

Communication on Progress (CoP)

Since May 2020, Hannover Re has been a signatory to the United Nations Global Compact. This is a voluntary international initiative between the business world and the United Nations for responsible corporate governance. The UN Global Compact encompasses aspects relating to human rights, labour standards, the environment and anti-corruption.

They are addressed in 10 Principles.

The required Communication on Progress is integrated into the present sustainability report. The following table provides an overview of the sections in which our individual activities relating to the principles of the UN Global Compact can be located.

The Ten Principles of the UN Global Compact

Principles	References
Human rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Respect for and observance of human rights is a fundamental requisite for the Hannover Re Group's business worldwide – above all in the areas of employees, suppliers, insurance business and investments.
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	<p>In the year under review, we began to develop procedures for determining actual and potential detrimental effects on human rights and measures for verifying their effectiveness. We plan to complete this in the following year and publish a policy statement.</p> <p>Given that our employees are highly skilled personnel and we attach the highest priority to compliance with applicable national, collective bargaining and company rules, we do not see any risk of serious breaches of human rights. Issues such as equal treatment and anti-discrimination as well as the right to protection of personal data are regulated by law and by our Code of Conduct.</p> <p>We also address the issues of forced labour, human trafficking, involuntary working and other forms of so-called modern slavery in our Code of Conduct for Suppliers.</p> <p>In our core business, we have adopted a globally valid ESG manual for facultative reinsurance in which we require the rejection of business that entails the risk of serious breaches of fundamental human rights. In asset management we exclude issuers that fail to respect human rights or are complicit in human rights violations – including the use of forced or child labour – or discrimination or that disregard fundamental labour standards and environmental protection considerations.</p> <p>For detailed information on the subject of human rights in the areas of employees, suppliers, insurance business and investments, we would refer to the section "Human rights" in the chapter "Fundamentals".</p>

For further information on the individual areas please see the sections "Supplier management" in the chapter "Transparency", "ESG in insurance business" and "ESG in asset management" in the chapter "Core business" as well as the chapter "Employees".

Labour standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

In 2020, the Executive Board recognised the core labour standards of the International Labour Organization (ILO) for 100% of Hannover Re's workforce. We also have a number of co-determination mechanisms. Recruitment and employment at Hannover Re take place without discrimination; this is an explicit part of our Code of Conduct. There is no risk of forced or child labour with respect to our workforce.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.

For further information, we would refer to the chapter "Employees" and the section "Compliance" in the chapter "Fundamentals".

Principle 5: Business should uphold the effective abolition of child labour.

For our suppliers and our core business (insurance business and asset management), please see the section "Human rights" in the chapter "Transparency".

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

We take responsibility not only for our social conditions but also for the environment.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

The focus of our efforts for environmental protection is on reducing CO₂ emissions through the sustainable supply of electricity and heat to our premises, environmentally friendly travel options and resource-saving working methods.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

For further information, we would refer to the chapter "Environmental management" as well as our EMAS Environmental Statement on our website.

In addition, we also require our suppliers to reduce their environmental impacts in our Code of Conduct for Suppliers.

For further information, please see the section "Supplier management" in the chapter "Transparency" as well as our Code of Conduct for Suppliers on our website.

In our operations, the focus is similarly on reducing CO₂ emissions. In 2019, for example, the Executive Board decided to withdraw from thermal coal by 2038 in all Property & Casualty business.

For further information on our approach in reinsurance business, we would refer to the section "ESG in insurance business" in the chapter "Core business".

In addition, for the strategy cycle 2021-2023 we have undertaken to expand our involvement in the reinsurance of renewable energy sources.

For further information, please see the section "Sustainable Protection" in the chapter "Core business". Information on sustainable and green technologies is provided here.

In asset management, we consider environmental criteria using three different methods. In the first place, we exclude environmentally critical issuers as part of our negative screening process. Secondly, we elevate our sustainability quality in the existing portfolio through our best-in-class investment approach. Furthermore, we invest actively in sustainable investments.

In our new climate strategy for our investing activities, which was approved in the spring of 2021 by the Executive Board of Hannover Re, we set ourselves the goal of reducing the carbon intensity (Scope 1 and 2) of our assets under own management from listed equities and fixed-income securities by 30 percent by the year 2025 relative to the base year of 2019. In addition, we are stepping up our engagement activities with various stakeholders (e.g. proxy voting, direct engagement or involvement in PRI campaigns).

For further information on the specific environmental criteria and approaches as well as our new climate strategy, we would refer to the section "ESG in asset management" in the chapter "Core business".

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Both our Code of Conduct and the Code of Conduct for Suppliers contain stipulations for the prevention of corruption, extortion and bribery. In addition, we have installed a compliance structure and a Compliance Management System that provide for appropriate preventive rules.

For further information, we would refer to the section "Compliance" in the chapter "Foundations".

The goals and measures in relation to the individual action fields can be found in the relevant chapters of this report and in the chapter of this report entitled "Strategy" as well as in our current sustainability strategy.

Progress and goal accomplishment with respect to the individual goals are reported in our table of target indications in the section "Goals and measures of the strategy cycle 2018-2020" in the chapter "Fundamentals".