

Hannover Re

Report on the German Supply Chain Due Diligence Act (LkSG)

Reporting period: 1.1.-31.12.2024

Hannover Rück SE

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A. Abridged reporting obligation pursuant to Section 10 (3) LkSG

A1. Monitoring of risk management & responsibility of senior management

What responsibilities were defined in the reporting period for the monitoring of risk management?

The monitoring of risk management to ensure compliance with the due diligence obligations arising out of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) was carried out in 2024 by the function Group Legal Services – Compliance Management.

A2. Identified risk and/or violations

No risks to human rights or environment-related risks were identified in the reporting period.

Describe transparently the period in which regular risk analysis was carried out.

Risk analysis was carried out in the period from 1 January to 31 December 2024.

Describe transparently the material steps and methods of the risk analysis, for example a) the internal and external sources used in connection with the abstract consideration of risks, b) the methodology for identification, evaluation and prioritisation in the context of the concrete consideration of risks, c) whether and to what extent information on risks and actual violations of obligations obtained from processing indications generated by the enterprise's complaints procedure was considered in the risk analysis and d) how the interests of potentially impacted parties are adequately considered in the context of the risk analysis.

Hannover Rück SE adopts a risk-based approach to the identification and prioritisation of potential risks in its own operations and at direct suppliers.

In view of the nature of Hannover Rück SE's business activities, risks to human rights are to be assessed as low. Hannover Rück SE conducted a holistic risk analysis of its own operations and of direct suppliers in order to identify risks to human rights and environment-related risks. The risk analysis is divided into four phases:

Phase 1: Scope definition

At the beginning of the process, the suppliers necessary to provide and use the products and services offered by Hannover Rück SE are identified. The basis for this consists of official documents and handouts of the Federal Office of Economics and Export Control (BAFA). The scope definition makes it possible to determine the supplier base that is further analysed in subsequent phases.

Phase 2: Abstract risk analysis

As part of this process step, country and industry risks to human rights and environmental standards are evaluated in own operations and at direct suppliers. Comprehensive and sound analysis is ensured using ESG risk management software aligned with LkSG due diligence obligations. The evaluation of the abstract risk is based on various subject areas that can be allocated to the risks specified in the LkSG. A wide range of quantitative indicators from renowned institutions such as the World Bank or the United Nations forms the basis for assessing the country risk per subject area. This information can also be found in the BAFA risk database. The industry risk analysis quantifies the risk exposure per subject area for 88 different industries as per the NACE Codes and is based on various qualitative sources and databases, such as the CSR Risk Check or Studies of the Helpdesk on Business & Human Rights. The results of the country risk analysis are combined with the results of the industry risk analysis to arrive at an evaluation of the potential risk for each subject area and per direct supplier or own operations. This evaluation facilitates categorisation of the potential risk per subject area and per direct supplier or own operations in the risk categories "low risk", "medium risk" and "high risk". This categorisation forms the basis for the concrete risk analysis. In accordance with the risk-based approach, suppliers allocated to the "high risk" category are considered for the next step of the risk analysis. In this year's abstract risk analysis, a high risk was not identified in either own operations or at direct suppliers using these criteria.

In addition, automated monitoring integrated into the ESG risk management software is carried out for a broad supplier base so as to become aware of media reports or other publications relating to human rights and environmental standards and be able to respond to them. This monitoring similarly did not give rise to any negative indications.

Phase 3: Concrete risk analysis

In this process step, potentially risk-exposed suppliers are invited through the ESG risk management software to complete a standardised questionnaire. Given that no supplier with a high risk was identified in 2024 in the abstract risk analysis, a concrete risk analysis was omitted. The process was, however, prepared in the reporting period and can be applied at any time if suspected cases arise – including within the year.

Phase 4: Assessment of the actual risk

Should risk-exposed suppliers be identified in the future, they will be prioritised according to adequacy criteria defined for assessment of the actual risk. This assessment is based on the results of the previous phases. Determinative factors here are the probability of occurrence and the severity of the possible violation as well the possibility of influencing the supplier. Hannover Rück SE responds to risks in its own operations as a priority in order to do justice to the increased causal contribution.

In the 2024 reporting year, the interests of the employees of Hannover Rück SE, the employees in the supply chain and other potentially impacted parties were adequately considered. This was done through the involvement of various areas of the enterprise, including the procurement and human resources departments. The interests of potentially impacted parties are protected through defined processes.

Hannover Rück SE has put in place a Code of Conduct that is applicable throughout the organisation. The Code of Conduct provides employees with a framework for interacting with one another and for how to behave towards all internal and external stakeholders. It contains mandatory standards with respect to all relevant matters of the implemented compliance management system and describes the framework for ensuring compliance with laws, regulations and internal policies. Internally, it addresses matters including equal treatment, diversity, safety and how to deal with conflicts of interest.

In the 2024 reporting year, the previously described holistic risk analysis process was applied for the first time. Hannover Rück SE has adopted a uniform Group-wide Third Party Code of Conduct to protect employees in the supply chain. This is applicable to all suppliers that have a business relationship with the Hannover Re Group. Alternatively, large suppliers have the option to submit their own equivalent Code of Conduct. Hannover Rück SE examines and accepts this instead of the Third Party Code of Conduct, provided it includes the material contents of the Third Party Code of Conduct of Hannover Rück SE.

Hannover Rück SE has implemented an established Speak-Up system (whistleblower procedure) that enables both employees and third parties outside the enterprise (whistleblowers) to report compliance violations, harmful behaviour or risks.

No violation of a human rights or environment-related obligation was identified in the period under review.

Describe transparently the procedures that can be used to identify violations in own operations.

Violations in own operations can be identified, in particular, in the context of the established risk analysis process and through the Speak-Up system. This enables whistleblowers to notify the Chief Compliance Officer or the Compliance department of relevant circumstances in person, over the phone, by e-mail or using an online system, anonymously if they so choose.

The risk analysis was also conducted for own operations along the same lines as the risk analysis for suppliers. Based on the country-industry combination, a high risk was not identified for any enterprise in the abstract risk analysis. Nor were any violations of human rights or environment-related obligations brought to our attention through the Speak-Up system in 2024.

Describe transparently the procedures that can be used to identify violations at direct suppliers.

Violations at direct suppliers can similarly be identified both as part of the risk analysis process and through the Speak-Up system. The risk analysis was carried out for direct suppliers of Hannover Rück SE in accordance with the previously described process.

In the event that an increased risk or a violation is suspected or identified at a supplier, appropriate remedial actions are taken immediately to prevent or end the violation or to minimise the impact of the violation. No violations of human rights or environment-related obligations at a direct supplier were brought to our attention in 2024.

Describe transparently the procedures that can be used to identify violations at indirect suppliers.

The Speak-Up system makes it possible to identify violations at indirect suppliers, both internally and externally.

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