

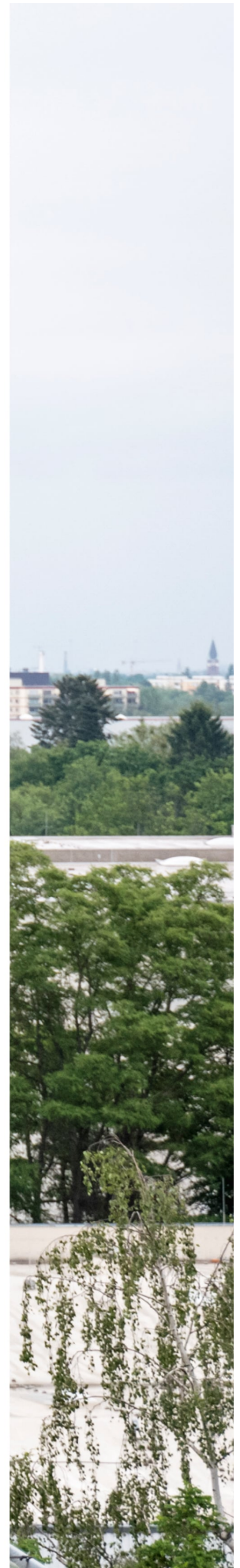




# Our environmental footprint

**We do everything possible to reduce the environmental impacts of our business operations**

We are committed to environmental and social sustainability and do our utmost to reduce our carbon footprint. At our location in Germany we have already been operating on a net zero carbon basis since 2016. We recently expanded the offset payments for our CO<sub>2</sub> emissions caused by air travel to include additional international locations. Not only that, we support the local communities in which we operate through our daily actions and our engagement in society.



# Environment and Society

## Operational environmental protection

Compared to many manufacturing companies, the environmental impacts of our commercial operations as a service provider in the financial sector are relatively slight, deriving principally from business trips taken by our employees and their commuting to and from work as well as the operation of our office premises. Nevertheless, we take our responsibility for the environment very seriously. Through the efficient use of resources and energy we play a positive part in fighting climate change. Operational environmental protection is therefore a major concern for us. In our Sustainability Strategy and in our environmental programme we define concrete targets and measures for protecting the environment and conserving resources. Our environmental management system is certified annually, since 2016 according to the revised standard DIN EN ISO 14001:2015. Since 2016 we have additionally published annually a validated EMAS III Environmental Statement in fulfilment of the Europe-wide legal requirement to perform energy audits.

The focus of our efforts to conserve the environment is on reducing CO<sub>2</sub> emissions caused by our business travel and by the supply of electricity and heat to our premises. Since 2016 we have operated at the Hannover location with a carbon-neutral footprint. The changeover to renewable energy in 2012 and the offsetting of greenhouse gas emissions caused by air travel through payments to the non-profit organisation atmosfair were key factors in this achievement. We plan to progressively roll out the switch to electricity from renewable energy sources at our international offices as well. Furthermore, in 2018 we began to keep a record for our Asia-Pacific locations of the emissions caused by air travel, the bulk of which we have already offset. 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. We regularly record central consumption and emissions data for our head office in Hannover and constantly seek to reduce our consumption. The same is true of the volume of waste. We monitor our waste disposal according to the type and quantity of waste.

We actively support the work of local and international initiatives for climate protection. In 2018, as in the previous years, we participated 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. In 2018 we achieved a "C" score (corresponding to the third-best level). In 2019 we again participated in the CDP survey.

As part of the "Climate Alliance Hannover 2020" initiative we have undertaken to emit altogether 40% less harmful greenhouse gases by 2020 than in 1990. Under the "Climate Alliance" we additionally par-

ticipate in the Business Strategy Group of the "Master Plan 2050 for the City and Region of Hannover, 100% for Climate Protection".

Since 2007 we have also taken part in the "Ecological Project for Integrated Environmental Technology" (Ecoprofit) of the Greater Hannover region. The underlying idea of the project is to combine 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.

Since mid-2017 the offsets that we pay to atmosfair have been used to provide targeted support for emissions reduction projects in Rwanda and Nepal. In Rwanda, the payment of household subsidies for efficient ovens cuts firewood consumption by 80% in an effort to bring down CO<sub>2</sub> emissions. In addition, overexploitation of forests through logging is reduced and the habitat of endangered mountain gorillas is protected. In Nepal, we work together with atmosfair to promote small-scale biogas systems for households that currently use non-renewable energy resources. These small biogas systems are installed in households that own at least two livestock, such as cattle, buffalo etc. The biogas is channelled to gas cookers through pipes, hence eliminating the need for firewood. Moreover, by connecting the toilet to the system it is also possible to improve the hygiene situation in the households and prevent the build-up of fumes. In 2018 we spent a total amount of around EUR 185,000 on these two projects.

In addition, we are a member of the "Ruschlikon e-administration in (Re)insurance" initiative of the Association for Cooperative Operation Research and Development (ACORD). ACORD is a global non-profit insurance organisation working to develop standards for the (re)insurance industry and related financial services providers. Among other things, its system makes possible the paperless processing of official documents and hence opens up potential savings in paper consumption. In the year under review another large broker and one primary insurer were connected to the system. It is envisaged that a further large reinsurance broker will be connected by the end of 2019. The goal is to process most loss advices and posting transactions electronically in the future.

We also participate actively in the Geneva Association working group on "Extreme Events and Climate Risks". For further information please see the chapter on "Product responsibility".

GRI Disclosures

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More information

-  Stakeholder dialogue
-  Social Commitment

-  Website: CDP
-  Website: Climate Alliance Hannover 2020
-  Website: Ecoprofit
-  Website: Schriftenreihe der E+S Rück (German)
-  Website: EMAS
-  Website: Sustainability Strategy
-  Website: atmosfair
-  Website: Moorland (German)

## Environmental management system

Our company's voluntary commitment to environmental protection forms the basis for our environmental management system. It is our stated aim to keep the adverse ecological impacts of our business activities as minimal as possible. With the aid of the environmental management system we review our impact on the environment and take steps to minimise these effects wherever possible. In this context we record the consumption and emissions figures for the premises at the Hannover location operated by Hannover Rück SE, E+S Rückversicherung AG and until the end of 2018 International Insurance Company of Hannover SE (Inter Hannover SE) as well as the on-site infant daycare facility, thereby covering some 43% of the global workforce.

Our environmental management system has been certified annually since 2012 at the Hannover location according to DIN EN ISO 14001, and since 2016 according to the revised standard DIN EN ISO 14001:2015. Our environmental certificate is thus valid until 2019. Certification of the environmental management system according to the revised standard DIN EN ISO 14001:2015 was completed successfully in December 2016. Recertification is scheduled for 2019.

Since 2016 we have drawn up Environmental Statements on an annual basis in accordance with the EMAS III Regulation and had them validated by an environmental verifier. The validated EMAS III Environmental Statement covers the energy audits that have been mandatory in Germany since April 2015. Major features of the EMAS III Regulation include a rigorous orientation towards continuous improvement of environmental efficiency, the use of consistent performance indicators in relation to key environmental aspects as well as verification of compliance with legal requirements. The current EMAS Environmental Statement published on our website contains details of our environmental goals and the environmental programme.

Responsibility for the environmental management system and our environmental policy rests with all the members of our Executive Board. Reporting directly to the Executive Board, the Environmental Management Officer is responsible for continuous refinement of the environmental management system; he also coordinates and advises on compliance with all legal provisions in Germany relating to the environment and takes responsibility for annual conduct of the audits that are obligatory under the management system. As required by the standard, we have compiled all major rules and responsibilities in relation to environmental protection at our Hannover location in our environmental management manual, which is accessible to all employees through our intranet. The stipulations contained in our environmental management manual and in the supplementary instructions are mandatory for all executives and staff. Information on environmental protection is made available to our staff through our internal social media.

We identify and evaluate the environmental aspects relevant to our company that have significant implications for the environment. In so doing, we make a distinction between direct and indirect environmental aspects. In the context of our environmental management system we establish the direct environmental aspects based on our business activities at our Hannover location. These can be influenced directly by us: they include business trips, electricity consumption, heat, refrigerants, paper, waste and (waste) water. The goals and measures pursued under our environmental management system in relation to our direct environmental aspects form part of our Sustainability Strategy and are updated regularly.

Indirect environmental aspects refer to those aspects that are indirectly associated with our business activities and over which we are unable to exert any direct influence. In this context we consider impacts in upstream and downstream processes as well as in supporting processes. This includes, for example, the environmental impacts caused by suppliers or service providers, emissions from our employees' commuting to and from work as well as impacts resulting from the conduct of our reinsurance business and investment management.

In order to maintain legal certainty, we have compiled a legal register summarising all laws and regulations of relevance to our environmental management system, observance of which we monitor on a regular basis. The completeness and up-to-date status of this register is verified through an annual legal review.

Costs of around EUR 6,000 were incurred in the reporting period for certification of our environmental management system and validation of our EMAS III Environmental Statement. 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.

The offsets paid to Atmosfair for CO<sub>2</sub> emissions caused by our air travel amounted to altogether around EUR 185,000 in the year under review and were therefore a major component of our spending on environmental protection. In addition, we offset emissions from the use of district heating, other business travel and from our paper consumption, similarly by making compensatory payments to the moorland project of Friends of the Earth Lower Saxony (BUND-Niedersachsen). In 2018 we were thus again successful in operating with a net zero carbon footprint at the Hannover location.

Our total expenditures for environmental protection measures in 2018 amounted to roughly EUR 300,000.

## GRI Disclosures

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### More information

- [Website: Environment and society](#)
- [Website: atmosfair](#)
- [Website: EMAS](#)

## Resource consumption

The focus of our efforts to conserve the environment is on reducing CO<sub>2</sub> emissions caused primarily by our business travel and by the supply of electricity and heat to our office premises. In addition, we make every effort to ensure the economical and resource-saving use of materials and raw materials such as paper and water as well as to cut waste quantities. We record central consumption data for our head office in Hannover.

## GRI Disclosures

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In relation to our direct environmental aspects we have defined various operational targets for 2020 that are published in our EMAS statement. They include, among other things, reducing our electricity consumption by 10% per employee, cutting the need for climate-neutral heating energy by 5%, reducing paper consumption by 15% as well as maintaining our water consumption and CO<sub>2</sub> emissions level.



## Energy consumption

At the beginning of 2012 we made a complete changeover in our electricity supply at our Hannover location and have since used power from our external energy providers that is obtained exclusively from regenerative sources. In November 2013 we installed altogether 652 solar modules on the roof of the office buildings in Hannover. In the 2018 financial year 92 megawatt hours of solar energy were generated through operation of the system, roughly equivalent to the power consumption of 40 two-person households.

With a view to further cutting our energy consumption at the Hannover location, we systematically pressed ahead with the already existing measures and initiated some additional steps in the year under review.

In 2017 we handed over operation of the backup data centre – which we had previously run ourselves – to a professional data centre operator. The "shared" data centre fulfils the Platinum level of LEED (Leadership in Energy and Environmental Design) certification and is powered entirely by renewable energy. The relocation also makes it possible to achieve a significantly lower PUE (power usage efficiency) ratio than is possible in comparable self-operated facilities. The PUE metric denotes the ratio of the total amount of energy used by a computer data centre to the energy delivered to computing equipment and it thus determines the efficiency of the data centre's energy usage. This increased efficiency thus results in a further considerable energy saving.

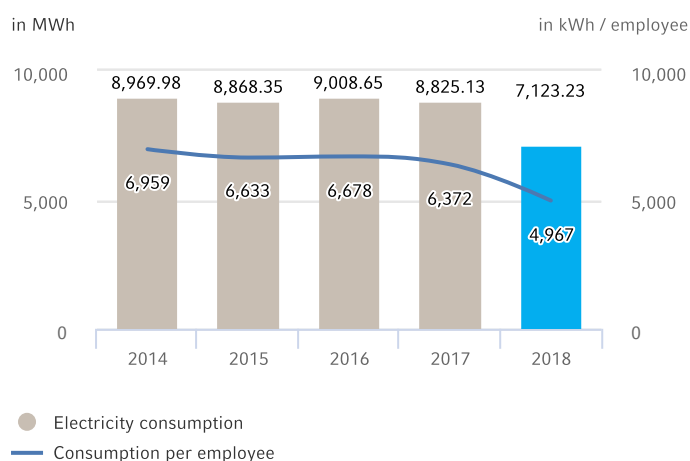
In the years 2016-2018 the staff canteens at our main offices were thoroughly renovated and fitted out with new equipment and technology. This enabled us to optimise production processes in the kitchen and boost energy efficiency. We are also making increasing use of state-of-the-art communication capabilities. Our standard workplaces have been made 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. We are now working to progressively in-

stall a smart LED lighting control system in our offices and to reduce stand-alone local printers.

Electricity consumption in the year under review, including the roughly 92 MWh of self-generated energy from our photovoltaic installation, stood at 7,123.23 megawatt hours. This is equivalent to a reduction of around 19.4% (previous year: 8,825.13 megawatt hours). The decrease can be attributed inter alia to the modernised canteens and the removal and outsourcing of the data centre as well as the elimination of the associated cooling technology.

Electricity consumption per employee was lower than in the previous year at 4,967 kilowatt hours (6,372 kilowatt hours) and significantly below the five-year average. Our goal is to cut the electricity consumption per employee by 10% relative to 2017 by the year 2020.

### Electricity consumption



### Proportion of total electricity consumption attributable to solar power

MWh	2018	+/- Vorjahr	2017	2016	2015	2014
Total electricity	7,123.23	-19.3%	8,825.13	9,008.65	8,868.35	8,969.98
Purchased electricity (from renewable sources)	7,031.28	-19.4%	8,718.98	8,886.20	8,745.61	8,824.98
Solar power (self-generated)	91.95	-13.4%	106.15	122.45	122.74	145.00
Proportion of solar power	1.3%	+0.1%-point	1.2%	1.4%	1.4%	1.6%

Our district heating consumption in 2018 was lower than in the previous year at 2,932.68 megawatt hours (3,333 megawatt hours adjusted for weather conditions).

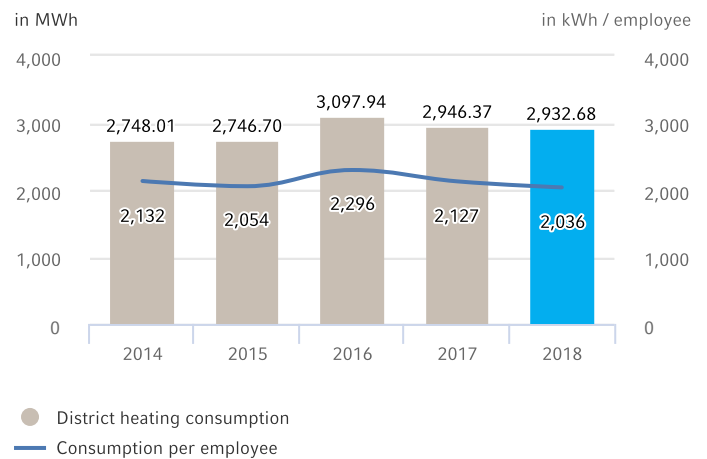
In 2015 we modernised the glass facade of our main office building at Karl-Wiechert-Allee 57 and installed a weather-based, proactive heating management system. Analysis of the district heating consumption data shows that these measures have reduced consumption – adjusted for the effects of weather conditions – by around 706 megawatt hours since 2016 compared to the base year of 2014. This is equivalent to cutting CO<sub>2</sub> emissions by 60.3 tonnes.

Our goal is to reduce the consumption of heating energy – adjusted for the effects of weather conditions – by 5% per employee by the year 2020 compared to 2017.

#### GRI Disclosures

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#### District heating consumption (not adjusted for weather conditions)





## Paper consumption

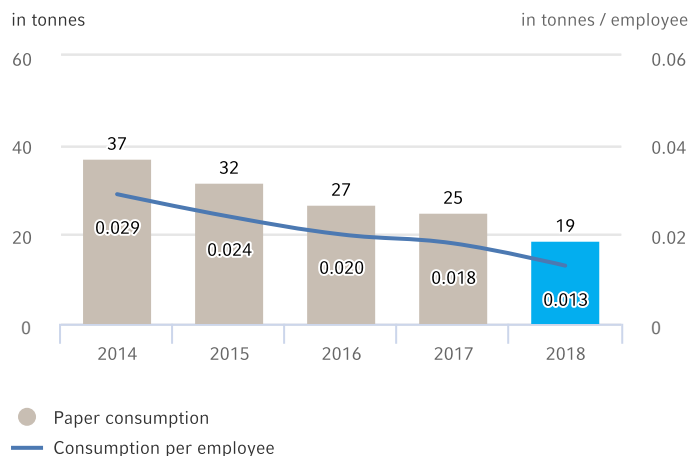
As a company operating in the reinsurance industry, we do not make any appreciable use of physical materials. Only the consumption of copy and printer paper at our offices is a relevant use of resources, and we therefore measure and manage this. It amounted to 19 tonnes (4,097,780 sheets) for the Hannover location in the year under review and – with a drop of 22.94% – was thus significantly below the level of the previous year. Our electronic administration system "Ruschlikon by ACORD" played a part here. The system makes possible the paper-less processing of official documents. In 2018, for example, we were able to electronically process roughly 121,000 communications, including almost 40,000 loss advices and 250,000 attachments.

Above and beyond this, we were also able to cut paper consumption in 2018 by digitalising additional work processes: with the aid of our document management system we mapped posting releases while adhering to and documenting the principle of dual control. The implementation of a digital signature solution also generated savings. Last but not least, generational change is also making itself felt at our company – more and more employees are working directly on the computer rather than making printouts of documents. Digital working is further supported by the use of larger and dual monitors as well as mobile devices.

More revealing than the paper consumption in absolute terms is the relative paper consumption per employee. The goal is to reduce paper consumption per employee by 15% relative to 2017 by the year 2020. Since 2010 we have consistently reduced our per capita consumption. Whereas in 2010 the figure was around 0.04 tonnes per year and employee, this number had dropped to 0.013 tonnes in the year under review. We have achieved this reduction inter alia by rolling out note-

books. Instead of paper-intensive printouts, members of staff now frequently take their notebook to meetings. We avoid unintended print jobs by means of the "Print to me" solution implemented in 2015. 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 three days.

### Paper consumption



Since 2012 we have used exclusively printer paper bearing the "Eu-roblume" European environmental seal. This quality seal is awarded to consumer goods which are manufactured with reduced emissions and low energy consumption as well as the restrictive use of chemicals and auxiliary materials. Furthermore, the paper used in our printers has the lowest possible wood content. We have used solely FSC-certified paper in the creation of printed products since 2011.

### GRI Disclosures

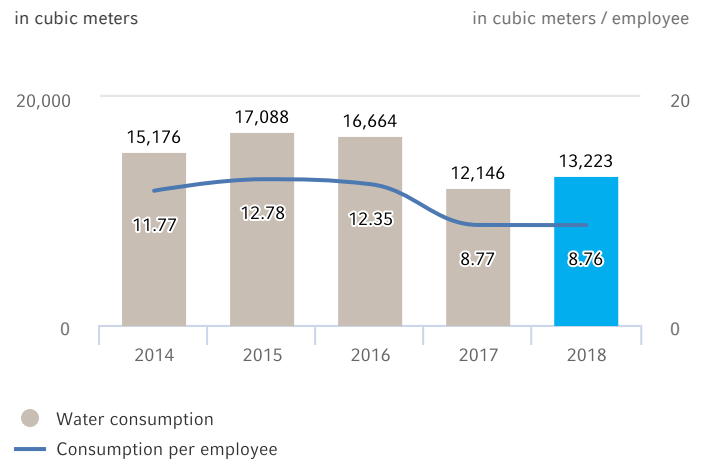
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## Water consumption

As a pure service provider, we use drinking water for typical household purposes. Our goal is to maintain the consumption of drinking water on a level of 12 m<sup>3</sup> per employee. In order to accomplish this, we intend to install state-of-the-art water-saving rinsing facilities and taps whenever renovation work is carried out on sanitary installations and tea kitchens. Our water is supplied exclusively by the regional water utility company.

The total water consumption in the year under review amounted to 13,223 m<sup>3</sup> and was thus slightly higher than in the previous year. This can be attributed, among other things, to the fact that both canteens at the Hannover location were put back into operation after the completion of modernisation work.

### Water consumption



### GRI Disclosures

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## Waste

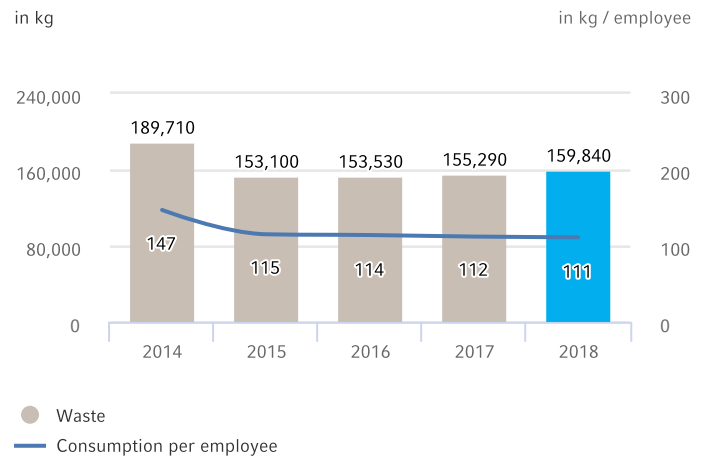
Waste at our company is limited to recyclables (e.g. paper), organic waste from kitchen and food scraps, residual waste and electronic waste. Our goal at the Hannover location is to keep the level of residual waste at 50 kg per employee in the period until 2020. We succeed in continually reducing our waste quantities inter alia by using sensible multi-use systems, minimising the consumption of materials (material efficiency) and separating unavoidable waste for recycling or disposal. Proper waste disposal is ensured by engaging appropriate service providers and documented by means of corresponding disposal certificates.

Since 2014 we have disposed used pens through TerraCycle and we separate and label waste categories in the tea kitchens. Furthermore, in 2015 we optimised the separation of kitchen waste into organic waste and food scraps.

Roughly half of our total waste in 2018 was recycled. All catering waste produced at head office in Hannover that requires disposal for

hygienic or legal reasons is used to generate energy (sent to a biogas plant).

### Waste



### Waste by method of disposal

in kg	2018	+ / - previous year	2017	2016	2015	2014
Recycling	77,990	-4.1%	81,300	82,630	84,100	98,910
Composting <sup>1</sup>	7,020	-	7,020	3,120	1,260	1,350
Residual waste	72,290	+10.1%	65,670	66,730	66,690	83,940
Electronic waste	2,540	+100.0%	1,270	860	860	5,270
Hazardous waste	0	-	0	190	190	240
<b>Total</b>	<b>159,840</b>	<b>+2.9%</b>	<b>155,290</b>	<b>153,530</b>	<b>153,100</b>	<b>189,710</b>

<sup>1</sup> 1 litre of organic waste corresponds to 0.25 kg according to the State Statistical Office Baden-Württemberg

### GRI Disclosures

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## Emissions

The measured emissions are considered indirect CO<sub>2</sub> emissions as per the Greenhouse Gas Protocol classification of emissions and result from the consumption of energy (Scope 2) or business trips (Scope 3). As a service provider, we produce scarcely any direct CO<sub>2</sub> emissions (Scope 1) such as those caused by industry through plant operations.

The calculation is based on the consumption figures for district heating and paper as well as our business travel. Given that we have obtained our electricity in Hannover exclusively from renewable sources since 2012, no emissions are caused in this regard. We are currently unable to quantify emissions caused by our reinsurance business, our investments and our suppliers.

Our CO<sub>2</sub> emissions in Hannover in the year under review amounted to 8,390 tonnes, an increase of 1.3% year-on-year. The rise in emissions is driven primarily by the increase in the number of kilometres flown on business trips.

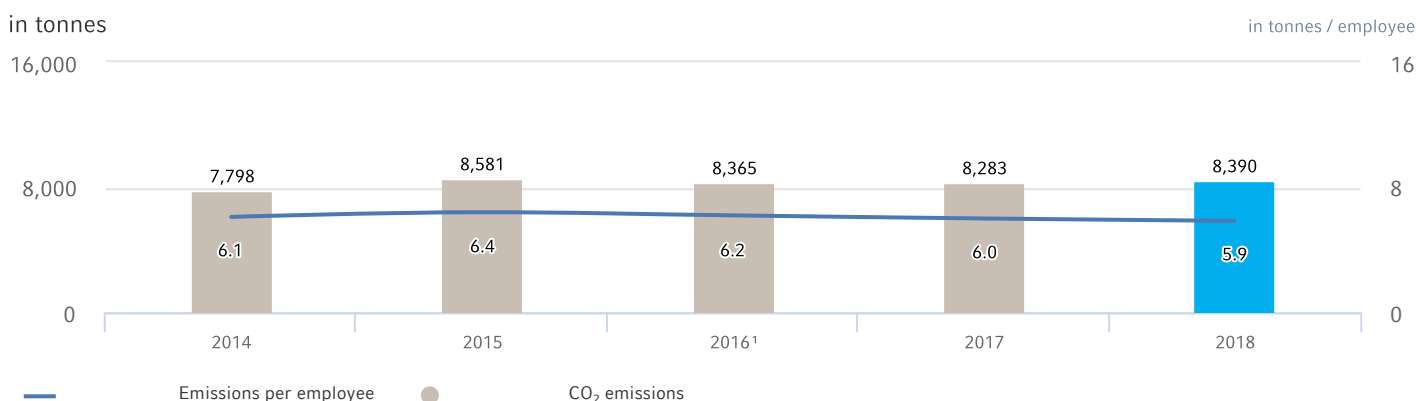
Business trips are necessary in order to maintain a presence with our national and international clients. Travel within Germany is normally undertaken using long-distance rail transportation and is therefore carbon-neutral. Business travel by plane, on the other hand, accounts for around 96.3% of our total calculated emissions. For this reason, our travel policy requires a check to be made before every trip to determine whether the purpose of the trip can be accomplished using alternative communication tools. The roll-out of a new unified communication platform means that web conferencing is now possible from all workstations. In order to ensure that not only small but also larger meetings involving several participants per location can be held in the form of a web-based conference, more than 40 web conference rooms

have been set up worldwide; along with camera and video technology, these are also equipped with remote white boards, thereby making it possible to share sketches and drawings made at the meeting across all locations. Since 2008 we have worked together with the climate protection organisation atmosfair to calculate, control and offset for our Hannover location air travel that cannot be avoided. In 2018 we began to log and extensively offset the business flights undertaken by our locations in the Asia-Pacific region. We are aiming for full offsetting from 2020 onwards. The smaller share of our CO<sub>2</sub> emissions at the Hannover location (3.3%, corresponding to 313 tonnes of CO<sub>2</sub>) which is attributable to district heating, business trips by car and paper consumption is also offset through payments to Friends of the Earth (BUND). Since 2016 we have operated at our Hannover location with a net zero carbon footprint.

The CO<sub>2</sub> emissions from business travel increased in the year under review to 8,116 tonnes (previous year: 8,029 tonnes<sup>1</sup>)

Emissions are also caused when our employees commute to work by car or public transportation. This involves indirect environmental aspects that we cannot directly measure or control. In order to limit the associated emissions we are proactive in offering our staff teleworking opportunities. Emissions can be avoided by eliminating the daily commute to work. Some 37% of the staff employed in Hannover already make use of this opportunity. Employees who ride their bicycle to work are provided with adequate change and shower facilities on our premises. Since 2018 we have offered our employees at the Hannover location a season pass on a collective basis for commuting with the regional public transport association (GVH).

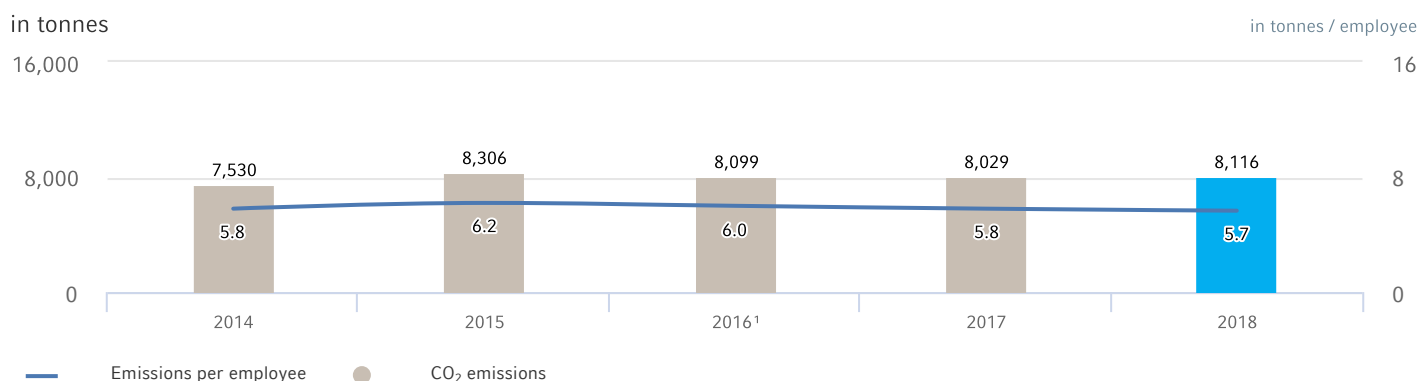
### CO<sub>2</sub> emissions



<sup>1</sup> The present figures differ from those published in the Sustainability Report 2016 due to retrospective adjustment of the number of kilometres actually flown on business trips. This in turn necessitated an adjustment of the data on CO<sub>2</sub> emissions.



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



<sup>1</sup> The present figures differ from those published in the Sustainability Report 2016 due to retrospective adjustment of the number of kilometres actually flown on business trips. This in turn necessitated an adjustment of the data on CO<sub>2</sub> emissions.

## Offset payments

Since 2008 Hannover Re has offset all CO<sub>2</sub> emissions caused at the German locations and selected international locations by making offset payments to the climate protection organisation atmosfair. atmosfair implements projects in accordance with the rules and procedures of the Clean Development Mechanism (CDM) enshrined in the Kyoto Protocol and also according to the "Gold Standard" established by international environmental organisations.

Climate protection projects around the world – especially in developing countries – are supported by the payments. Since mid-2017 these offsets have been used in equal measure to assist projects designed to cut emissions in Rwanda and Nepal.

Rwanda is one of the most densely populated countries in the world. A large sector of the population cooks with charcoal and firewood, as a result of which wood is a resource in high demand. Our contribution helps to equip the region with efficient ovens that consume 80% less wood than traditional stoves. This reduces overexploitation of forests through logging and protects the habitat of endangered mountain gorillas. At the same time, the measure goes hand-in-hand with a reduction of CO<sub>2</sub> emissions.

In rural Nepal, too, wood is the primary energy source – and in short supply owing to the strong population growth. Our offset payments promote small-scale biogas systems for households that currently use non-renewable energy resources. The biogas is channelled to gas cookers through pipes, hence eliminating the need for firewood and avoiding the build-up of fumes. Moreover, by connecting the toilet to the system it is also possible to improve the hygiene situation in the households.

In 2018 we spent a total amount of EUR 185,787.56 on the projects in Rwanda and Nepal.

The emissions caused at our location in Germany by our use of district heating, paper consumption and business travel by train and car are offset through payments made to the moorland project of Friends of the Earth Germany (BUND – Bund für Umwelt und Naturschutz Deutschland). Partially drained moors are rewatered under this project. Dewatered moorland emits roughly the same quantity of harmful greenhouse gases as road traffic in Germany; rewatering a moor, however, inhibits the process through which greenhouse gases are released.

In 2018 we spent an amount of EUR 8,764.00 on the moorland project.

Paper-intensive publications such as our Group Annual Report, brochures and the documents for the Annual General Meeting are printed on a carbon-neutral basis. Other publications such as this Sustainability Report, for example, are made available to our stakeholders only in paperless form. We have committed ourselves to this approach in our internal Corporate Design Manual. The measures that have

brought about the reduction in paper consumption are described in detail in the section entitled "Paper consumption".

Thanks to our decreased paper consumption, the CO<sub>2</sub> emissions for this item also fell to 6.88 tonnes (previous year: 8.68 tonnes).

#### CO<sub>2</sub> emissions as per the Greenhouse Gas Protocol

in t CO <sub>2</sub>		2018	2017	2016	2015	2014
Scope 1	Total	0	0	0	0	0
Scope 2	Total	266.87	243.43	255.96	264.18	263.78
	Electricity (100% green energy)	0	0	0	0	0
	District heating	266.87	243.43	255.96	264.18	263.78
Scope 3	Total	8,123.35	8,037.55	8,108.64	8,314.53	7,531.35
	Business travel	8,116.47	8,028.87	8,099.41	8,305.70	7,529.50
	Plane	8,077.60	7,984.46	8,057.00	8,298.00	7,507.00
	Train	4.07	6.79	6.96	7.70	6.50
	Car	34.80	37.62	35.45	n.a.	16.00
	Paper	6.88	8.68	9.23	8.83	1.85



We do not separately measure CO<sub>2</sub> emissions from waste generated in operations, employee commuting or investments.

#### GRI Disclosures

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#### More information

 Operational environmental protection

 Website: atmosfair  
 Website: Moorland (German)  
 Website: Sustainability Strategy

## Supplier management

As a provider of insurance services, we do not have a traditional upstream or downstream supply chain of raw and auxiliary materials or produced goods as is the case with manufacturing companies. Nevertheless, we too source a broad range of goods and services. They include, among other things, IT hardware and software, Cloud services, consulting and development services, building and office equipment, electricity, heat and water, services relating to logistics, building management and technology as well as food for our staff catering. Altogether, we procure goods for IT, the operation of our premises and the conduct of our business some 380 active suppliers. Roughly two-thirds of these suppliers are from Germany or indeed the Greater Hannover region. Above and beyond this, we source IT products primarily from the European Union and United States. Just 3% of our suppliers are based in other countries.

We consider it important and essential to manage our relationships with suppliers, in the first place with a view to ensuring observance of our compliance principles and mitigating associated environmental, social and governance (ESG) risks and, secondly, in order to track our procurement costs and reduce them wherever possible.

At the Hannover location three different areas are responsible for the procurement of a diverse range of goods and services: Facility Management (FM), Information Technology (IT) and the various specialist and service units that are not associated with FM or IT. In this context, the goods and services (IT hardware and software, consulting and development services, managed services as well as Cloud services) are purchased either directly from the vendor or through distributors.

IT suppliers to the Hannover location are commissioned, managed and evaluated using the service management system "ServiceNow". This system enables us to assign all vendors to one of the following categories:

- Strategic (A-Supplier)
- Bottleneck (B1-Supplier – high strategic importance but low volume)
- Leverage (B2-Supplier – high volume, low importance, easily replaceable)
- Noncritical (C-Supplier)
- Additionally, suppliers who are in violation of our requirements can be blacklisted in the system and excluded from further orders).

All non-IT core vendors are evaluated along similar lines using a separate supplier management tool.

By engaging in an active dialogue we are able to build sustainable and robust relationships with our suppliers. Furthermore, the ongoing professionalisation of our procurement assures our competitiveness. We are currently taking steps to give greater consideration to cost/benefit aspects, improvement of service quality and the standardisation of ser-

vices and conditions. Not only that, through consolidation of the portfolio of IT service providers we are also able to reduce our costs.

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

In 2017 the Code of Conduct for Suppliers was revised against the backdrop of the new legal requirements associated with the UK Modern Slavery Act; the updated version was approved by the Executive Board on 29 June 2017. Specifically, the Code of Conduct for Suppliers requires – among other things – observance of legal and ethical provisions, respect for human rights and compliance with the core labour standards of the International Labour Organisation (ILO) as well as adherence to all applicable legal regulations governing health, safety and environmental protection. Hannover Re does not tolerate any form of bribery, corruption and/or embezzlement and similarly requires this of its suppliers. The Code of Conduct for Suppliers also stipulates that the right of freedom of association, e.g. to join trade unions and the employee council, must be safeguarded. Furthermore, the Code obliges suppliers to put in place a management system that assures compliance with the aforementioned aspects.

The Code of Conduct for Suppliers is publicly accessible on our website and must be signed by all new and existing suppliers.

Based on the criteria contained in the Code of Conduct for Suppliers, we conduct a corresponding evaluation of our suppliers at regular intervals. Our vendors and service providers are rated on the basis of self-reporting and with the aid of an application-supported process. Should they be assessed critically in an ESG risk category we assign them to a blacklist, as a consequence of which no further orders are placed with them. In this way we seek to minimise the risk of commissioning suppliers that cause adverse social impacts. An early-warning system ensures that an adequate lead time is available to select and as necessary familiarise an alternative vendor. No suppliers were identified as critical in the year under review.

In the context of our review of suppliers in the year under review we did not identify any suppliers at which freedom of association or the right to collective bargaining is significantly jeopardised or a substantial risk of child labour or forced/compulsory labour exists, nor were any determined to have violated environmental regulations.

## GRI Disclosures

102-9 , 103-1 , 103-2 , 103-3 , 204-1 , 308-1 , 407-1 , 408-1 , 409-1 , 414-1

## More information

[!\[\]\(e78f798d4ea5c530c9db49e7d26e6b95\_img.jpg\)](#) Website: Code of Conduct for suppliers



## Social Commitment

We are aware of our responsibility to society. For us, this means not only sharing knowledge with various research institutes and universities but also showing cultural, environmental and social engagement and supporting relevant institutions and projects. In so doing, we generate positive effects for society that go beyond our own business activities. While we are unable to make a quantitative impact assessment of our social involvement, our commitment to society nevertheless remains one of our most important concerns – one that we support through our sustainability efforts.

Our activities extend beyond the Hannover location to our subsidiaries and branches, which engage in their own individual projects in response to social and environmental issues in the various countries.

With our guidelines on donations for our Hannover location and the international offices we have defined our own policies for our social engagement. These guidelines regulate our investment in the community, with special importance attached to the non-profit status of the

### GRI Disclosures

103-1 , 103-2 , 103-3 , 203-1 , 413-1 , 415-1

More information

 Product responsibility

## Research and science

When it comes to the management of natural catastrophe risks, we work together with governments, universities and research institutions and provide financial assistance to appropriate initiatives.

For example, we have been a long-time supporter of the Geo Research Center in Potsdam and the Global Earthquake Model (GEM) Foundation, whose mission is to develop a global earthquake model and hence make it easier to evaluate earthquake risks.

Through our active role in the Geneva Association working group on "Extreme Events and Climate Risks" we promote the development of initiatives to improve insurance protection for poorer sections of the population in order to ensure that natural disasters, in particular, do not lead to a loss of livelihood. The working group supports, among other things, the development of methods for assessing meteorological risks (heavy rainfall, flood and drought) and for better evaluation of the worldwide impacts of climate change.

With a view to also promoting the growth of legal disciplines relevant to the reinsurance 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 since 2006. In this way we are seeking

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social groups and projects that we support. Donations to political parties and churches or other political and religious organisations are expressly prohibited. Consequently, neither in the period under review nor in prior years have we made contributions to political parties, politicians or organisations associated with them. Compliance with this policy is verified by Group Auditing. In our Sustainability Strategy we have set ourselves the goal of refining our concept for social engagement and expanding our reporting.

At our Hannover location we lend our support each year to projects in the following categories:

- Commitment to society, science, art and culture
- Commitment to the environment and climate protection
- Commitment to employees
- Commitment to the welfare and protection of young people
- Commitment to advances in medicine/humanitarian projects

to encourage a more international approach to the study of law. With the establishment of the new "House of Insurance" in January 2018, we are working together with six other Hannover-based insurers to step up our cooperation with Leibniz University of Hannover. In addition to two new endowed professorships in insurance mathematics and insurance law, there are also plans to hold events for scientific and professional further training as well as graduate employment fairs and to arrange internships in the insurance industry.

Furthermore, we 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 a similar society at Leibniz University of Hannover and support the University of Ulm's association Studium und Praxis e. V. that fosters cooperation and contacts between students and graduates and the business world. Above and beyond our aforementioned involvement, we regularly offer field trips for students and systematically place various projects and topical issues with university departments.

 Website: Geo Research Center Potsdam

 Website: Global Earthquake Model (GEM) Foundation

## Support for art, culture and music

Supporting art, culture and music has traditionally been a cause for our company. In 1991, to mark our company's 25th anniversary, we set up the Hannover Re Foundation to benefit the Sprengel Museum in Hannover. The foundation's mission is to acquire contemporary works of art and make them available to the Sprengel Museum on permanent loan – thereby also promoting Hannover as a centre for art. The foundation also funds publications and events to accompany the exhibitions.

Along with the Sprengel Museum, we similarly support the Wilhelm Busch Museum, the Kunstverein Hannover and the Kestnergesellschaft Hannover. Since its founding in 1916 the Kestnergesellschaft has sought to profile internationally important artists and their latest works. We also have our own art collection.

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 Social Commitment

Since 2014 we have supported the series of exhibitions dedicated to "Masterclass Students" as a way of profiling the work of young artists from the Lower Saxony region. In cooperation with Braunschweig University of Art we display selected works from the graduating class in the foyer of our Hannover head office to staff and visitors alike for intensive contemplation and exploration.

Every year since 1998 E+S Rück, our subsidiary with responsibility for the German market, has organised an examination concert for graduating soloists 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.

-  Website: Sprengel Museum Hannover
-  Website: Kestnergesellschaft
-  Website: Kunstverein Hannover
-  Website: Wilhelm-Busch-Museum
-  Website: University of Art Braunschweig

## Environment and climate protection

By making donations in the area of environmental and climate protection we support projects that tackle issues affecting the environment and climate change and seek to alleviate their adverse impacts. Since 2014, for example, we have contributed to the Fishing for Litter project developed by the Nature and Biodiversity Conservation Union (NABU) of Lower Saxony. The littering of the seas, and especially plastic waste, is a growing problem for our oceans and marine life. The project focuses on the development of effective disposal structures to manage waste fished out of the sea, thereby helping to conserve the marine environment and its residents.

More information

-  Website: Moorland (German)
-  Website: NABU Projekt Fishing for Litter (German)

For the third time we gave our support to the Friends of the Earth – Diepholz Moor Depression (BUND Diepholzer Moorniederung), an initiative dedicated to protecting and preserving the moorland and the species of plants and animals (in some instances endangered) native to this part of Lower Saxony. In addition to preserving biodiversity, the project also makes a major contribution to climate protection by reducing the release of carbon dioxide.

## Social issues

As part of our commitment to social issues, the welfare and protection of young people and the advancement of medicine and humanitarian projects, we support a number of institutions with donations – in some instances on a recurring basis. These include institutions such as Handicap International, Doctors Without Borders, Terre de Femmes, the civic initiative Bürgerstiftung Hannover, the foundation "Ein Platz

für Kinder", the Hannover Children's Food Bank, MOKI – Mobile Children's and Youth Hospice, the Hannoversche Werkstätten (a charitable organisation to support people with disabilities), the initiative "Seniorpartner in School" and others.

## Global engagement

Through regular donations and by enabling corporate volunteering, i.e. releasing employees for charitable activities during working hours, we support social projects all around the world. In so doing, we contribute our expertise in the area of reinsurance, whenever possible.

Since 2009 our employees in Milan have supported the "Comitato Maria Letizi Verga Onlus", which provides financial support for a centre for paediatric haematology. The centre offers children with leukaemia optimal medical and psychosocial care so as to enhance their chances of recovery and their quality of life.

In Sydney we support the organisation "SuperFriend", which focuses on creating positive, healthy and safe workplaces for the reduction of mental illness. In addition, our branch organises a tea party every year in order to collect donations for cancer research in cooperation with the Cancer Council Australia.






The employees at our subsidiary in Orlando support the "Boys & Girls Clubs of Central Florida". This local chapter of the national organisation gives almost 14,000 children aged between 6 and 18 safe places to learn, grow and have fun. Our employees in Charlotte support the "Bethlehem Center", whose mission is to provide education opportunities for underprivileged children and low-income families in order to improve their quality of life.

Our branches in the United States take part in the annual "Walk to End Alzheimer's" in their home cities and collect donations for the Alzheimer's Association. The goal is to provide optimal support and care for people living with dementia and their families.

At our location in Bermuda we support various social institutions, including for example a Montessori elementary school and several institutions to assist children and young people with special needs as well as people with disabilities or particularly vulnerable groups.

### More information

 Social Commitment

-  Website: St. Joseph Kinder- und Jugendhilfe (German)
-  Website: Maria Letizi Verga Onlus
-  Website: SuperFriend
-  Website: Boys & Girls Clubs of Central Florida
-  Website: Walk to End Alzheimer's