in or adjacent to protected areas. As a company operating in the insurance industry that uses its premises solely for office work, our offices are normally located in cities or municipalities.

GRI Indicator	Information from Hannover Re	Further Details
<p><b>EN12</b> Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas</p>	<p>With our reinsurance services we play a part in protecting against biodiversity damage, i. e. harm to species and natural habitats.</p> <p>Detailed analyses of our approach to biodiversity damage can be found in the "Schriftenreihe" series of publications (issue numbers 14 and 15) put out by our subsidiary E+S Rück. Our studies have shown that even slight impairments of biodiversity can give rise to considerable environmental damage. Our goal is to inform about these risks and raise awareness of them. As we see it, it is the responsibility of society as a whole to identify biodiversity risks as quickly as possible, recognise them as such and eliminate them.</p>	 <p><a href="http://www.es-rueck.de">www.es-rueck.de</a>            &gt; Publikationen &gt; Studien            &gt; Schriftenreihe</p>
<p><b>EN13</b> Habitats protected or restored</p>	<p>This Indicator is not relevant to our company (see also EN 11).</p>	
<p><b>EN14</b> Strategies, current actions, and future plans for managing impacts on biodiversity</p>	<p>This Indicator is not relevant to our company (see also EN 11).</p>	
<p><b>EN15</b> Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk</p>	<p>This Indicator is not relevant to our company.</p>	
<p><b>Aspect: Emissions, Effluents, and Waste</b></p>		
<p><b>EN16</b> Total direct and indirect greenhouse gas emissions by weight</p> <p>(FSSS: Commentary added to invite reporting on greenhouse gas emissions relating to business travel)</p>	<p>Hannover Re's CO<sub>2</sub> emissions in the year under review amounted to 7,798 tonnes, an increase of 8% year-on-year. This number refers to indirect CO<sub>2</sub> emissions (we do not produce direct CO<sub>2</sub> emissions, cf. Indicator EN3). The calculation is based on our consumption of electricity, district heating and paper as well as our business travel.</p> <p>The rise is due to the increased number of business trips. Our business travel cannot always be replaced with videoconferences and is subject to considerable fluctuations attributable to the general state of the market and in some instances the cultivation of closer customer contacts. Videoconferences primarily replace travel motivated by internal reasons, i. e. between different Hannover Re locations. The changeover to web-based video conferences took place in September 2014. However, the beneficial effects of such web-based video conferences are only expected to be felt gradually from 2015 onwards.</p>	

**CO<sub>2</sub>-emissions**  
in t

in t/employee



Business travel accounts for around 97% of our total emissions. Since 2007 we have therefore worked together with "atmosfair", an external service provider, to calculate and control them. The CO<sub>2</sub> emissions caused by business travel rose significantly in the year under review to 7,530 tonnes.

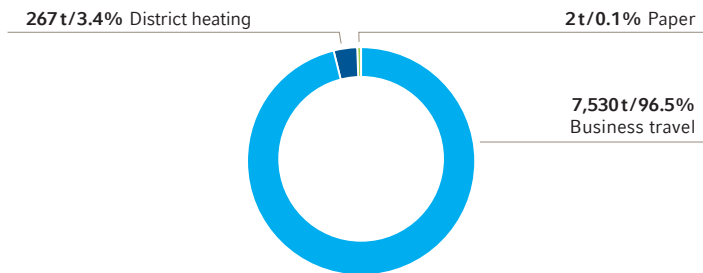
**EN17** Other relevant indirect greenhouse gas emissions by weight

Most relevant – accounting for roughly 97% of total emissions – are our greenhouse gas emissions resulting from business travel. The CO<sub>2</sub> emissions caused by business travel rose significantly in the year under review to 7,530 tonnes. The electricity obtained solely from renewables is not shown in the chart below.



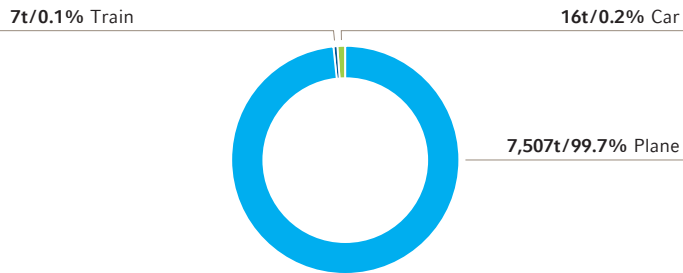
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**CO<sub>2</sub> emissions in 2014 according to causation**



The greenhouse gas emissions resulting from business travel are caused almost entirely by air travel.

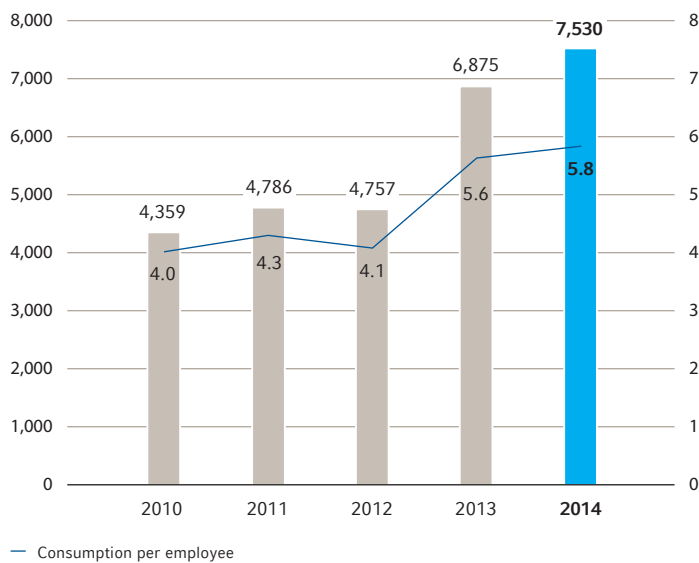
#### CO<sub>2</sub> emissions from business travel in 2014 broken down by means of transport



#### CO<sub>2</sub> emissions from business travel

in t

in t/employee



**EN18** Initiatives to reduce greenhouse gas emissions and reductions achieved

It remains our goal to operate on a climate-neutral basis at our Hannover location from 2015 onwards. To this end we continuously strive to reduce CO<sub>2</sub> emissions and take additional offsetting measures.

In November 2013 we installed a photovoltaic system on the roof of the Home Office building in Hannover. The electricity generated is fed entirely into the in-house grid. Altogether, 652 solar modules were set up on the roof. In the financial year 145,000 kilowatt hours of solar energy were generated through operation of the system, equivalent to the power consumption of 42 two-person households. Going forward, this will enable us to avoid around 130 tonnes of CO<sub>2</sub> emissions each year.

GRI Indicator	Information from Hannover Re	Further Details
	<p>Since 2008 we have offset the CO<sub>2</sub> pollution due to business flights by making voluntary compensatory payments to the organisation „atmos-fair“. Train travel with Deutsche Bahn AG has been climate-neutral since 2013 and we therefore do not make any offsetting payments.</p> <p>Overall, we thereby almost entirely neutralise the CO<sub>2</sub> emissions. As shown under EN17, roughly 97% of our total CO<sub>2</sub> emissions result from business travel.</p> <p>In order to reduce the total volume of our greenhouse gas emissions we have purchased all our electricity from renewables since 1 January 2012. It is therefore no longer necessary to offset the CO<sub>2</sub> pollution from our electricity consumption at the Hannover location by purchasing RECS (“Renewable Energy Certificate System”) certificates. Progressive roll-out of the switch to renewables is also planned globally.</p> <p>Paper-intensive publications such as our Group Annual Report, quarterly reports and documents for the Annual General Meeting are printed on a carbon-neutral basis. Publications such as this GRI Report, for example, are made available to our stakeholders purely in electronic form as an online PDF file. We have committed ourselves to this approach in our internal Corporate Design Manual.</p> <p>In addition, we reduce, where possible, our CO<sub>2</sub> emissions by replacing business travel with video conferences. In 2014 around 1,588 video conferences were held with two or more participating locations. The calculated savings in CO<sub>2</sub> emissions through video conferences are estimated. Making the conservative assumption that, apart from the host, one person would have flown for each participating location, the 1,588 videoconferences correspond to around 19.4 million kilometres flown. Working on the basis that roughly a third of videoconferences were held as replacements for air travel, this produces a saving of approximately 7.5 million kilometres flown; using the calculation method of our external service provider, this is equivalent to a saving of some 2,900 tonnes of CO<sub>2</sub>. Going forward, we remain committed to making greater use of videoconferences.</p>	
<p><b>EN19</b> Emissions of ozone-depleting substances by weight</p>	<p>We do not emit any ozone-depleting substances.</p>	
<p><b>EN20</b> NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions by type and weight</p>	<p>In our environmental management we concentrate on the reduction of CO<sub>2</sub> emissions owing to the proportionately high CO<sub>2</sub> associated with our business travel. Our business activities do not give rise to any nitrogen oxide (NO<sub>x</sub>) or sulphur oxide (SO<sub>x</sub>) emissions.</p>	
<p><b>EN21</b> Total water discharge by quality and destination</p>	<p>As a non-manufacturing provider of insurance services, the issue of water discharge is of minor relevance to Hannover Re. The volume of water discharged in the reporting period corresponds to the volume of water consumption (cf. Indicator EN8) and thus totalled 15,176,000 litres. Our water is discharged into the municipal sewage network. Environmentally critical effluents are not discharged in connection with Hannover Re’s business operations.</p>	

**EN22** Total weight of waste by type and disposal method

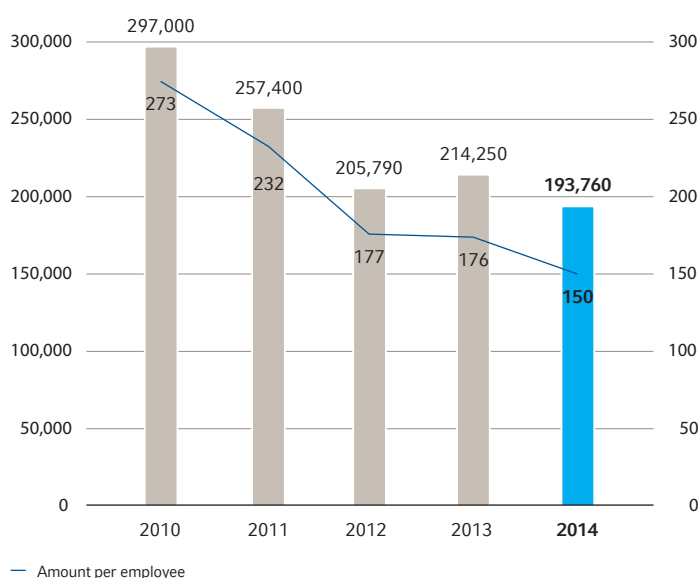
(FSSS: Commentary added to specify primary types of waste streams being paper and waste IT for financial institutions)

The total weight of waste decreased by almost 10% in 2014 to 193,760 kilogrammes. The primary factor here was the substantially reduced volume of waste paper, cardboard, cartons and old files that had been destroyed, which fell 20% year-on-year to 86.1 tonnes (105.4 tonnes). In addition, there is greater awareness surrounding the use of resources, thereby avoiding waste. Furthermore, a more professional approach has been taken to the separation of waste for recycling.

**Waste**

in kg

in kg/employee




Roughly half of our total waste in 2014 was recycled. All catering waste produced at Home Office in Hannover that must be disposed of for hygienic and legal reasons is used to generate energy (sent to a biogas plant).

**Waste by method of disposal in 2013 and 2014**

in kg	2014	in %	2013	in %
Recycling	98,910	51.1	116,420	54.3
Composting	5,400	2.8	3,840	1.8
Energy recovery	16,500	8.5	21,090	9.8
Combination of material recycling, above-ground landfill and energy recovery <sup>1</sup>	67,440	34.8	69,560	32.5
Electronic waste	5,270	2.7	3,200	1.5
Hazardous waste (e.g. energy-saving light bulbs, paint, varnish)	240	0.1	140	0.1
<b>Total</b>	<b>193,760</b>	<b>100.0</b>	<b>214,250</b>	<b>100.0</b>

<sup>1</sup> Precise classification is not possible due to the method of waste collection.



GRI Indicator	Information from Hannover Re	Further Details
<p><b>EN23</b> Total number and volume of significant spills</p>	<p>Reinsurance business does not give rise to any spills of harmful substances.</p>	
<p><b>EN24</b> Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally</p>	<p>We comply with all legal provisions governing the proper disposal of various types of waste.</p>	
<p><b>EN25</b> Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff</p>	<p>As a provider of insurance services Hannover Re does not discharge any environmentally critical effluents. No critical effects are to be expected from the surface runoff of our premises.</p>	
<p><b>Aspect: Products and Services</b></p>		
<p><b>EN26</b> Initiatives to mitigate environmental impacts of products and services, and extent of impact Mitigation</p>	<p>The insurance services provided by Hannover Re do not have any relevant environmental impacts. They help make it possible to adequately insure against risks associated with environmental damage.</p> <p>In the area of investments Hannover Re works to minimise possible negative environmental impacts. For further information please see the Category "Financial Services Sector Indicators" in this GRI Report.</p>	<p> Category "Financial Services Sector Indicators" in this GRI Report</p>
<p><b>EN27</b> Percentage of products sold and their packaging materials that are reclaimed by category</p>	<p>We do not report on this Indicator because it is not applicable to our company.</p>	
<p><b>Aspect: Compliance</b></p>		
<p><b>EN28</b> Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</p>	<p>Hannover Re was not required to pay any significant fines in the reporting period or in previous years due to non-compliance with environmental laws or regulations. Nor were any non-monetary sanctions imposed on Hannover Re.</p>	

**Aspect: Transport**

**EN29** Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce

Our reinsurance services do not cause any significant environmental impacts through transporting.

We make systematic efforts (e.g. by way of videoconferences) to reduce business trips by our employees, especially air travel, and thereby control CO<sub>2</sub> emissions increasingly tightly (cf. also the disclosures under EN16, EN17, EN18). We offset all CO<sub>2</sub> emissions caused by unavoidable air travel by making offsetting payments. In addition, we encourage our employees to use environmentally friendly means of transport when travelling to work.



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> CO<sub>2</sub> emissions



**Aspect: Overall**

**EN30** Total environmental protection expenditures and investments by type

The offset payments made for our air travel amounted to altogether EUR 211,707 in the year under review. Train travel did not have to be offset because the railway operator has switched to green power and hence no CO<sub>2</sub> emissions are caused.

Additional costs of around EUR 15,000 were incurred in the reporting period for the recertification audit of our Environmental Management System, i.e. the legal check and the internal audit. There are also internal personnel costs associated with ongoing implementation of the Environmental Management System and a Group policy providing coverage for environmental impairment liability and environmental damage. Our total expenditures and investments for environmental protection measures can therefore be put at a good EUR 300,000 in 2014.

## Category “Labour Practices and Decent Work” (LA)

GRI Indicator	Information from Hannover Re	Further Details
<p><b>DMA</b> Description of Management Approach to Aspects of Labour Practices and Decent Work</p> <p>(FSSS: Commentary added to report on policies and practices regarding threats and violence in place to assist workforce members, their families, or community members)</p>	<p>Employing successful staff for the long term is one of the ten key elements of our Group Strategy. Board responsibility for personnel rests with the Chief Executive Officer and human resources – as a central cross-divisional function – is managed worldwide from Home Office. For the Indicators of the Category “Labour Practices and Decent Work” it is therefore possible to extend the scope of consolidation of this GRI Report in some cases and report selected disclosures Group-wide. In the coming years we shall strive to collect further data.</p> <p>The diversity of our workforce is one of the cornerstones of our commercial success. We have therefore made the continued cultivation of diversity a goal of our Sustainability Strategy 2015–2017. Hannover Re collects data Group-wide on the diversity of its workforce in relation to gender and age, and at Hannover Home Office additionally in relation to nationality. On ethical grounds and in part due to statutory regulations, we do not collect any data on other categories such as religious belief or disability.</p> <p>The gender breakdown of Hannover Re’s total workforce is very balanced. However, women are less widely represented than men in the higher hierarchical levels of the company. With a view to changing this and fostering the potential of all employees, the Executive Board decided in 2012 to promote measures for the advancement of women. To this end, our existing personnel development tools were supplemented by a mentoring programme designed especially for women. This programme involves bringing female employees together with experienced senior managers for a period of 12 months to engage in a targeted, regular dialogue. The mentees are encouraged to reflect on their professional development to date and to take steps to actively shape their future career. The initial pilot phase was conducted in the period from March 2013 to March 2014 with the participation of five mentee-mentor tandems. Following its conclusion we evaluated the programme and its results. It was pleasing to see the thoroughly positive evaluation both as regards the scheme’s implementation and in relation to the cooperation between mentee and mentor; the clearly evident personal growth of the mentees was similarly highly gratifying. The Executive Board therefore decided to continue with this programme. Preparations were made for the next round in September 2014 with two company-wide information events aimed at the target group. The application and selection phase took place in the fourth quarter of 2014, and another six mentee/mentor tandems entered the mentoring programme at the beginning of 2015.</p> <p>Our internal and external (further) training programmes cover a broad range of topics and are an established routine focus of our human resources activities. Another goal that we have set ourselves in our Sustainability Strategy 2015–2017 is the expansion of further training activities for specialist staff and managers.</p> <p>For a number of years now we have participated in the Fair Company Initiative launched by the publications Handelsblatt and Wirtschaftswoche. We thereby undertake to comply with various principles governing the employment of interns, for example not to replace full-time positions with interns, volunteers, visiting students or long-term temporary workers.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Employees</p> <p> Group Annual Report p. 23, 65 et seq., 124 et seq.</p> <p>Group Strategy</p> <p>Handelsblatt <a href="http://www.faircompany.de">www.faircompany.de</a></p>

Employee salaries at Hannover Re are determined by skills and qualifications. Our Code of Conduct, which is applicable worldwide, specifies that nobody may be disadvantaged on the basis of gender. Salary increases and promotions follow a clearly defined process. The individual promotion grades are subject to transparent criteria published in the company's in-house intranet, which are also purely skills-based.

In the context of our management system Performance Excellence 2.0 performance appraisal targets are agreed for all managers. These are reflected not only in profit-oriented indicators but also in non-financial variables derived from the strategic parameters.

Hannover Re would like to enable its employees to strike a balance between their professional challenges and private life and has enshrined the promotion of a work/life balance in its Sustainability Strategy. It offers part-time and teleworking models that can be individually structured and flexible working-time arrangements without core hours. In addition, Hannover Re's Human Resources Management division advises employees who are interested in the opportunities for greater employment flexibility. This flexibility at the workplace can make it easier to organise everyday life in phases such as starting a family or preparing for the end of one's professional career, e.g. through partial retirement arrangements.

We attach special importance to a family-friendly approach in our human resources policy. Among other measures, Hannover Re operates its own company crèche at its Home Office location offering altogether 30 places for all-day care of infants (up to the age of three). As part of our Sustainability Strategy 2015–2017 we intend to review, as necessary, an expansion of the range of care made available to employees' children at the company kindergarten.

The employee-employer relationship is governed by the Co-Determination Act, our Articles of Association and the Agreements with the Employee Council.

As far as health is concerned, and bearing in mind that most work is done at a desk, we emphasise good ergonomic working conditions, relief from eye and back strain and stress management. We address health issues on a coordinated basis through our company physicians, extensive wellness programmes and sports opportunities. Our approach here is preventive, i.e. we endeavour to stop risks of health impairments even arising in the first place. In our Sustainability Strategy we have set ourselves the goal of preserving or as appropriate restoring the performance capability of our employees. Specific measures have been designed for this purpose (cf. LA8).

We survey the job satisfaction of the members of staff working at our Hannover location at regular two-year intervals and are planning to extend these surveys internationally as part of our Sustainability Strategy. The next such survey will be conducted in autumn 2015 for the first time as an international employee survey.

## Aspect: Employment

**LA1** Total workforce by employment type, employment contract, and region, broken down by gender

**Breakdown of the workforce by region, gender, employment type and employment contract in 2013 and 2014**

	2014	2013
<b>Group-wide</b>		
Total workforce	2,534	2,419
Thereof men	1,231	1,176
Thereof women	1,303	1,243
Full-time positions	2,167	2,112
Thereof men	1,134	1,134
Thereof women	1,033	978
Part-time positions	301	307
Thereof men	32	42
Thereof women	269	265
Permanent positions	2,385	2,277
Thereof men	1,171	1,117
Thereof women	1,214	1,160
Temporary positions	149	142
Thereof men	60	59
Thereof women	89	83
<b>Hannover Home Office</b>		
Workforce	1,289	1,219
Thereof men	602	577
Thereof women	687	642
Trainees	20	18

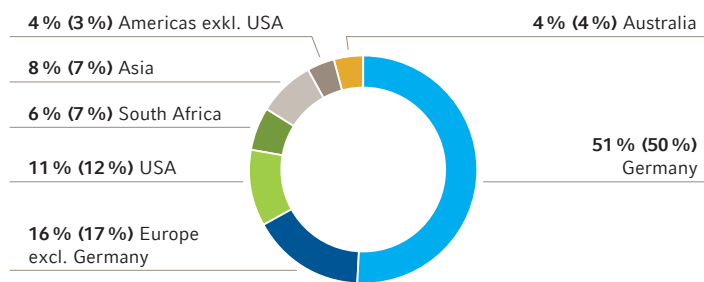
The number of employees Group-wide grew by roughly 1% in the year under review. Half of this increase was due to new additions to the workforce in Germany. Staff numbers also rose particularly strongly in Asia by 15.7%.

With regard to our Hannover location, there are 267 different, highly customised part-time models. In addition, 337 employees have a teleworking position. A variety of part-time working models are also offered at our locations abroad, and teleworking opportunities are available. Precise data has not, however, been collected in this connection to date.

#### Number of employees by region and gender in 2013 and 2014

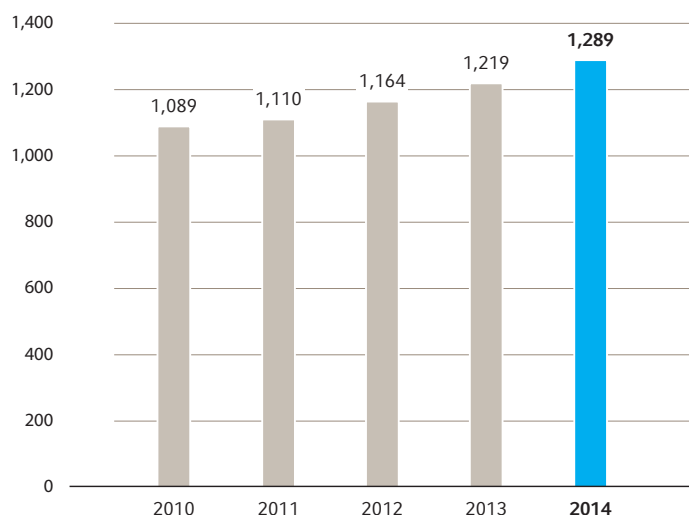
Region	2014			2013		
	Number of employees	Thereof men	Thereof women	Number of employees	Thereof men	Thereof women
Germany	1,289	602	687	1,219	577	642
Europe excl. Germany	407	207	200	416	210	206
USA	285	146	139	280	139	141
South Africa	164	71	93	164	74	90
Asia	199	114	85	162	90	72
Americas excl. USA	90	46	44	72	39	33
Australia	100	45	55	75	35	40
<b>Total</b>	<b>2,534</b>	<b>1,231</b>	<b>1,303</b>	<b>2,419</b>	<b>1,176</b>	<b>1,243</b>

#### Percentage breakdown of the workforce by region in 2013 and 2014



Figures in brackets refer to 2013

### Growth in the workforce at Hannover Home Office



**LA2** Total number and rate of new employee hires and employee turnover by age group, gender, and region

The following table shows the rate of persons joining and leaving the company in the reporting period. The rate of persons leaving corresponds to the staff turnover ratio, since it refers to the number of employees at year-end (which already includes the new appointments). The trend can be understood through the comparison with the number of persons joining the company. The staff turnover at Hannover Home Office – standing at 1.5% (2.8%) – is well below the previous year and the average level expected for the industry as a whole.

The average length of service to the company at the Hannover location stood at 10.3 years in 2014.

#### Staff turnover by region in 2013 and 2014

Region	2014				2013			
	Rate of persons joining		Rate of persons leaving		Rate of persons joining		Rate of persons leaving	
	Number	in %	Number	in %	Number	in %	Number	in %
Germany	108	8.4	27	2.1	110	9.0	40	3.3
Europe excl. Germany	60	15.3	77	19.6	74	18.9	54	13.8
USA	24	8.5	17	6.0	13	4.6	21	7.4
South Africa	22	13.4	14	8.5	11	6.7	16	9.8
Asia	37	22.8	20	12.3	29	17.9	8	4.9
Americas excl. USA	11	15.3	6	8.3	18	25.0	9	12.5
Australia	24	32.0	8	10.7	16	21.3	6	8.0

## Staff turnover by gender in 2013 and 2014

Gender	2014				2013			
	Rate of persons joining		Rate of persons leaving		Rate of persons joining		Rate of persons leaving	
	Num-ber	in %	Num-ber	in %	Num-ber	in %	Num-ber	in %
Men	130	10.6	72	5.8	117	9.9	76	6.5
Women	156	12.0	97	7.4	154	12.4	78	6.3

## Staff turnover by age group in 2013 and 2014

Age group	2014				2013			
	Rate of persons joining		Rate of persons leaving		Rate of persons joining		Rate of persons leaving	
	Num-ber	in %	Num-ber	in %	Num-ber	in %	Num-ber	in %
Up to age 29	108	34.5	27	8.6	99	31.6	22	7.0
Ages 30 to 49	155	10.3	91	6.1	146	9.7	97	6.5
Age 50 and over	23	4.6	51	10.2	26	5.2	35	7.0

**LA3** Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

All employees of Hannover Re are provided with the same benefits in proportion to their working hours.

**LA15** Return to work and retention rates after parental leave, by gender

Group-wide, 119 employees of Hannover Re were entitled to parental leave in the year under review, thereof 43 men and 76 women. In 2014 33 employees returned to work after parental leave, thereof 15 men and 18 women.


35 employees who returned to work in 2013 from their parental leave were still working for Hannover Re after twelve months (14 men, 21 women).

## Aspect: Labour/Management Relations



**LA4** Percentage of employees covered by collective bargaining agreements

93% of Hannover Re employees at the Hannover location are covered by collective bargaining agreements. The remaining 7% can be attributed to some non-collective agreements with managers.

Group-wide, 100% of employees in Brazil, Italy, France, Sweden and Spain are covered by collective bargaining agreements. In the other countries in which Hannover Re has operations there are no collective bargaining agreements or no information is available in this regard.

 Remuneration Report in our Group Annual Report p. 105–125



GRI Indicator	Information from Hannover Re	Further Details
<p><b>LA5</b> Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements</p>	<p>Employees of Hannover Re are informed Group-wide without delay of significant operational changes. The Supervisory Board must be apprised immediately of matters that can have a material influence on the position of Hannover Re. No precise notice period has been set for this purpose.</p> <p>In the context of their right to information, the Employee Council for Hannover Home Office and the SE Employee Council of Hannover Rück SE duly receive all relevant information so as to be able to influence operational changes.</p>	
<p><b>Aspect: Occupational Health and Safety</b></p>		
<p><b>LA6</b> Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs</p>	<p>All employees are fully represented by the Health and Safety Committee. It goes without saying that we meet all legal requirements under the Occupational Safety Act</p>	
<p><b>LA7</b> Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender</p>	<p>The risk of physical impairment to our employees, i. e. of occupational injuries or fatalities, is comparatively slight owing to our business operations as a financial services provider.</p> <p>Employees of Hannover Re in Germany reported altogether 6 accidents while at work or commuting in 2014. The total number of days lost was 11,453. The rate of absenteeism due to illness was slightly higher in Germany in 2014 than in the previous year at 3.6% (previous year: 3.4%). No work-related fatalities were recorded among the workforce at any Group company.</p> <p>We do not collect data on occupational diseases or gender-specific figures on absenteeism and accidents.</p>	<p> Group Annual Report p. 65</p>
<p><b>LA8</b> Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases</p>	<p>The health of our employees is an essential prerequisite for the sustainable development of our business and for safeguarding our high quality standards. Company physicians are therefore available at various locations to advise 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 (including travel vaccinations). Immediate dangers to health can be alleviated by members of staff who have taken first aid training.</p> <p>In our Sustainability Strategy approved in 2015 by the Executive Board we have set ourselves the ongoing goal of preserving or as appropriate restoring the performance capability of our employees. We intend to achieve this inter alia by continuing with our existing health programmes and preventive check-ups.</p> <p>Most employees of Hannover Re have office workplaces. These pose risks above all to general fitness, the back and the eyes.</p> <p>We therefore offer our employees at our Home Office in Germany a broad range of fitness opportunities, for example through company sports groups dedicated to various types of sport as well as through cooperation arrangements with fitness studios. Courses in back training are offered on a regular basis. When it comes to individual workstations, Hannover Re is responsible for providing the most ergonomic possible room layout, desks and chairs. Not only that, Hannover Re can organise a mobile massage service upon request and provides appropriate facilities at the Home Office location.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Employees</p>

GRI Indicator	Information from Hannover Re	Further Details
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	<p>With regard to potential vision problems, an examination by the company physician can establish the need for a special “optical aid”, so-called monitor glasses. In this case Hannover Re pays the cost of manufacturing the glasses at a local optician.</p> <p>A heavy workload can cause stress and then potentially lead to other medical problems. For several years we have therefore offered seminars for staff and managers designed to help identify stress triggers, develop coping strategies and present tried and tested stress management methods. The previous two-day “Life Balance Management Seminars” were updated in 2013. Now entitled “Gesund.Stabil.Leben” (“Healthy.Stable.Living”), greater emphasis is placed on prevention and a holistic understanding of well-being.</p> <p>As part of our Sustainability Strategy we have decided to set up a counselling service for employees facing personal or professional crises. Going forward, this “Employee Assistance Programme” is intended to help staff at Hannover Home Office deal with particularly challenging situations in life.</p>	
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<p><b>LA9</b> Health and safety topics covered in formal agreements with trade unions</p>	<p>Our business operations, i. e. the provision of reinsurance services, do not give rise to any health and safety risks that are covered in formal agreements with trade unions.</p>	
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**Aspect: Training and Education**

<p><b>LA10</b> Average hours of training per year per employee by gender, and by employee category</p>	<p>Group-wide, each employee received an average of 3.3 days of (further) training in the year under review. This includes internal and external training activities that take up at least half a day.</p>	
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**Average number of training days per employee by region in 2013 and 2014**

Region	2014		2013	
	Total number of employees	Average number of training days per employee	Total number of employees	Average number of training days per employee
Germany	1,289	4.3	1,219	5.0
Europe excl. Germany	407	1.6	416	1.5
USA	285	1.0	280	1.9
South Africa	164	2.6	164	3.6
Asia	199	3.2	172	3.3
Americas excl. USA	90	5.8	83	4.4
Australia	100	2.8	85	2.8
<b>Total</b>	<b>2,534</b>	<b>3.3</b>	<b>2,419</b>	<b>3.7</b>

We do not record training days by employee category or gender.

GRI Indicator	Information from Hannover Re	Further Details
<p><b>LA11</b> Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings</p>	<p>Hannover Re offers its employees a diverse range of training, both internally and in cooperation with external providers. In our Sustainability Strategy 2015–2017 we have also set ourselves the goal of expanding training activities for specialist staff and managers. This is to be achieved by continuing and internationalising our leadership development programme, expanding the training programme and including the international locations in future employee satisfaction surveys.</p> <p>In the area of vocational qualifications Hannover Re offers six places annually to obtain a “Bachelor of Arts” degree in business administration with an insurance concentration and one or two places to study for a “Bachelor of Science” in business information technology under an integrated degree programme.</p> <p>Our range of further training activities, which are open to all employees, encompass offerings relating above all to information technology, reinsurance, social and methodological skills as well as language courses. In 2014 every employee of the Hannover Re Group received on average 3.3 days of further training.</p> <p>All new employees of Hannover Re receive special basic seminars that assist them with entry into their new field of work. Hannover Re offers (new) managers the possibility of individual coaching in addition to opportunities to attend various management seminars. The continuation and internationalisation of our leadership development programme is defined as a goal of our Sustainability Strategy.</p> <p>As part of the systematic expansion of our personnel development measures, we also emphasise the further training of our more seasoned colleagues. The most recent employee survey had identified a concrete need here, to which we have responded with the newly designed seminars “Primary insurance know-how for reinsurers” and “Confident decision-making in complex situations”. These targeted learning initiatives put our experts in an even stronger position when it comes to keeping up with changing (market) requirements and continuing to act with assurance in the face of growing complexity. These offerings also serve to encourage an important receptiveness to lifelong learning.</p> <p>At our company, as is the case elsewhere, the effects of shifting demographics are making themselves felt. With this in mind, in updating our range of training opportunities we also focused on considerations relating to health and performance capability as well as on supporting those of our employees in the late phase of their working life. For this purpose, we launched a seminar to inform our staff about relevant work/health correlations and make them more aware of factors that promote resilience. Participants gain a better understanding of their own individual resources that support them in a healthy lifestyle and help them to preserve their achievement potential over many years. Another new seminar is aimed specifically at members of staff who will be retiring in the coming years. Entitled “Purposefully shaping the transition into retirement”, the seminar helps these employees to tackle their final years with the company actively and to prepare for retirement. On the one hand, then, this seminars leverages potential for the company, while on the other hand it expresses to our staff the considerable esteem in which we hold them on account of their long-standing dedication.</p> <p>Many of our courses bring new recruits together with seasoned and older employees. In the past these mixed groups have proven helpful and especially fruitful for the company. With the development of a “blended learning” concept, which combines face-to-face training with online learning phases, we are able to more easily incorporate our colleagues at locations abroad. With a view to enabling our employees around the world to obtain a clear overview of the available training opportunities and in order to give them easy access to existing learning programmes and training documentation, we decided to expand our training programme as part of our Sustainability Strategy and in 2014 we began the roll-out of our own learning management system.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Employees</p> <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Career</p> <p> Group Annual Report p. 66</p>

**LA12** Percentage of employees receiving regular performance and career development reviews

100% of Hannover Re employees are offered an annual performance review with their direct supervisor. During this interview the employee's performance is assessed on the basis of company-specific criteria, and matters relating to cooperation and the scope of duties as well as the objectives and professional development of the individual employee are discussed at length. Participation in the interview is voluntary for the employee. Hannover Re recommends an annual cycle of performance reviews for employees.

In order to maintain and improve the good culture of leadership and communication at Hannover Re, feedback is envisaged for 100% of managers on their performance as a manager. Management feedback enables employees to give their supervisor feedback on his/her management style as they experience it every two years using a semi-anonymous procedure (anonymous questionnaire and subsequent discussion in the team). In addition, the manager is appraised by his/her direct supervisor in relation to their leadership abilities. Following on from the management feedback, appropriate supporting measures are agreed upon with the manager.

The implementation ratio for employee performance reviews at the Hannover location was 95% in 2014. The implementation ratio for management feedback with respect to those managers eligible for participation was 100% at the Hannover location in 2014.



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Group Annual Report  
p. 65 et seq.

#### Aspect: Diversity and Equal Opportunity

**LA13** Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

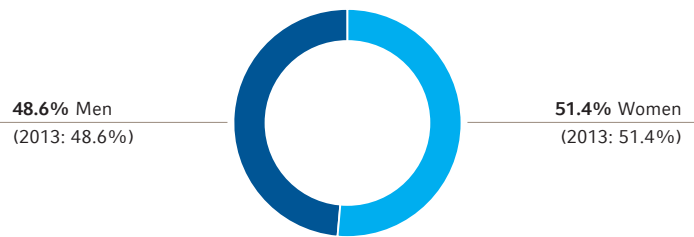
The diversity of our workforce safeguards our high global quality standard. Promoting this diversity has therefore been defined as a goal of our Sustainability Strategy. At Hannover Home Office alone, the 1,289 members of staff come from 39 different nations and thus reflect the international dimension of our business operations. In the first half of the year three different nationalities – two in the second half of the year – were represented on the seven-person Executive Board of Hannover Re.

#### Breakdown of employees by nationality in 2013 and 2014

	2014	2013
<b>Nationality</b>		
Germany	1,198	1,128
Other	451	408
USA	289	285
South Africa	154	155
UK	213	227
Ireland	44	45
Sweden	91	90
Australia	94	81
<b>Total</b>	<b>2,534</b>	<b>2,419</b>

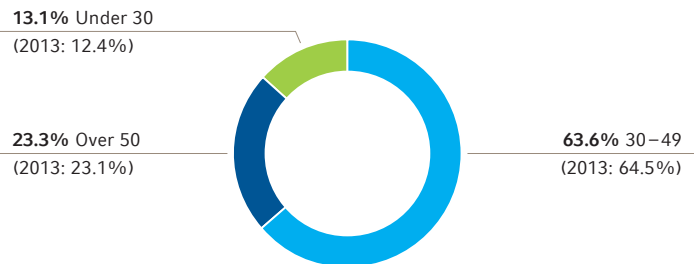
Going forward, we intend to raise awareness of the issue of diversity among our managers by way of training activities. We are also seeking to increase the proportion of women in leadership positions and we are continuing the mentoring programme for female members of staff as part of our Sustainability Strategy. Of the 94 managers working in Germany, 16 are women, or 17.0%. Group-wide, the gender balance of the 2,534-strong workforce is balanced at 48.6% male and 51.4% female.

#### Breakdown into male and female employees in 2013 and 2014



The picture is also balanced in relation to the age structure of our Group's workforce: 13.1% of our employees are under 30, 63.6% are aged between 30 and 50 and 23.3% are over 50.

#### Age structure of the workforce in 2013 and 2014



In Hannover Re's personnel statistics a distinction is made between three hierarchical levels: Group Executive, Senior Management and other employees. Of the altogether 2,534 employees Group-wide, 159 (6.3%) belong to the category of Group Executive, 505 (19.9%) to the category of Senior Management and 1,870 (73.8%) to the category of other employees.

Details of the breakdown of the various employee categories are provided in the tables below.

#### Breakdown of employees by gender

	Gender	2014		2013	
		Number	in %	Number	in %
Group Executive	Men	136	5.4	129	5.3
	Women	23	0.9	20	0.8
Senior Management	Men	339	13.4	356	14.7
	Women	166	6.6	175	7.2
Other employees	Men	756	29.8	691	28.6
	Women	1,114	44.0	1,048	43.3

#### Breakdown of staff by age group

	Age group	2014		2013	
		Number	in %	Number	in %
Group Executive	Up to age 29	0	0,0	0	0,0
	Ages 30 to 49	87	3.4	81	3.3
	Aged 50 or over	72	2.8	68	2.8
Senior Management	Up to age 29	1	0,0	1	0,0
	Ages 30 to 49	338	13.3	361	14.9
	Aged 50 or over	166	6.6	169	7.0
Other employees	Up to age 29	330	13.0	299	12.4
	Ages 30 to 49	1,187	46.8	1,118	46.2
	Aged 50 or over	353	13.9	322	13.3



#### Aspect: Equal Remuneration for Women and Men

**LA14** Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation




We do not report on this Indicator because we do not collect any data in relation to differences in basic salary. As a general principle, employee salaries at Hannover Re are determined by skills and not by gender.

Please see our salary determination procedures in the description of the Management Approach to the Category "Labour Practices and Decent Work".

## Category “Human Rights” (HR)

GRI Indicator	Information from Hannover Re	Further Details
<p><b>DMA</b> Disclosure on Management Approach to Aspects of Human Rights</p>	<p>In view of the nature of Hannover Re’s business operations – providing complex reinsurance services – human rights issues such as child labour or forced labour do not have relevance to the employees of Hannover Re worldwide. This is true of all our locations, i.e. also in places where there are no legal regulations. Further human rights issues, such as equal treatment and discrimination or the right to protection of personal data, are governed by the Code of Conduct applicable to all employees of the Hannover Re Group as well as by our Information Security and Data Privacy Guidelines.</p> <p>Above and beyond this, Hannover Re is committed to monitoring respect for human rights in the supply chain. In the Sustainability Strategy approved by the full Executive Board in 2011 and revised in 2014, we set ourselves the goal of evaluating 100% of relevant suppliers according to environmental and social standards. As a general principle, we secure the commitment of our suppliers to meet the minimum standards specified in the Purchasing Guidelines of Hannover Re.</p> <p>Our Code of Conduct for Suppliers includes respect for human rights (e.g. ILO core labour standards) as an essential component. The Code of Conduct is applicable to the Hannover Home Office location. Since the middle of 2012 the procedure for selecting and evaluating new suppliers has included a check by Facilities Management (FM) on whether they meet the requirements of the Code of Conduct. In addition, existing supplier relationships are also successively reviewed by FM and IT for compliance with the Code of Conduct as part of an ongoing process.</p> <p>This has been complemented by the development of an application-based process for self-reporting by suppliers and service providers that also contains criteria from the Code of Conduct. The procedure is now used on a regular basis by Facilities Management. In the context of an assessment carried out in 2014 we wrote to all IT vendors and evaluated them using a checklist. This evaluation will be factored into the selection of vendors when it comes to awarding future contracts.</p> <p>We also take explicit account of human rights considerations in the management of our investments. In our current Sustainability Strategy we have set ourselves the goal of expanding the guidelines developed in 2011 for evaluating investments according to ESG criteria.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Group &gt; Compliance</p> <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt;Sustainability &gt; Environment and society</p> <p> Sustainability Strategy</p> <p>Code of Conduct</p>

**Aspect: Investment and Procurement Practices**

<p><b>HR1</b> Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening</p> <p>(FSSS: Commentary added to report on investment agreements for the financial services)</p>	<p>In the selection of our investments we are guided primarily by the Principles of the United Nations Global Compact. Two of the ten principles relate explicitly to human rights.</p> <ul style="list-style-type: none"> <li>• Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>• Principle 2: make sure that they are not complicit in human rights abuses</li> </ul> <p>In our current Sustainability Strategy we have set ourselves the goal of expanding the guidelines developed in 2011 for evaluating investments according to ESG criteria. Along with other criteria, they take explicit account of human rights considerations. Around 90% of our investments are reviewed half-yearly on the basis of these ESG criteria. Securities of issuers who violate human rights are actively reduced. New exposures are avoided. Analyses of the financial year just ended did not identify any issuers in our portfolio who are accused of human rights violations.</p> <p>For further information on our ESG measures in asset management please see the Category “Financial Services Sector Indicators” in this GRI Report.</p>	<p> United Nations <a href="http://www.unglobalcompact.org">www.unglobalcompact.org</a></p> <p> Category “Financial Services Sector Indicators” in this GRI Report</p>
<p><b>HR2</b> Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken</p>	<p>Respect for human rights is a key requirement of the Code of Conduct for Suppliers developed by Hannover Re in 2011 for its Hannover Home Office.</p> <p>Since the middle of 2012 the procedure for selecting and evaluating new suppliers has included a check by the areas of Facilities Management (FM) and Information Technology (IT) on whether they meet the requirements of the Code of Conduct. Existing supplier relationships are also successively reviewed for compliance with the Code of Conduct as part of an ongoing process.</p> <p>This has been complemented by the development of an application-based process for self-reporting by suppliers and service providers that also contains criteria from the Code of Conduct. The procedure is now used on a regular basis by Facilities Management. In the context of an assessment carried out in 2014 we wrote to all IT vendors and evaluated them using a checklist. This evaluation will be factored into the selection of vendors when it comes to awarding future contracts.</p>	
<p><b>HR3</b> Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained</p>	<p>As described in the HR DMA section, human rights issues such as child labour or forced labour are not relevant to Hannover Re’s own employees. Further human rights issues such as equal treatment and discrimination or the right to protection of personal data are governed by the Hannover Re Code of Conduct applicable to all employees. All new employees of Hannover Re at the Hannover location receive training in this Code of Conduct from the Compliance Department and Group Legal Services. Special data privacy training is also provided by the Data Protection Officer in this context. In addition, employees are able at any time to make use of an online training programme in data privacy. The total hours of training and the percentage of employees trained are not currently recorded.</p>	<p> Code of Conduct</p>



**Aspect: Non-Discrimination**

■	<b>HR4</b> Total number of incidents of discrimination and corrective actions taken	Neither in the year under review nor in any previous years were there any incidents of discrimination, and hence no corrective actions were taken.
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**Aspect: Freedom of Association and Collective Bargaining**

■	<b>HR5</b> Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	<p>No instances are known of business operations that could pose a threat to freedom of association or collective bargaining.</p> <p>The Code of Conduct for Suppliers drawn up in 2011 requires – along with other conditions – safeguarding of the right of freedom of association, e.g. to join trade unions and the employee council. Since the middle of 2012 the areas of Facilities Management (FM) and Information Technology (IT) have verified whether the Code of Conduct is met by potential and existing suppliers and they select new suppliers accordingly.</p> <p>This has been complemented by the development of an application-based process for self-reporting by suppliers and service providers that also contains criteria from the Code of Conduct. The procedure is now used on a regular basis by Facilities Management. In the context of an assessment carried out in 2014 we wrote to all IT vendors and evaluated them using a checklist. This evaluation will be factored into the selection of vendors when it comes to awarding future contracts.</p>
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**Aspect: Child Labour**

■	<b>HR6</b> Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	<p>As a provider of complex reinsurance services, child labour has no relevance to the employees of Hannover Re – or to global locations of Hannover Re where this issue is not legally regulated.</p> <p>In the supply chain Hannover Re deals with the risk of child labour in the context of the Code of Conduct for Suppliers drawn up in 2011. This requires – among other things – zero tolerance of any form of child labour. The evaluation and selection of new suppliers by the areas of Facilities Management (FM) and Information Technology (IT) ensures that the risk of child labour can be ruled out. Existing supplier relationships are also successively reviewed for compliance with the Code of Conduct as part of an ongoing process.</p> <p>This has been complemented by the development of an application-based process for self-reporting by suppliers and service providers that also contains criteria from the Code of Conduct. The procedure is now used on a regular basis by Facilities Management. In the context of an assessment carried out in 2014 we wrote to all IT vendors and evaluated them using a checklist. This evaluation will be factored into the selection of vendors when it comes to awarding future contracts.</p>
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**Aspect: Forced and Compulsory Labour**

**HR7** Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour

As a provider of complex reinsurance services, forced or compulsory labour has no relevance to the employees of Hannover Re at its Hannover location – or at global locations of Hannover Re where this issue is not legally regulated.

In the supply chain Hannover Re deals with the risk of forced or compulsory labour. The Code of Conduct for Suppliers drawn up in 2011 prohibits – among other things – forced labour or labour that is not voluntary. Since the middle of 2012 the procedure for selecting and evaluating new suppliers has included a check by the areas of Facilities Management (FM) and Information Technology (IT) on whether they meet the requirements of the Code of Conduct. In addition, existing supplier relationships are also successively reviewed by FM and IT for compliance with the Code of Conduct as part of an ongoing process.

This has been complemented by the development of an application-based process for self-reporting by suppliers and service providers that also contains criteria from the Code of Conduct. The procedure is now used on a regular basis by Facilities Management. In the context of an assessment carried out in 2014 we wrote to all IT vendors and evaluated them using a checklist. This evaluation will be factored into the selection of vendors when it comes to awarding future contracts.

**Aspect: Security Practices**

**HR8** Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations

Hannover Re does not employ any security personnel of its own and has assigned this function to external service providers.

The risk of human rights violations in the context of Hannover Re's business is extremely slight and in our assessment, therefore, this Indicator is in principle not relevant to our sustainability management.

**Aspect: Indigenous Rights**

**HR9** Total number of incidents of violations involving rights of indigenous people and actions taken

We do not report on this Indicator because we do not consider the violation of rights of indigenous people to be relevant in the context of our business activities.

**Aspect: Assessment**

**HR10** Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments



We do not report on this Indicator because we do not currently monitor our business operations in this regard on account of the minimal risk of human rights violations.

**Aspect: Remediation**

**HR11** Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms

We do not report on this Indicator because human rights violations have not to date occurred at Hannover Re and we therefore do not consider the establishment of a grievance mechanism for human rights violations to be relevant to our company.

## Category “Society” (SO)

GRI Indicator	Information from Hannover Re	Further Details
<p><b>DMA</b> Disclosure on Management Approach to Society Aspects</p>	<p>As a globally operating company that has played a part in shaping the reinsurance market for almost 50 years, we consider our actions to be responsible and forward-thinking and we recognise our obligation to society. Responsibility for Hannover Re’s social engagement rests with the Executive Board as a whole, the members of which are jointly accountable for the implementation and refinement of strategic issues relating to sustainability.</p> <p>By offering reinsurance arrangements Hannover Re helps to provide individuals and undertakings with reliable and long-term protection against a broad range of risks and potentially large losses. By offering tailored solutions, such as microinsurance products and covers for agricultural risks to alleviate the financial burdens caused by climate-related crop damage, we respond systematically to changing global risk structures and play a major role in increasing insurance penetration, including in developing and emerging markets. We have made the further development and expansion of “sustainable” products a goal of the Sustainability Strategy approved by the full Executive Board in 2015. Examples and specific activities can be found in the “Financial Services Sector Indicators” section of this GRI Report.</p> <p>In order to be able to offer our clients lasting reinsurance protection and to safeguard the company’s economic stability on an enduring basis, it is absolutely essential to navigate a path through risks in a forward-looking manner and to take account of all relevant factors – economic, environmental and social. Our active approach to risk management, which gives us a clear picture of the current risk situation at all times and adequately reflects our overall risk profile, is a vital platform for fulfilling these requirements.</p> <p>Compliance with the law is a matter of course for our company. The high ethical and moral standards to which we aspire not only for our products and services but also in our dealings with one another are defined in our Group-wide Code of Conduct as being binding upon all members of staff. The Compliance Department of Hannover Re in Germany, as part of our Group Legal Services, bears responsibility for compliance with all laws – which also includes observance of all sanction regulations relevant to our company. Members of staff receive appropriate training. Compliance with relevant rules and regulations at all our locations and subsidiaries is overseen by local compliance officers or staff members with a compliance function and the local management teams in cooperation with the Compliance Department and Group Legal Services as well as by our unit responsible for managing participating interests and is verified by Group Auditing at regular intervals.</p> <p>The regulatory and legal environments are crucial to our business operations as a reinsurance undertaking. Hannover Re therefore tracks relevant developments very closely and, as appropriate, contributes its own expertise from professional practice to the public debate.</p> <p>Our investment in the community is regulated by our Group-wide Donations Guideline, which rules out donations to political parties and churches or other political or religious organisations. Compliance with this guideline is verified by Group Auditing.</p> <p>In view of the aforementioned aspects, we consider the effects of our business activities on the community to be fundamentally positive and conducive to the stable and sustainable development of society. This is immediately evident in the cities and municipalities in which our branches are located due to the creation of jobs and fostering of regional prosperity.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Environment and society &gt; Social commitment</p> <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Product responsibility</p> <p><a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Group &gt; Compliance</p> <p> Category “Financial Services Sector Indicators” in this GRI Report</p> <p>Opportunity and risk report in our Group Annual Report, p. 74–100</p> <p>Group Strategy</p>

## Aspect: Local Communities

**S01** Percentage of operations with implemented local community engagement, impact assessments, and development programs

Our social engagement extends beyond our location in Germany to our subsidiaries with their specific projects catering to social concerns in their own country. Content-wise, our support is concentrated on the areas of research, learning, art and music as well as on assisting our employees with their voluntary contributions to society. We are particularly dedicated to the sustainable development of the City of Hannover, where our company's Home Office is located.

As part of the "Climate Alliance Hannover", for example, we have undertaken by 2020 to emit 40% less harmful greenhouse gases than in 1990. The specific contributions made by Hannover Re have been regularly checked every two years since 2011. Under the "Climate Alliance" Hannover Re additionally participates in the Business Strategy Group of the "Master Plan 2050 for the City and Region of Hannover, 100% for Climate Protection".

Since 2007 Hannover Re has also taken part in the "Ecological Project for Integrated Environmental Technology" (Ecoprofit) of the Greater Hannover region. The underlying idea of the project is the connection between economic gain and ecological benefit through preventive environmental protection. The participating companies are regularly involved in work on specific topics such as "Ecoprofit in the Urban Development Process" and "Current Changes in Energy Management". The energy-saving successes already achieved are regularly publicised in the relevant project publications.

Promoting art has traditionally been a cause for Hannover Re. In 1991, to mark the company's 25th anniversary, Hannover Re set up a foundation to benefit the Sprengel Museum in Hannover. The foundation's mission is to support contemporary art in Hannover through the acquisition of paintings and sculptures for exhibition at the Sprengel Museum. The foundation was originally equipped with capital of DM 1 million. The foundation's capital currently amounts to EUR 600,000. Please see also the Appendix to this GRI Report entitled "Support for Research, Art and Culture at Hannover Re".

With our Donations Guideline, which is applicable Group-wide, we have defined policies for our social commitment. In our Sustainability Strategy we have set ourselves the goal of reviewing the guidelines and recording the social activities undertaken Group-wide. We attach crucial importance to the common public interest of the social groups and projects supported by our company. In addition to its support for science, art and music as well as corporate volunteering projects, Hannover Re is engaged in the areas of environmental and climate protection and is active with respect to staff concerns such as the compatibility of family and career, the protection of young people and the advancement of humanitarian projects. We do not give donations to organisations or projects in the political domain, churches or faith-based communities and organisations or projects for the protection of historical monuments and animal welfare.

Our branch in South Africa assists university students reading actuarial science and those taking a Bachelor of Commerce degree with a concentration in accounting. We also support needy pupils at a local high school.







[www.hannover-re.com](http://www.hannover-re.com)  
> Sustainability > Environmental and society  
> Human rights and supply chain

[www.hannover-re.com](http://www.hannover-re.com)  
> Sustainability > Environment and society > Social commitment

Greater Hannover region  
[www.hannover.de/Leben-in-der-Region-Hannover/Umwelt/Klimaschutz-Energie/Akteure-und-Netzwerke/Die-Klimaschutzleits-telle-der-Landeshaupt-stadt-Hannover/Klima-Allianz-Hannover-2020](http://www.hannover.de/Leben-in-der-Region-Hannover/Umwelt/Klimaschutz-Energie/Akteure-und-Netzwerke/Die-Klimaschutzleits-telle-der-Landeshaupt-stadt-Hannover/Klima-Allianz-Hannover-2020)

"Ecological Project for Integrated Environmental Technology" (Ecoprofit) [www.oekoprofit-hannover.de](http://www.oekoprofit-hannover.de)

Sprengel Museum  
[www.sprengel-museum.com](http://www.sprengel-museum.com)

GRI Indicator	Information from Hannover Re	Further Details
<p><b>S09</b> Operations with significant potential or actual negative impacts on local communities</p>	<p>We do not report on this Indicator because we do not consider it applicable to our business operations. As described in the Management Approach to this Category, negative impacts of our operations on local communities are extremely unlikely on account of the nature of our services.</p>	
<p><b>S010</b> Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities</p>	<p>We do not report on this Indicator. Reflecting the correlations reported in the Management Approach and in Indicator S09, we do not consider measures to avoid potential negative impacts on local communities to be necessary.</p>	
<p><b>FS13</b> Access points in low-populated or economically disadvantaged areas by type</p>	<p>By means of its products Hannover Re helps make it possible for many individuals to access insurance protection in the first place. It is only thanks to internationally operating reinsurers that insurers are able to protect people against potentially large losses such as those resulting from natural disasters.</p> <p>With a few exceptions, as a reinsurer – i. e. as a business-to-business service provider – we do not have any direct contact with initial customers. Our business activities do not, in principle, create access points to financial services.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Product responsibility</p> <p> Category “Financial Services Sector Indicators” in this GRI Report</p>
<p><b>FS14</b> Initiatives to improve access to financial services for disadvantaged people</p>	<p>As explained in Indicator FS13, our own business operations do not in principle create any access points to financial services. We are nevertheless aware that access to financial services and especially to insurance services can help to improve the living conditions of economically disadvantaged people.</p> <p>Hannover Re is therefore committed to the goal that even the poorest sections of the population should be able to obtain protection. With this in mind, for example, we are active in Mexico, Peru, India, Pakistan, China as well as in some African nations such as Benin and Burkina Faso in numerous projects that seek to develop traditional agricultural insurance solutions, innovative coverage concepts and index-linked agricultural insurance products; in this connection we reinsure the corresponding contracts written by primary insurers. We also participate in a cover against protracted periods of drought for eight African Union states and are thereby contributing to food security and the provision of rapid assistance following disastrous droughts in the region. Particularly in developing countries in Africa, where the majority of the population works in agriculture, long droughts cause famines every year that cost countless lives. Further projects to protect small farmers are currently in the pipeline for Bangladesh, Benin, Mexico and Paraguay.</p> <p>In order to further advance the development and expansion of sustainable insurance solutions, we intend to step up cooperation with primary insurers – as has also been defined in our Sustainability Strategy. For further information please see the Category “Financial Services Sector Indicators” in this GRI Report.</p>	<p> <a href="http://www.hannover-re.com">www.hannover-re.com</a> &gt; Sustainability &gt; Product responsibility</p> <p> Category “Financial Services Sector Indicators” in this GRI Report</p>
<p><b>Aspect: Corruption</b></p>		
<p><b>S02</b> Percentage and total number of business units analysed for risks related to corruption</p>	<p>As part of the multi-year audit roadmap or in response to special developments, all business units Group-wide are examined regularly with an eye to corruption risks by our Group Auditing unit.</p> <p>The number of business units analysed in the reporting period (percentage or total number) was not recorded.</p>	

GRI Indicator	Information from Hannover Re	Further Details
<p><b>S03</b> Percentage of employees trained in organisation's anti-corruption policies and procedures</p>	<p>All new employees of Hannover Re in Germany attend our training sessions on compliance issues when they join the company, irrespective of whether or not they belong to managerial level; along with other aspects, these cover the topic of corruption and appropriate practices that are within the law.</p>	
<p><b>S04</b> Actions taken in response to incidents of corruption</p>	<p>No incidents of corruption were detected in the year under review or in previous years, and hence no actions were taken.</p>	
<p><b>Aspect: Public Policy</b></p>		
<p><b>S05</b> Public policy positions and participation in public policy development and lobbying</p>	<p>The regulatory and legal environment for national and international reinsurance operations is subject to constant change. Consequently, Hannover Re continuously monitors and evaluates relevant developments with a direct or indirect bearing on the reinsurance industry. The focus here is on matters relating to insurance supervision and further regulation of the financial market in Germany, the EU and on the international level. These include, for example, the new European regime for insurance supervision "Solvency II", the regulatory dialogue between the EU and the United States, prudential requirements in Hannover Re's defined target markets and the setting of standards on a global level by the International Association of Insurance Supervisors (IAIS).</p> <p>To this end Hannover Re engages in a dialogue with various stakeholders, including political decision-makers, supervisory authorities and insurance industry associations worldwide. In so doing, Hannover Re contributes professional expertise from corporate practice to the public debate. Responsibility for these activities rests primarily with the unit "International Regulatory Affairs".</p>	
<p><b>S06</b> Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country</p>	<p>Hannover Re did not make any contributions to political parties, politicians or related institutions in the reporting period or in previous years.</p>	
<p><b>Aspect: Anti-Competitive Behaviour</b></p>		
<p><b>S07</b> Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes</p>	<p>No legal actions for anticompetitive behaviour, anti-trust or monopoly practices were taken against Hannover Re in the reporting period or in previous years; consequently, there are no findings to report.</p>	
<p><b>Aspect: Compliance</b></p>		
<p><b>S08</b> Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations</p>	<p>No significant fines were payable by Hannover Re in the reporting period or in previous years for non-compliance with laws and regulations. Nor have any non-monetary sanctions been imposed on Hannover Re.</p>	

## Appendix: Support for Research, Art and Culture at Hannover Re

Since its establishment in 1966 Hannover Re has been committed to supporting research, art and culture – in the latter case particularly at our company’s Home Office in Hannover.

### Support for research

In the field of natural hazards modelling we cooperate with universities and research institutions and provide financial assistance to appropriate initiatives. For example, Hannover Re has been a long-time supporter of the Geo Research Center in Potsdam and the Global Earthquake Model Foundation (GEM), whose mission is to improve public understanding and awareness of earthquake risks worldwide by promoting science and establishing consistent standards as well as to reduce the impacts of earthquakes on populations and concentrations of values. Since 2006, with a view to also promoting the growth of academic disciplines relevant to the insurance sector, we have helped to fund a visiting professor position at the University of Göttingen with a concentration in Anglo-American contract and tort law. In this way we are seeking to encourage a more international approach to the study of law. In addition, we support university research activities by sponsoring an endowed professorship in actuarial science at the University of Hannover. We similarly support the work of thematically relevant Associations of Friends at various universities, including for example the Förderkreis des Instituts für Versicherungswesen at Cologne Technical University and the Verein Braunschweiger Finanz- und Wirtschaftsmathematiker e.V. at the University of Braunschweig. We are also a member of similar societies at the University of Hannover, the University of Ulm and the University of Oldenburg. Above and beyond our aforementioned involvement, we regularly offer study trips and systematically place various projects and topical issues with university departments.

### Support for art and culture

#### Hannover Re Foundation

Supporting contemporary art has traditionally been a cause for Hannover Re. In 1991, to mark the company’s 25th anniversary, Hannover Re set up a foundation to benefit the Sprengel Museum in Hannover. The foundation’s mission is to support art in Hannover through the acquisition of contemporary paintings and sculptures which are loaned to the Sprengel Museum. Opened in 1979, the Sprengel Museum ranks among the most prominent museums of twentieth-century art with its extensive collection and diverse programme of exhibitions. Works of art acquired by the foundation and provided to the Sprengel Museum Hannover on permanent loan include pieces by, among others, Gerhard Richter, Donald Judd, Ronald B. Kitaj, Georg Baselitz, Sigmar Polke and Bernd Koberling.

In 2014 the Hannover Re Foundation acquired the sculpture “Another Twister” by Alice Aycock, which was installed in front of the Sprengel Museum and handed over to the museum in September 2015 to mark the opening of the new museum extension.

#### Hannover as a centre for art

As part of its engagement in art Hannover Re also sees itself in the role of a sponsor for locally based institutions, supporting not only the Sprengel Museum but also the Kunstverein Hannover, the Wilhelm Busch Museum in Hannover and the Kestnergesellschaft Hannover.

Since its founding in 1916 the Kestnergesellschaft has sought to profile internationally important artists and their latest works. The spotlight here is just as much on fine arts, architecture, fashion and design as it is on current music and literature or philosophy and the humanities. In its role as a “Kestnerpartner” Hannover Re is able to promote the society’s work on a continuous and lasting basis.

## Hannover Re's art collection

During the second half of the twentieth century, parallel to the collections of leading international museums, corporations began to assemble some of the finest art collections of our time. At Hannover Re, as in many other cases, collecting activities were driven by the enthusiasm of a single entrepreneur. It was in the mid-1980s that the former Chief Executive Officer Claus Bingemer initiated the creation of the company's own art collection.

Since that time the collection, which now numbers some 300 exhibits by 72 artists, has been continuously expanded. These days, decisions on acquisitions are taken by a Board of Trustees that has dedicated itself specifically to promoting contemporary art. We realise that such collections can give expression to the unmistakable identity of an undertaking and we see enormous potential in the field of tension between art and business. The works are divided into three major groupings: abstract art of the post-war modern era, figurative contemporary art and international art of the twentieth century. A special quality of the pieces in the collection is that they are not attached to one of the many diverse currents of modern and postmodern art, but rather – with exhibits by Werner Heldt, Hans Uhlmann, Ernst Wilhelm Nay, Georg Meistermann and HAP Grieshaber – they reference artistic positions that were ostracised during the Third Reich. A further exceptional point of emphasis is on works by artists of the former GDR, such as the Leipzig-based Bernhard Heisig and Wolfgang Mattheuer and their pupils.

The exhibits that make up the collection are displayed in the company's main premises in Hannover as well as in the surrounding garden areas and inner courtyards of the office complexes.

### Exhibition series: "Masterclass students"

The series of exhibitions dedicated to "masterclass students" has been held since 2014. It profiles the work of students at Braunschweig University of Art on an annual rotating basis. Current works by four young artists taking the masterclass course are displayed in Hannover Re's foyer at Karl-Wiechert-Allee 57. Along with the art collection, which is split into the three aforementioned work groups, contemporary art is just as much a focus for Hannover Re. In this context, the company's cultural engagement also extends to promoting young

artists from the Lower Saxony region. The artistic positions selected from the graduating class are prominently displayed to staff and visitors alike in the foyer of the company's premises until year-end for intensive confrontation and exploration. The cooperation with Braunschweig University of Art thus not only serves to promote young artists but also fosters mutual dialogue.

The only university for fine arts in Lower Saxony, Braunschweig University of Art sets great store by offering its students an early opportunity during their education to present their works to the public gaze and confront the range of responses. The "Masterclass students" exhibition series offers just such a platform. Catalogues are produced to accompany each exhibition; for the students, these constitute an important launchpad for their future artistic career. The 2014 exhibition featured works by the following artists: Sebastian Bartel, Heehyun Jeong, Christian Retschlag and Lisa Seebach.

Guided tours of the exhibition and artist talks are offered for the workforce. Following the 2014 exhibition pieces by all four artists were purchased for the company's own collection.

## Advancement of talented musicians

Every year since 1998 E+S Rück, Hannover Re's subsidiary with responsibility for the German market, has organised an examination concert for graduating students in cooperation with Hannover University of Music, Drama and Media. This support gives "master students" a particularly valuable opportunity to take their final examination with a large orchestra. At the same time the concerts enable E+S Rück to offer its clients a musical highlight as part of the "Hannover Forum" event.

## Further information

[www.hannover-re.com](http://www.hannover-re.com)

> Sustainability > Environment and society > Social commitment



# Imprint

## Corporate Communications

### Karl Steinle

Tel. +49 511 5604-1500

Fax +49 511 5604-1648

karl.steinle@hannover-re.com

## Investor Relations

### Julia Hartmann

Tel. +49 511 5604-1529

Fax +49 511 5604-1648

julia.hartmann@hannover-re.com

### Lea Stoffers

Tel. +49 511 5604-1725

Fax +49 511 5604-1648

lea.stoffers@hannover-re.com

Published by

**Hannover Re**

Karl-Wiechert-Allee 50

30625 Hannover

Tel. +49 511 5604-0

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