

2024

SUSTAINABILITY REPORT

Delivering Enduring Value



The
Hanover
Insurance Group®

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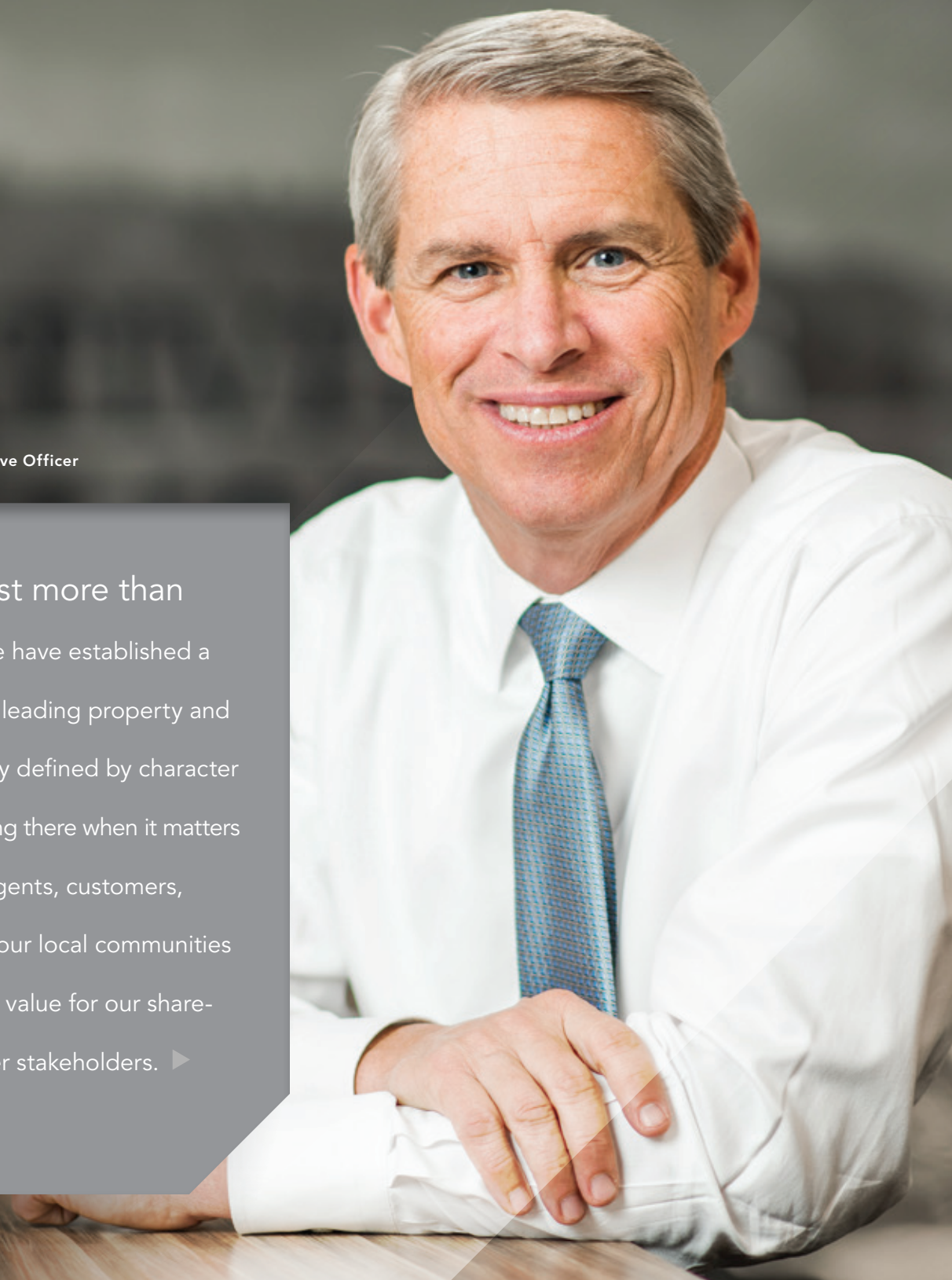


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A message from our President and Chief Executive Officer

JOHN C. ROCHE
President and Chief Executive Officer

Over the past more than 170 years, we have established a highly regarded, leading property and casualty company defined by character and integrity. Being there when it matters most—for our agents, customers, employees, and our local communities—and delivering value for our shareholders and other stakeholders. ▶



As CEO, I take great pride in our team—approximately 4,800 talented and committed individuals who come together to deliver on our promises and provide our customers the peace of mind that comes with high-quality insurance protection, for the cars they drive, the businesses they own and the places they call home. Through this collaborative effort, we have established an enviable reputation as a leading provider of reliable and responsive insurance solutions, an employer of choice and an active corporate citizen.

In recent years, our industry has been tested on many fronts, placing even greater emphasis on the impact of shifting market forces, unpredictable weather and economic conditions, as well as evolving social issues and unrest. At The Hanover, we have responded with decisive action, making adjustments in our business that will enhance the long-term resiliency and sustainability of our company. We also have continued to evolve our unique corporate culture—one built on trust and respect—creating an environment where outstanding professionals want to work and build rewarding careers. And, at the same time, we have maintained our focus on protecting our environment, being a socially responsible organization and governing our actions by the highest of ethical standards.

With all of this in mind, I am pleased to share our 2024 Sustainability Report, which highlights our vision to be the premier property and casualty franchise in the independent agency channel by helping agents transform the way customers experience insurance.

This report summarizes the important progress we have made to advance sustainability. For example, we advanced our efforts to reduce our carbon footprint, made environmentally friendly enhancements to our

products and services, and improved our resiliency with the use of updated weather models and our efforts to address geographic micro-concentrations. We also continued to strengthen our company culture with a focus on inclusion, diversity and equity while investing in our employee-led business resource groups. Last year, we were excited to launch our eighth business resource group, ABLE, which creates a community for individuals who are neurodivergent and/or disabled, as well as their caregivers and allies. And, we delivered on our commitments to help build stronger communities where our employees live and work. Through all of this, we enhanced and expanded our business, emphasizing technology and innovation efforts, and responded to the increasing frequency of extreme weather with a thoughtful plan across our property-focused lines of business.

As we look ahead, we do so with a renewed sense of optimism, a determined focus and confidence, knowing we have a proven strategy, the capabilities, and the talented and committed team necessary to drive meaningful value for all our stakeholders and to ensure the sustainability of our company and the world around us.

Sincerely,



Our integrated approach to sustainability

As a leading property and casualty insurance company with more than 170 years of experience, we understand the value of sustainability.

Over time, we have leveraged our inherent strengths: a clear vision and strategy, a strong financial foundation, an experienced and committed team, and the ability and willingness to embrace change. Along the way, we have established a reputation for fairness and integrity.

This report outlines some of the many ways we position our company for long-term success and support the sustainability of our planet. It places a particular focus on the areas we believe are the most meaningful to our organization and to our constituents.

While developing this report, we evaluated numerous sustainability frameworks recommended by various sustainability advocates, and ultimately applied the GRI Standards: Core Option. Additionally, we have included an index that indicates where report content is specifically aligned to the recommendations of the Financial Stability Board’s Task Force on Climate-Related Financial Disclosures (TCFD).

Going forward, we are focused on expanding our sustainability efforts, and regularly reporting on those efforts as well. We intend to publish our next sustainability report in 2026.

For questions about this report or our sustainability practices, please contact sustainability@hanover.com.



EMPLOYEES ACROSS THE ORGANIZATION ARE COMMITTED TO **ADVANCING OUR VISION:** TO BE THE PREMIER PROPERTY AND CASUALTY FRANCHISE IN THE INDEPENDENT AGENCY CHANNEL, HELPING AGENTS TRANSFORM THE WAY CUSTOMERS EXPERIENCE INSURANCE.

Our business

The Hanover Insurance Group, Inc. (NYSE: THG) is the holding company for several property and casualty insurance companies, which together constitute one of the largest insurance businesses in the United States, writing nearly \$6 billion in standard and specialized business annually.

The organization offers broad and innovative insurance protection for small and mid-sized businesses, as well as for individuals and families, through a select group of many of the best independent insurance agents and brokers in the country.

Headquartered in Worcester, Mass., The Hanover employs approximately 4,800 employees nationwide. The company has 42 offices across the country, which enables us to maintain a local presence in the markets where we do business, and to work closely with our agents and customers in those markets.



4,800
employees
42
U.S. office locations



Our vision and strategy

As our company continues to grow and prosper, the energy and effort of our employees are aligned to our vision and our unique business strategy.

Employees across the organization are committed to advancing **our vision: To be the premier property and casualty insurer in the independent agency channel, helping agents transform the way customers experience insurance.**

As we work to make this vision a reality, we are intently focused on driving our unique business strategy forward, leveraging our key competitive advantages—distinctive agency partnerships, our specialized products and capabilities, and our customer-driven approach. At the same time, we are building on the defining characteristics of our company, as an agile innovator, attractive employer, and admirable company.

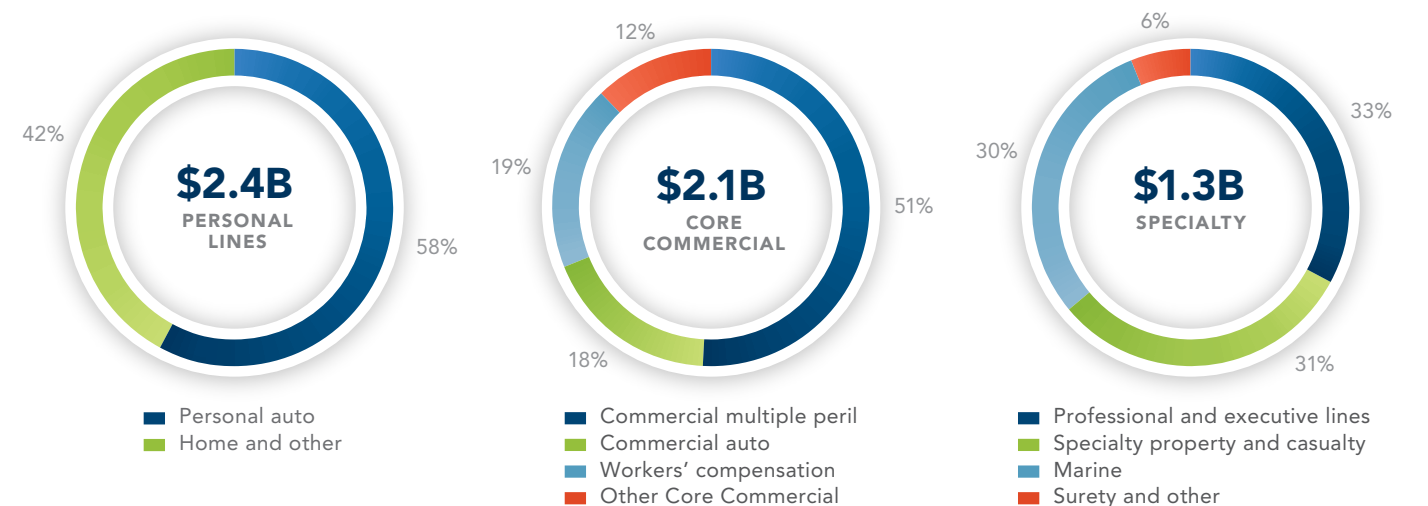
Our strong, mutually beneficial relationships with the top independent agents across the country are essential to the success of our proven business strategy. Our distribution channel is comprised of approximately 2,100 independent agents.

We provide our agent partners and customers with innovative and dependable insurance products delivered with clear and consistent underwriting and pricing expectations, while prudently growing and diversifying our product and geographical business mix. We conduct our business with an emphasis on disciplined underwriting, pricing, quality claim handling and customer service.

And, we place a significant emphasis on serving our customers, focusing on those with specialized needs, those with more to insure, and those who appreciate the advice and counsel our agents offer. We serve our customers in a broader way than many of our competitors, taking into account all of their property and casualty needs, bundling coverages to provide more complete, holistic insurance solutions.

Our business strategy represents a unique competitive advantage for us, positioning our company to deliver strong, sustainable profitability and outstanding value for our shareholders and stakeholders over the long term.

2023 BUSINESS MIX — \$5.8B TOTAL NET PREMIUMS WRITTEN



Environmental responsibility



Our industry has been tested in recent years by increasingly unpredictable and severe weather, presenting new challenges as well as opportunities to think differently about how we respond. ▶

In the face of these challenges, we are committed to being an environmentally responsible company—monitoring the emerging risks, maintaining financial discipline, refining our business model, and supporting industry efforts to build more sustainable and resilient communities.

At the same time, we are determined to help protect our environment, reducing our carbon footprint and investing our assets in a responsible manner.

Resiliency and sustainability are at the forefront of our response to climate change. Our customers, our economy and our society depend on the property and casualty industry’s risk management capabilities to mitigate their exposure to weather-related losses, and they depend on the strength of our balance sheets to help them rebuild when they suffer weather-related losses.

At The Hanover, we take our role as an advocate for a more sustainable and resilient planet very seriously. We fulfill our responsibility to help our customers understand weather-related risks and put in place preventative measures to safeguard their families, properties and financial security.

With this in mind, we actively monitor the impact of our operations and take proactive steps to reduce greenhouse gas and to responsibly manage our environmental footprint. We embrace sustainable practices across our organization, engaging our employees to help reduce their own environmental footprints, at work and at home, through various recycling and natural resource preservation initiatives, and we promote customer programs that provide more sustainable product offerings.

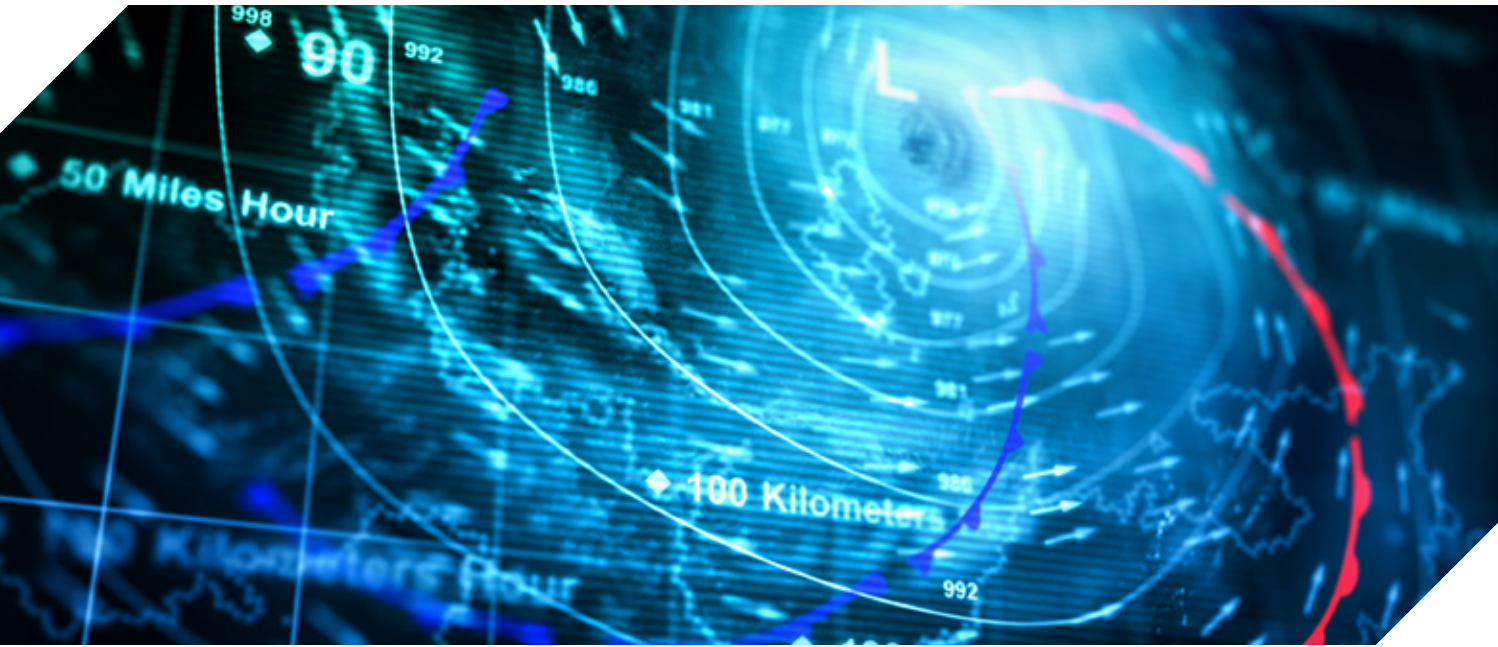
Weather volatility

Changing weather patterns and the increasing frequency and severity of extreme weather continue to present new and evolving risks for our industry, our company and our customers.

In fact, in 2023, our customers and our company sustained unusually high weather-related losses, primarily due to severe weather and convective storm activity throughout the U.S., in particular, in the Midwest. In response to these events, we took decisive action to improve our ability to anticipate and address emerging and future trends, and to spread our risks even more, by geography and by product line.

As an organization, we are taking prudent steps to anticipate risks, address the potential impact of climate change, and manage our exposure to future severe weather events.





Our internal severe weather risk assessment

We conduct detailed risk analyses and modeling of our property portfolio using hurricane and other risk models on an ongoing basis. We recently enhanced our risk modeling and claims experience backtesting capabilities (to evaluate our actual claims experience against catastrophe model results), as well as our assessment of geographic and line of business contributions to the enterprise risk portfolio across a spectrum of potential outcomes. In developing our annual catastrophe plan, we allowed for additional prudence to account for data not fully contemplated in catastrophe (CAT) models, including recent industry loss severity trends, social inflationary impacts and contractor behavior, demographic trends, and risks associated with an aging public infrastructure.

Through an internal risk assessment, we have concluded the most material source of the physical risks of severe weather to our company would stem from potential changes to Atlantic hurricane patterns. Risk mitigation actions include:

- Continuing to actively manage coastal exposure
- Driving adequate pricing and changes to terms and conditions throughout our portfolio
- Continuing to make strategic reinsurance purchases

Our actions

Sophisticated catastrophe and other risk assessment models help us effectively mitigate the potential effects of climate change on our business, informing our actions and the risk strategies we employ.

ACTIONS	RISK STRATEGIES
Reducing business concentrations in higher risk geographies	<ul style="list-style-type: none"> • Reduced micro-concentrations in the “tornado alley” of the Midwest and other regions • Limited growth in coastal areas and in wildfire-exposed regions, particularly in California • Reduced exposure to hail micro-concentrations in the Midwest
Leveraging financial and risk models, aggregation tools and advanced data analytics	<ul style="list-style-type: none"> • Evaluated catastrophe costs in relation to profit margins across our business units, lines of business, and geographic markets using a business planning tool, helping to allocate risk capacity efficiently and manage extreme risk outcomes while generating profitable growth • Informed the company’s business plan with quarterly proforma catastrophe risk distributions
Adjusting pricing and risk mitigation measures	<ul style="list-style-type: none"> • Repriced products • Expanded risk prevention capabilities to minimize the impact of increases in the frequency and severity of bad weather, including recommending that customers use water and temperature sensors to mitigate losses • Updated terms and conditions, including increased all-peril and wind and hail deductibles for selected coverages • Directed more capital to liability risks and expanded our Specialty casualty business
Using traditional reinsurance and alternative sources of catastrophe risk protection	<ul style="list-style-type: none"> • Purchased facultative, property per-risk and catastrophe treaty reinsurance from a diverse panel of highly rated reinsurers to reduce earnings volatility and provide protection against extreme events • Determined the appropriate amount of catastrophe reinsurance based on an evaluation of the risks insured, exposure analyses prepared by advisers, our risk appetite and market conditions, including the availability and pricing of reinsurance • Mitigated losses from catastrophe risks with our per occurrence catastrophe coverage, which attaches at \$200 million and exhausts at \$1.75 billion for Northeast named storms, and up to \$1.45 billion for all other defined perils, inclusive of CAT bonds as noted below • Enhanced catastrophe reinsurance protection, including coverage secured through the issuance of notes to unrelated investors, generally referred to as “catastrophe bonds.” Two CAT bonds provide \$300 million of fully collateralized protection from Northeast named storms serving to further diversify sources of capital

*The peer group used above consists of 24 companies with which we compete for capital. It includes publicly traded competitors that are predominantly U.S. primary P&C insurers with multiple lines of business. The list is comprised of American Financial, AIG, Allstate, Argo, Axis, Chubb, Cincinnati, CNA, Donegal, Hartford, Horace Mann, James River, Kemper, Markel, Mercury, Old Republic, ProAssurance, RLI, Safety, Selective, State Auto, Travelers, United Fire, and W.R. Berkley.

Our environmental footprint

Throughout our long history, our industry and our company have acted as responsible stewards of our environment, helped preserve natural resources and conserved energy while educating our employees and customers about the risks to our planet.

Environmentally responsible initiatives for owned properties

- **Installed new energy-efficient LED lighting** advanced lighting control systems
- **Completed HVAC upgrades**, which have reduced natural gas and electricity consumption on an ongoing basis
- **Maintained Energy Star certification** at the company's two largest offices, in Worcester, Mass. and Howell, Mich., recognizing energy performance in the top 25% of similar facilities
- **Diverted 209 tons** of our total waste from landfills through recycling and composting programs*
 - ✓ **Managed approximately 111 tons** of single-stream recycling
 - ✓ **Composted five tons** of biodegradable material
 - ✓ **Recycled 68 tons** of document waste
 - ✓ **Recycled 25 tons** of construction and demolition materials from building renovation and maintenance projects
- **Earned WELL Health-Safety Rating** at the company's offices in Worcester, Mass., and Howell, Mich., each year since 2021
- **Reduced overall carbon emissions** associated with our owned facilities, leased facilities, corporate travel, and fleet by 22% since 2018
- **Reduced water consumption by 51%** since 2018*
- **Purchased renewable energy certificates** equal to 100% of our electricity consumption at our corporate headquarters**
- **Installed water sensors** in headquarters facility to reduce water loss



*2022 data

** RECs purchased from our competitive electric supplier (sourced from wind resources) at our corporate headquarters in Worcester, Mass.

Advancing employee engagement and education

We're proud of our employees and their commitment to the environment. Our employee-led Green Team is an advisory group with executive sponsorship from key business leaders within our organization.

This team drives awareness and action to enhance our efforts toward long-term sustainability. The Green Team currently has approximately 230 employee members and focuses its activities on education, business alignment and community involvement.

- **Education:** Strengthen awareness of The Hanover's sustainability practices, with a focus on the role individuals and our company play in building climate resiliency
- **Community:** Opportunities for employees to get involved in environmental initiatives both internally and externally

- **Business alignment:** Develop a feedback loop between employees and senior leaders to exchange ideas and knowledge on environmental topics, to communicate this information, and to position The Hanover as an environmentally friendly company



The Green Team

We host an annual, on-site Earth Day Fair for employees to celebrate our commitment to energy efficiency and environmental conservation. The event includes outside speakers, vendors and exhibitors that offer educational information and promote opportunities for sustainable practices, both at home and at work. More than 1,000 pounds of e-waste was collected and safely disposed of during our 2023 fair.



Risk management framework and governance

Severe weather is one of the top risks on The Hanover’s risk register, and is tracked, researched, analyzed and reported by our enterprise risk management (ERM) group. The Hanover’s risk governance effort is led by our chief risk officer, with business unit risk structures supported by the ERM function. The chief risk officer updates our Board of Directors with a full report at least annually and provides periodic interim reports to the Board’s Audit Committee.

The management of underwriting risk, including risks that pertain to climate change, begins with the chief underwriting officer and corporate underwriting team. Together, they establish underwriting guidelines that apply to all lines of business. Underwriting authority letters are granted to each underwriter and provide specified limits of authority and a clear escalation path, which is outlined as risks increase in size and complexity.

The ERM function, in partnership with the Enterprise Risk Management Group (ERMG), identifies, monitors and analyzes material, corporate-level risks and emerging issues. This robust governance structure regularly engages with business leaders, finance officers, underwriting professionals, actuarial staff and our claims team, collaborating and providing prompt development of new risk management strategies and reporting tools to better inform risk selection and management across the enterprise.



Customer resilience

As an insurer, it is critical that we help our customers identify and mitigate risks, and that we are available when they experience losses. We have been delivering on our promises to our customers for generations, and we are making significant investments across our organization to ensure we are helping them achieve greater resiliency.

RISK MANAGEMENT INVESTMENTS

- **“Green Advantage” product offering** that covers additional costs to restore green-certified properties to current standards, to perform air quality testing and to recycle debris
- **Our Green Upgrades optional coverage**, which enables the use of eco-friendly and/or environmentally sustainable materials and building methods (i.e. using reclaimed wood or high efficiency heating and cooling systems) after a loss
- **Onsite consultation services** for commercial lines policyholders to help strengthen their resiliency and mitigate risk
- **Sprinkler credits and loss control services** to provide policyholders with cost savings when proactive measures are taken to mitigate fire losses
- **Internet of Things (IoT) sensors** to detect water leaks and/or freezing conditions that could lead to burst pipes
- **Policyholder risk assessments** to increase the focus on natural hazards and perils through the use of contemporary technology



- **A dedicated risk prevention team** that works with customers to understand specific challenges and provides insights into emerging trends and prevention recommendations that can help reduce the environmental impact
- **Severe weather, safety and disaster preparedness materials** for agents and customers, including a risk prevention portal with easy access to severe weather preparedness materials for commercial customers, including dedicated training resources for severe convective storms, hurricanes, winter storms and wildfires strike
- **Weather alert customer communications** to share risk mitigation actions for upcoming severe weather events, including convective storms, wildfires, hurricanes and winter storms. These communications include pre-season and imminent storm preparedness as well as post-event response

Environmental sustainability through advocacy and education

Through our work with several insurance industry associations, we are committed to supporting environmental protections and stronger, more weather-resilient buildings and infrastructure. With members of our senior leadership team on the boards of these organizations, we're proud to help further advance their missions.

GROUP ADVOCACY

In addition to working closely with policymakers and regulators, including legislators and the National Association of Insurance Commissioners (NAIC),



The Hanover is an active participant in the American Property Casualty Insurance Association (APCIA), which has engaged all levels of government in the effort to reduce and manage climate risk while advocating for greater resiliency and risk mitigation efforts. The APCIA works to enhance the resiliency of communities through improved risk identification, pre-disaster mitigation, preparedness, response and recovery.

Similarly, we work closely with the Insurance Institute for Business and Home Safety (IBHS) to advocate for



sustainable building codes and resilient communities. The IBHS is an independent,

nonprofit research and communications organization that conducts objective, scientific research to identify and promote effective actions that strengthen homes,

businesses and communities against natural disasters and other causes of loss. We have signed the IBHS Principles of Climate Change Adaption, which brings together primary insurers, reinsurers, brokers, and trade associations to outline the steps the public and private sector can take to improve the resiliency of American homes, businesses, and communities.



Affiliated with The Institutes

We also partner with the Insurance Information Institute (Triple-I), which gives consumers access to the information necessary to make educated insurance decisions and effectively manage their risks. The Triple-I offers extensive data and risk prevention information to help consumers and insurance carriers better navigate environmental risks among others.



Responsible investing

Our responsible investment approach endeavors to (i) eliminate any new investments in securities of energy producing companies that will rely on coal for >25% of their fuel to generate electricity after 2025; (ii) eliminate new investments in securities of companies in the coal and tar sands industries that will generate >25% of their revenue from mining or processing thermal coal after 2025, or that are in the process of developing new coal mines, plants, or infrastructure; and (iii) phase out by 2025 any existing investments that exceed these thresholds.

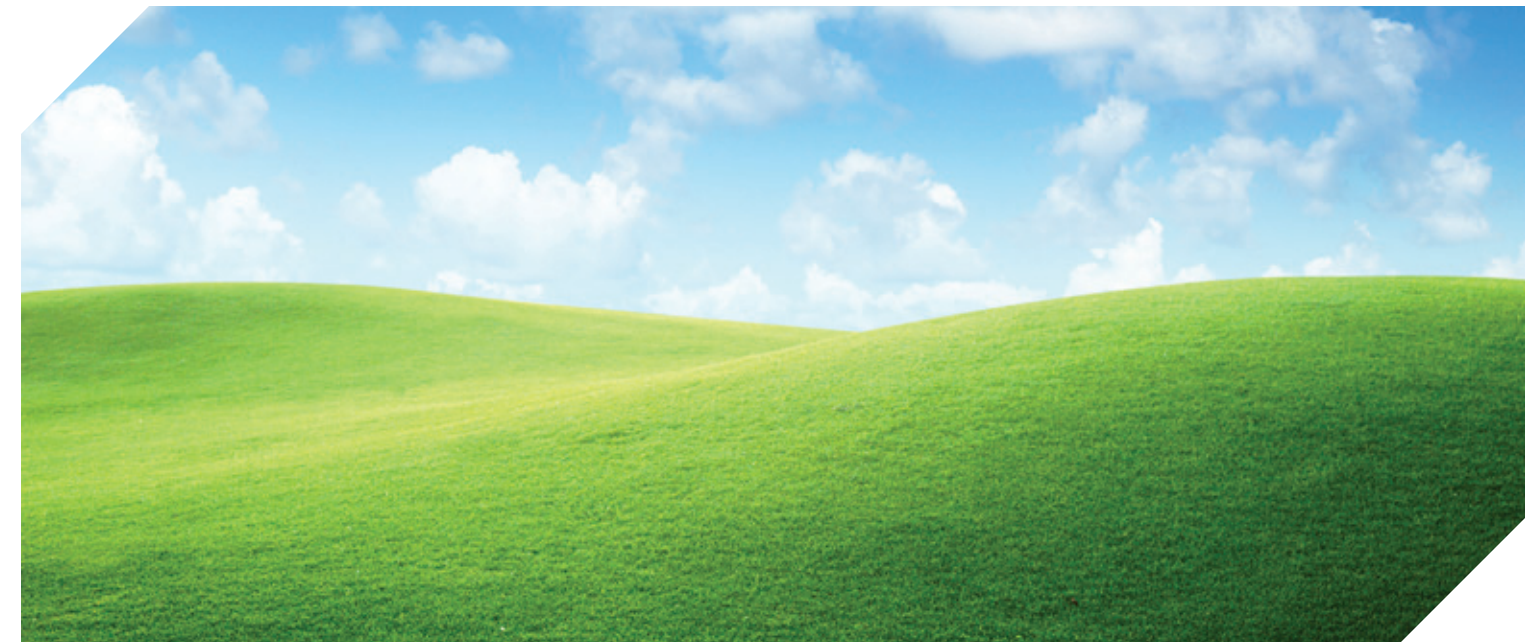
Our environmental policy statement

- [Environmental policy statement](#)

“As a responsible investor, we carefully consider sustainability factors as we strive to deliver strong investment returns.”



– Lindsay Greenfield,
Senior Vice President,
Chief Investment Officer



Social responsibility



As a socially responsible company, The Hanover offers its employees the opportunity to build fulfilling careers in an engaging and inclusive environment defined by trust and respect. In turn, our talented team delivers on our promises through our business and in our local communities, helping make the world a better place. ▶

As a dynamic and growing property and casualty insurance company, we encourage employee initiative and innovation while nurturing an environment where the contributions of all individuals are recognized and valued.

We provide competitive compensation and benefits, fulfilling work, opportunities to learn, and a safe and supportive work environment where our employees can build rewarding careers.

At the same time, our company and our employees support a wide range of nonprofit and social services organizations, helping to address critical needs in our local communities, placing a special emphasis on youth and education, ultimately making our home communities stronger, healthier and more vibrant.

Our commitments to bringing our organization’s CARE values to life, building a positive work environment, and making a difference in our communities are essential as we pursue our vision to be the premier property and casualty company in our space.

“We put great emphasis on building and maintaining a culture where highly talented people want to work, feel a sense of belonging and build fulfilling and rewarding careers. Through our culture-building efforts, we have created a team that is committed to delivering for all those who depend on us.”



– Denise Lowsley,
Executive Vice President,
Chief Human Resources Officer

Our **C** **a** **r** **e** Values

Collaboration: We bring a positive attitude and a passion for working together. We are supportive, inclusive and rely on the contributions of all team members to achieve results no matter what the challenge.

Accountability: We do the right thing by being responsive, demonstrating ownership and showing courage. We hold ourselves to the highest standards of excellence and honor our commitments to agents, customers, shareholders, communities and one another.

Respect: Integrity and honesty are at the heart of everything we do. We create an environment of trust by listening first and welcoming diverse perspectives, while embracing and promoting inclusion, diversity and equity initiatives.

Empowerment: We develop our talent and encourage them to be creative, entrepreneurial and resilient. We believe in the power of people to innovate and take calculated risks to drive our company’s future.

An employer of choice

We believe the investments we make today to engage, support and motivate our employees will drive our future success.

The overall satisfaction and experiences of our employees hinge on a vibrant, rewarding corporate culture—one where employees’ talents are developed, rewarding careers are built and competitive salaries and benefits are offered in a flexible work environment.

We have developed a thoughtful listening strategy to foster ongoing, two-way communication. To maintain an engaging work environment, we conduct a confidential, biennial, third-party employee engagement survey to solicit candid feedback that helps us identify what matters most to our workforce and continuously improve the work experience for all employees. This is just one of the many forms of listening we conduct to ensure employee voices are heard.

BIENNIAL, THIRD-PARTY EMPLOYEE ENGAGEMENT SURVEY — KEY HIGHLIGHTS:

- 82% participation rate, which exceeds participation rate benchmarking norms in the U.S. financial services/insurance sector
- 83% sustainable engagement* score, on par with U.S. financial services/insurance norms and exceeding U.S. norm (all industries)



*Sustainable engagement measures employees’ attachment to a company, how supported they feel to be productive in their jobs and how energized they are in their roles and work.
** Employee engagement survey found 91% of employees would recommend The Hanover as a good place to work.

Recognition and awards



America’s Most Responsible Companies, Newsweek, (2022–present)



America’s Best Midsize Employers, Forbes, (2015–present*)



World’s Best Companies, TIME (2023)



Best Place to Work for Disability Inclusion, Disability Equality Index (2023)



Best Companies to Work For, U.S. News & World Report, (2023–present)



Largest Corporate Charitable Contributors, Boston Business Journal, (2017–present)



Leader in LGBTQ+ Workplace Inclusion, Human Rights Campaign Foundation (2018–present)



Women on Boards Winning 3+ Company (2016, 2019, 2022–present)

*Due to the COVID-19 pandemic, Forbes did not issue its America’s Best Mid-Size Employers award in 2020.

Growth and career development

At The Hanover, we promote a culture of continuous learning where employees can gain new experiences and advance their careers at all levels. We're committed to providing the resources and educational opportunities that help employees develop skills for both their current and future roles.

Development is an important driver of workforce engagement, retention and succession planning. We encourage all employees to actively participate in their development, talking openly with their managers about their career progression and working with them to establish clear performance goals and career paths.

“Managers are empowered to support the overall development of their team members and identify ways to help grow their careers.”



– Carrie Farrell,
Senior Vice President,
Human Resources

100%
of team members
receive an annual
performance
review



Learning solutions

Learning solutions are designed to focus on development-based capabilities for team members' current roles or desired roles. We create educational opportunities in a multitude of ways, including:

- Utilizing a robust online learning management platform that accommodates various schedules and diverse learning styles
- Engaging in experiential learning through growth assignments and special projects
- Using virtual and classroom workshops
- Setting goals throughout the year
- Conducting robust employee evaluations

Leadership development

Leadership is a key component of our team members' growth and development. Our Leadership 5 initiative identifies the expectations and behaviors for leaders at all levels of our organization. Strategic drivers to attain our long-term success, these capabilities are an integral part of our annual goal-setting and evaluation processes.



Inclusive
Decision Makers



Talent
Developers



Agile
Innovators



Composed
Change Agents



Enterprise
Integrators

We offer engaging training programs designed for various stages of leadership:

- **Keys to Success**—An eight-month program that focuses on the skills required for frontline managers and combines live events, simulations, coaching circles and a capstone project
- **Leadership Accelerator**—This program offers formal workshops, peer learning and customized development resources to help advance employee leadership skills
- **Hanover Business School**—A cross-business underwriting leadership development program designed to increase business acumen and strategic thinking, this program helps develop leadership skills to create and sustain high-performing teams
- **Hanover Leadership Experience**—This 12-month program targets senior leaders to provide 360-degree feedback, individualized executive coaching, simulations, workshops, and peer learning, to further advance leadership skills



Encouraging growth through mentorship and learning

We believe learning from peers and fellow employees creates important development opportunities for all. As such, our enterprisewide mentorship program, The Grid, helps individuals expand their networks and knowledge while creating lasting connections and promoting an environment of trust and belonging. Team members can serve as mentors and/or mentees in the program. In 2023, more than 500 individuals participated in The Grid and more than 3,468 mentoring hours were logged.

We also offer tuition and professional designation reimbursement for team members who are interested in enhancing their knowledge, skills and performance. Similarly, easy-to-access online educational opportunities, such as our Skills That Matter course, focus on cultivating skills critical to employee growth and our company's success.



Internship program



As part of our commitment to creating a diverse workforce, we proudly offer an innovative internship program that provides rising college seniors with both in-person and remote learning opportunities. More than 70 students participate in this program each year, and many receive offers to join the company upon graduation.

We offer guidance and networking with experienced insurance professionals, including:

- Cross-organizational job shadow opportunities
- Industry education
- Training courses and programs to help chart a desired career path

Additionally, interns are exposed to our community giving efforts, taking part in our annual intern community challenge, which provides interns the opportunity to collaborate and gain a broader understanding of the challenges facing their communities through partnerships with nonprofits.

Our interns work together with our employee-led business resource groups to develop thematic solutions for local nonprofits, helping them address barriers and obtain grants to further their missions.



Employee benefits for total well-being

We recognize that our employees are an invaluable asset, and we are committed to helping them achieve total well-being, so they are able to achieve their goals at work and at home. With that in mind, we offer a broad suite of employee benefits and a work environment that supports total well-being.

Our compensation philosophy is based on a merit system where employees are paid for their performance and recognized for their talents and contributions.

- A majority of employees receive short-term incentive compensation based on annual goals
- Additionally, our senior leaders receive long-term incentive compensation in the form of equity awards
- We are committed to competitive, fair and equitable total compensation that includes base pay and short- and long-term incentives competitive with others in our industry, while also promoting internal equity across our organization

We also offer a wide range of employee benefits, from a positive and engaging work environment to medical, dental, life and vision insurance programs, a comprehensive 401k retirement savings program, paid and unpaid time off, flexible work arrangements, and more.

Our benefit offerings continue to evolve to reflect market changes and the feedback of our employees. Each year, we carefully review our offerings to ensure our programs are competitive so we can attract, retain and reward talented and committed professionals. In recent years, this included an expanded flexible work policy to provide thoughtful, inclusive work arrangements. Some of our options include hybrid work, compressed work weeks and flexible working hours.



Comprehensive benefits program

Financial

- Competitive and fair pay practices
- Bonus and incentive compensation programs
- 401(k) 6% match on pre-tax and Roth savings plans
- Employee stock purchase plan
- Financial education and planning resources— family, home, vacation, college, retirement
- Company-paid disability, life and AD&D insurance
- Dependent life insurance
- Health savings and health/dependent care flexible spending accounts
- Discounts on personal insurance
- Legal assistance
- Travel assistance program
- Identity theft protection

Work

- Flexible work arrangements
- Professional development courses, accreditations and certifications
- Mentorship program and leadership trainings
- Tuition reimbursement and professional designation bonus programs
- Unconscious bias trainings for all employees
- Business resource groups
- Annual employee giving campaign
- Employee discounts
 - Employee appreciation events
 - Employee reward and recognition programs
 - Commuter benefits

Life

- Generous paid time off
- Purchased paid time off
- Company-paid holidays, including a floating Cultural Appreciation Day
- Employee assistance program
- Paid parental and caregiver leaves
- Dedicated mother's rooms (location-specific)
- Adoption and surrogacy assistance programs
- Subsidized backup childcare programs, including nationwide accredited centers, camps and in-home care
- Subsidized backup eldercare programs
- Military leave services
- Volunteer opportunities
- Matching gifts program
- Employee scholarship program
- Pet insurance

Health

- Comprehensive medical, dental and vision coverage
 - Accident, critical illness and hospital indemnity coverage
- Supplemental disability, life and AD&D coverage
- Fitness center and coaching*
- Health advocacy services
- Weight loss and healthy eating programs
- Virtual mindfulness workshops and meditation tools
- Cafeteria*
- Stress management programs



* Location specific

Inclusion, diversity and equity

We take great pride in the work we've done—and continue to do—to cultivate and enhance our culture of belonging. We want each and every individual to feel heard, valued, and respected.

To this end, we have been committed to building and maintaining an inclusive and equitable environment for individuals of all races, ethnicities, genders, abilities, backgrounds, and experiences. With a more diverse group of voices at the table, companies are more productive and more profitable. When we foster belonging, our team members and our business thrive. We also regularly engage in external benchmarking, which validates our inclusive approach to our benefits offering.

From recognition to the growing impact and engagement of our business resource groups, we continue to build on our special culture.



KEY HIGHLIGHTS

- Recognized as one of the best places to work for disability inclusion by the Disability Equality Index
- Introduced a new business resource group, ABLE, that serves as a resource for those who identify as neurodivergent and/or disabled, or who are caregivers and/or allies of these communities
- Conducted our biennial employee engagement survey, which demonstrated continued strong inclusion and engagement scores
- Added a diverse supplier spend review and requirement in our supplier selection processes

ALL NEW EMPLOYEES PARTICIPATE IN UNCONSCIOUS BIAS AND INCLUSIVITY TRAINING.



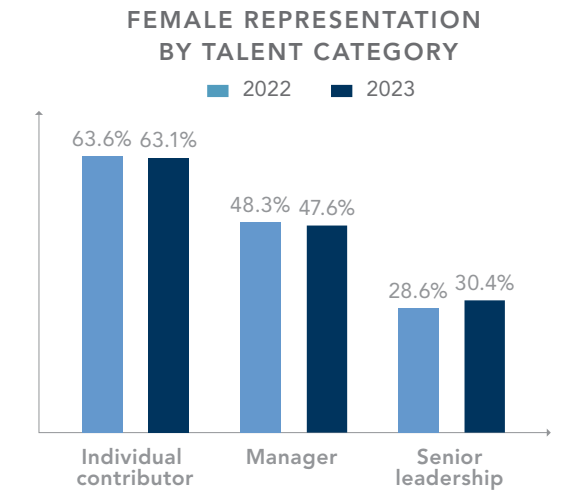
*As reported on our biennial employee engagement survey

Our team

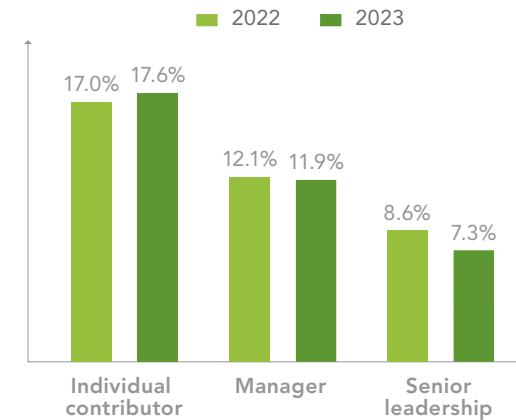
Bringing diverse voices to the table leads to success.

Measuring our workforce demographics is an important practice for us, allowing us to track where we stand while elevating accountability around the work that lies ahead on our IDE journey.

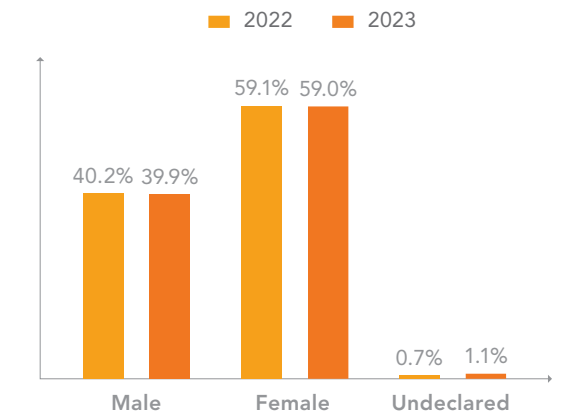
During 2023, we increased the number of women in senior leadership positions and in the number of people of color in individual contributor roles across the company. We continue to pursue gains in other areas as well.



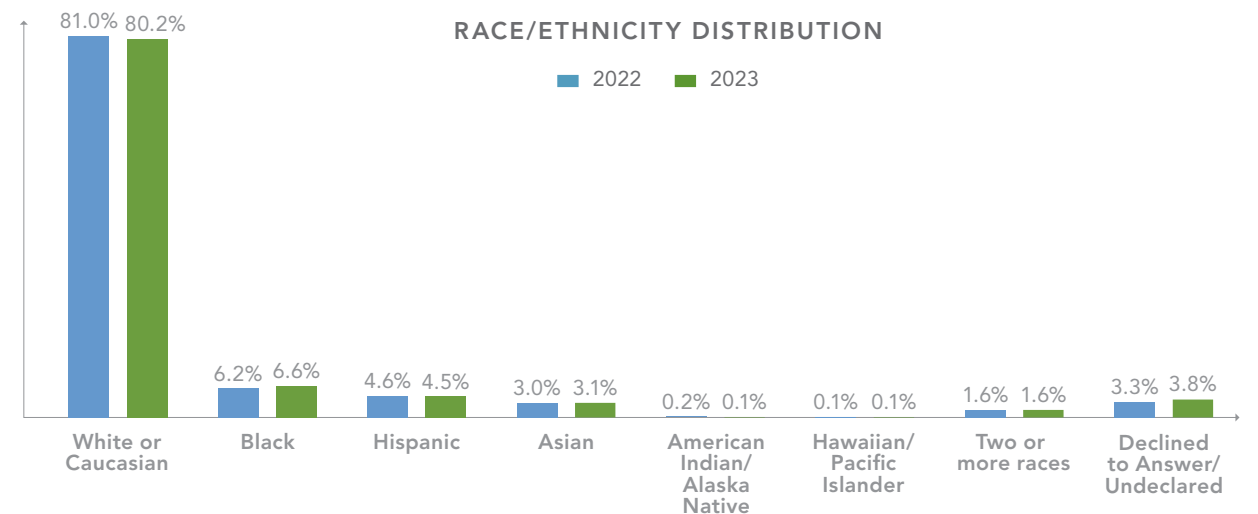
PEOPLE OF COLOR REPRESENTATION BY TALENT CATEGORY



GENDER DISTRIBUTION



RACE/ETHNICITY DISTRIBUTION



*Manager is defined as front-line through assistant vice president roles. Senior leadership is defined as vice president through executive vice president roles.

Our business resource groups

Business resource groups (BRGs) at The Hanover are voluntary, employee-led groups that help foster our commitment to build a more inclusive and diverse work environment where our employees feel safe to be their authentic selves and empowered to offer their unique perspectives.

Aligned to our business priorities and objectives, our BRGs serve as both an asset for our employees and our business, helping support our unique culture and driving our business forward. Our BRGs have played a critical role in advancing IDE and fostering a true sense of belonging at The Hanover. They also have made an impact in our local communities through our BRG Impact Fund, which provides grants to nonprofits aligned to the BRGs' missions.

Supplier diversity

Our supplier program provides economic opportunities to under-represented businesses with the goal of supporting and leveraging the talents of a diverse supplier group. To ensure a wide range of suppliers are provided opportunities at The Hanover, all future requests for proposals valued at \$250,000 or more will include at least one diverse supplier, where possible.

In 2023, The Hanover directed spend of \$38.6 million to diverse suppliers, including women-owned, minority-owned, veteran-owned and LGBTQIA-owned businesses.

ABLE creates a community for those who are neurodivergent and/or disabled, or are caregivers and allies.



Proud to Empower leads with our CARE values to create a safe space for employees who identify as LGBTQIA, have family or friends who are part of the community, or those who are allies.



Hanover Asian American Pacific Islander (H.A.A.P.I.) cultivates a community committed to empowering, engaging, and educating about each other's history and experiences.



Veterans Connection sets out to leverage the collective experience and shared values of veterans, and the perspectives of those who support our veterans, to attract, develop and retain talent.

Hanover United Professionals (UP) is an early-in-career and ally group with a strong focus on career development and philanthropy.



Women@Hanover aims to empower women to reach their full potential by building confidence, creating work-life balance, developing leadership skills, and broadening professional networks.



Kinship Village sets out to attract, educate and empower its members, our African American community, and the broader insurance community.

Mi Familia aims to enhance leadership, promote talent and development, expand community participation, raise awareness and foster a sense of belonging for our Hispanic/Latinx community and its allies.



Community support

At The Hanover, we're committed to being there when it matters most—in our communities as well as in our business.

Over the course of our long, proud history, we have worked with our employees and community partners to help make the areas where we live and work stronger, healthier, and more vibrant through charitable contributions and active volunteerism.

Our mission is to enact meaningful and positive change in the lives of underserved children and youth—and empower those individuals.

We provide program grants to nonprofit organizations that work collaboratively in their communities, offering new and innovative programs that address the barriers that may prevent children and youth from realizing their full potential.

Charitable foundation focus areas



Over many years, we have increased our involvement in the communities we call home, helping drive projects considered key to local economic growth and vitality, improving local conditions, and attracting and retaining top talent.

As a responsible employer, we are committed to improving the quality of life in local communities where we have a presence through partnerships with area nonprofits. Our charitable efforts and those of our employees support many organizations across the country in alignment with our mission. We pride ourselves on establishing strong partnerships with our nonprofit community to enable access and equity for those most underserved.

Some of our partners in the past year included:



Employee involvement

We take great pride in our many employees who are actively involved in their local communities, sharing their time and talents as board members, volunteers and thought leaders. We're committed to encouraging and supporting employee volunteerism through community-based team building events, corporate social responsibility initiatives, and companywide engagement efforts, helping to connect our employees to their local communities. Recent efforts include:

- Hosting an annual Day of Caring, in partnership with United Way, where hundreds of employees volunteer in their local communities
- Distributing fresh fruit and produce bags to needy individuals and families, and restocking area food pantries
- Assembling Earth Day literacy kits for local youth
- Building an ADA-accessible playground
- Designing and developing a wellness room and take-a-break space for students at a local high school
- Offering grants to support our employees' personal volunteer efforts



GIVING HIGHLIGHTS — 2023

- **\$1.6 million** contributed through its community grants, scholarships and employee matching gift programs
- **\$1.5M** raised by employees and The Hanover for United Way and 1,700 nonprofits as part of the company's annual giving campaign
- **\$125,000** donated through our BRGs to local organizations across the country
- **Thousands** of employee volunteer hours invested in communities where our employees live and work
- Leaders incorporated **corporate social responsibility** into team building experiences, providing support for deserving organizations across the country

Each year our employees come together to celebrate our culture of philanthropy and community service through our annual giving campaign in support of United Way and thousands of other nonprofits across the country. In 2023 alone, 83% of our employees supported more than 1,700 nonprofits, including 73 United Way chapters, through this campaign. Over the past 11 years, employees nationwide directed more than \$11 million to United Way-affiliated organizations and other nonprofit organizations across the country.

Our policies

- [Code of Conduct](#)
- [Human Rights Policy Statement](#)
- [Equal Employment Opportunity Statement](#)
- [Pay Equity](#)



Governance

Responsible corporate governance practices are a cornerstone of our corporate values. Across our business, we have instilled a deep commitment to ethical practices, ensuring our organization operates with integrity, enabling us to act in the best interests of our stakeholders. ▶

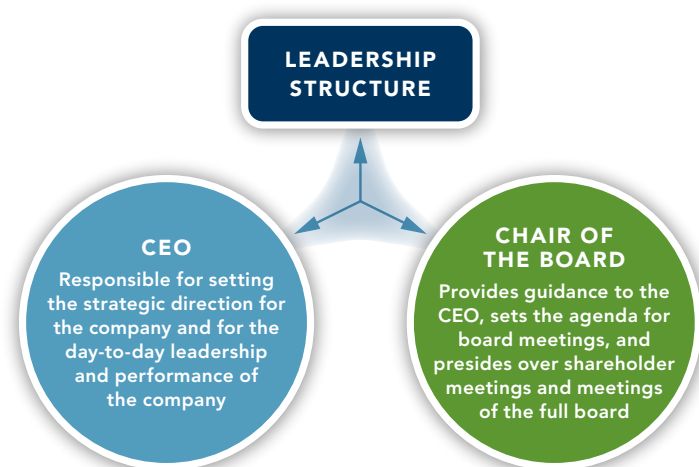
We encourage active engagement between our stakeholders and members of our leadership team, as well as our Board of Directors, to create a strong governance structure. To that end, in response to investor feedback and a comprehensive review of our structure, and in light of what we believe to be in the best interests of our company and our shareholders at this time, our directors sought shareholder approval to declassify the board at the 2024 Annual Meeting of Shareholders. As a result of the affirmative vote, each director will be subject to election annually for a one-year period, fully effective as of the company's 2027 annual meeting of shareholders.

CORPORATE GOVERNANCE BEST PRACTICES	
INDEPENDENCE 	<ul style="list-style-type: none"> ✓ Separate CEO and board chair ✓ Independent board chair ✓ 90% of directors (9 of 10) are independent (all but CEO) ✓ All board committees composed exclusively of independent directors ✓ Full board and all committees regularly meet in executive session, without members of management present
ACCOUNTABILITY AND ENGAGEMENT 	<ul style="list-style-type: none"> ✓ Board declassification was approved at the meeting of shareholders in 2024, after extensive review and investor feedback ✓ Multi-year vesting for long-term equity awards ✓ Robust stock ownership guidelines for directors and officers ✓ Board and committee oversight of sustainability matters, including ESG ✓ Adopted NYSE-compliant clawback policy and maintained robust recoupment policy in long-term incentive plans ✓ Annual board evaluation of the CEO ✓ Use of independent compensation consultant to assist in compensation decisions and best practices ✓ Political expenditures reviewed by Audit Committee
SHAREHOLDER RIGHTS 	<ul style="list-style-type: none"> ✓ Majority voting standard for election of directors ✓ Single voting class—one share, one vote ✓ No poison pill/anti-takeover provisions ✓ 95%+ say-on-pay approval rating since inception of rule
ADDITIONAL BEST PRACTICES 	<ul style="list-style-type: none"> ✓ Mandatory retirement age of 75 for directors ✓ Ongoing commitment to thoughtful succession planning ✓ Enhanced director over-boarding policy to discourage over-committed directors on board ✓ History of not re-pricing stock options ✓ Cap on payouts under variable incentive compensation programs ✓ "Double trigger" for change in control benefits under employment continuity plan ✓ Diverse board composition

Independent board oversight

We've maintained the roles of CEO and board chair as separate positions in recognition of the distinct differences between the roles and what we believe best serves the company and its shareholders. We believe having an independent board chair best supports effective leadership oversight and risk management.

DIVERSE PERSPECTIVES



Our board members represent a broad array of backgrounds and experience, and collectively have expertise in many key competencies. Diversity among our board members provides us with the depth and breadth of insight, perspective, and experience needed for strong decision making.

This extensive and diverse knowledge helps ensure our board can effectively oversee our company and meet our evolving needs. The categories of key competencies among board members include, among other things:

- Property and casualty insurance (beyond company board service)
- Financial services
- Finance/accounting
- Investments/capital markets
- Technology
- Human resources/human capital management
- Information security
- Governance
- Mergers, acquisitions, combinations
- Operations
- Marketing and distribution
- Government and public policy
- Risk management
- Artificial intelligence
- Legal/regulatory
- Investor relations
- Corporate strategy
- Sustainability

We recognize the importance of board refreshment to ensure new ideas and perspectives. Our board strives to balance refreshment with the benefits of tenure, experience, and continuity. Accordingly, our directors are committed to actively refreshing the full board and each of its committees to maintain a mix of tenured directors, to promote effective corporate governance, and to proactively manage potential vacancies due to retirement. At the same time, our board members

continuously develop their expertise each year with training programs, tabletop exercises, seminars and other forms of professional development.

How we govern our sustainability efforts

With board oversight of corporate sustainability, we are well positioned to execute on an effective, integrated strategy.

Each board committee has taken primary responsibility for sustainability issues most relevant to their areas of expertise. The company's Sustainability Council—a cross-disciplinary management committee headed by our chief legal officer and comprised of leaders across the organization—leads and coordinates the company's efforts.

We frequently review sustainability best practices and ongoing issues to ensure our governance policies are effective and reflective of the current environment. To aid in these efforts, management provides our Nominating and Corporate Governance Committee with a semi-annual, holistic report regarding our efforts and initiatives, as well as trends and developments impacting the P&C industry and the broader market. Together with our board, we have established strong sustainability governance and policies that will enable us to continue to deliver on our promises with integrity and in the best interest of all our stakeholders.

PRIMARY AREAS OF OVERSIGHT BY COMMITTEE

Nominating and Corporate Governance Committee

- Code of Conduct
- Conflicts of interest and ethics
- Board governance matters
- Shareholder rights
- Community giving

Audit Committee

- Enterprise risk assessment and management, including environmental, financial and business risk
- Information security (including cybersecurity) and privacy
- Related party transactions
- Political contributions

Compensation and Human Capital Committee

- Inclusion, diversity and equity
- Company culture
- Human capital management
- Employee engagement

BOARD REPRESENTATION

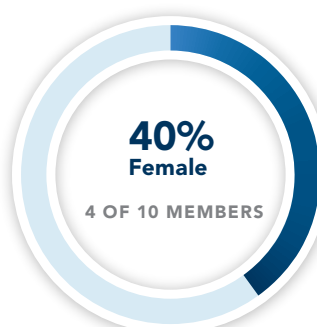
INDEPENDENCE



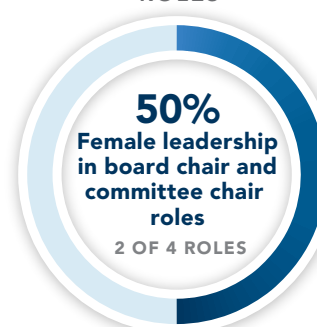
RACIAL/ETHNIC DIVERSITY

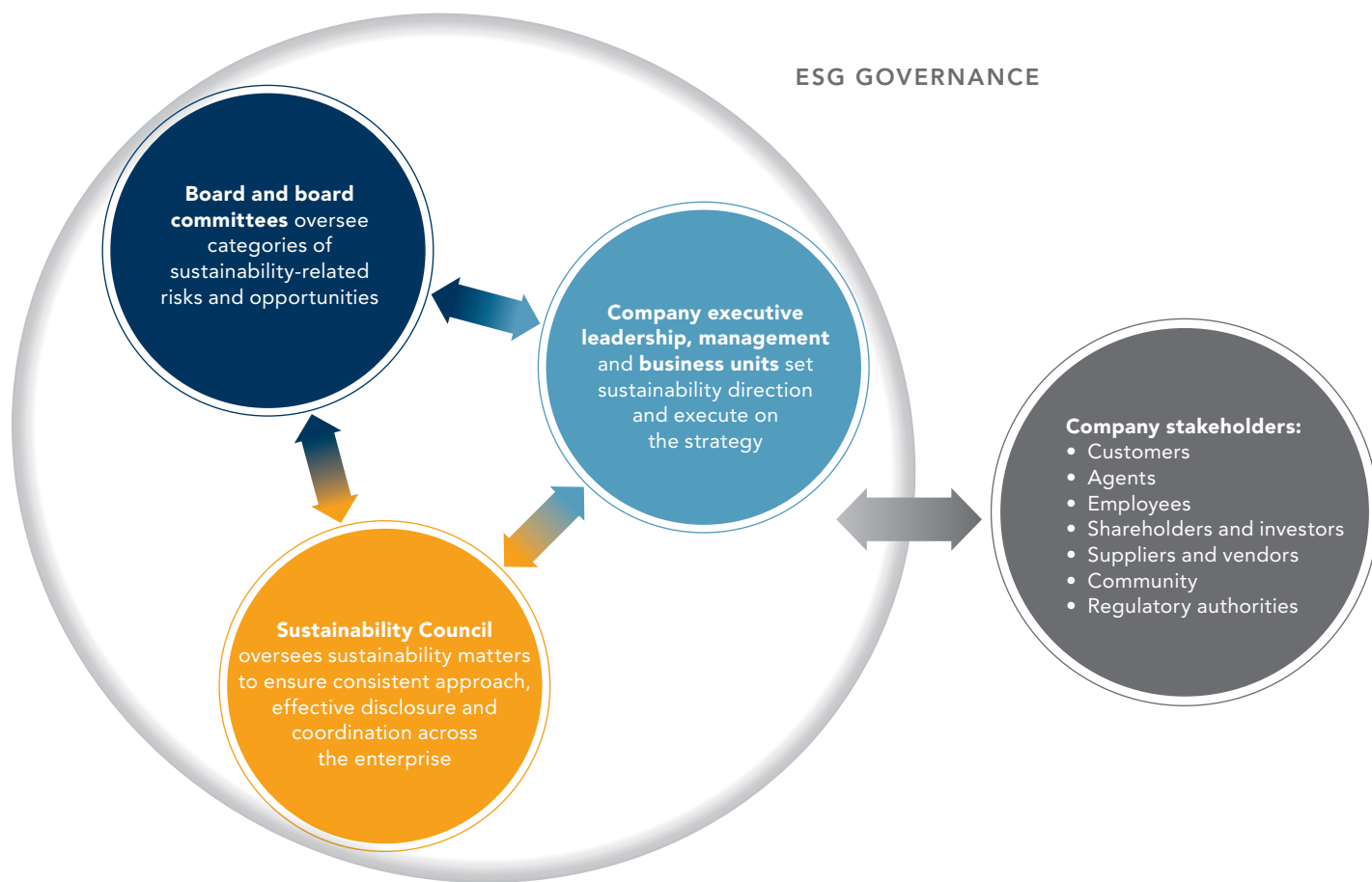


GENDER DIVERSITY



BOARD LEADERSHIP ROLES





Sustainability Council

Our Sustainability Council oversees and supports ESG efforts and initiatives. The council has its own charter, dedicated staffing and a quarterly meeting cadence. Council leadership periodically reports significant sustainability matters to the board.

Comprised of a cross-disciplinary management committee led by our executive vice president and chief legal officer, the council includes key leaders from across the organization.

Together, their oversight and efforts include:

- Ongoing development of strategy
- Creating, implementing, and monitoring initiatives and policies
- Drafting and coordinating communications to employees, investors and other stakeholders
- Monitoring and assessing key ESG developments
- Improving the company’s understanding of ESG matters
- Enhancing transparency through alignment with reporting frameworks and increased disclosures

Business ethics and code of conduct

We recognize the important role our employees, officers and directors play in our success and in evaluating our company’s brand and reputation.

We demonstrate our commitment to maintaining the highest of ethical standards and holding all team members accountable for their behavior in accordance with our comprehensive [Code of Conduct](#). Our code outlines our expectations for business and professional conduct that aligns with our values, principles and standards of behavior.



The code addresses our expectations regarding several topics, including, but not limited to:

- Business ethics
- Compliance
- Confidentiality
- Privacy and information security
- Anti-harassment
- Conflicts of interest
- Disclosure of information
- Workplace conduct
- Non-retaliation

“We are committed to maintaining high standards of governance across our organization. We recognize effective governance is a key to long-term sustainability.”



– Dennis Kerrigan, Executive Vice President, Chief Legal Officer

New employees are required to certify their compliance with the code during onboarding, and all employees are required annually to certify their compliance.

Our Code of Conduct is thoroughly enforced and employees are encouraged to report any violation, or suspected violation, to our anonymous alert line or through our confidential alert website. Communications through our alert line are answered by an independent, third-party company that reports all complaints and concerns directly to our chief legal officer, director of internal audit, and chair of our board’s Audit Committee.

Cybersecurity and data management

In the age of digitization, it is essential that we protect the confidential and proprietary information our policyholders, employees, and other stakeholders entrust to us. With stringent controls and processes in place to help address evolving risks, we are committed to doing just that.

Our information security program is risk-based and data-driven, and adheres to cybersecurity laws and regulations, as applicable. We maintain robust safeguards designed to help protect the confidentiality, integrity and availability of all non-public, proprietary, and confidential information.

Governance of information security

Our dedicated information security organization, led by our chief information security officer, conducts ongoing internal security risk assessments, vulnerability assessments and penetration testing of the company's systems, business processes and practices.

- Cross-functional governance committees define policies, assess adequacy of controls and manage risk levels
- The Audit Committee oversees the information security program and monitors our cybersecurity risk management program and associated risks
- The chief information security officer and the chief information and innovation officer provide regular reports and updates to the Audit Committee

Incident response plan

Our incident response plan outlines clear criteria to identify, detect, respond and recover in the event of an information security incident. We have a robust and detailed process, which includes specific protocols and

procedures, with the incident response plan reviewed at least annually. We continue to advance this plan to enable quick identification, detection, response and recovery.

Information security framework

Our information security framework follows the standards, guidelines and best practices developed by the National Institute of Standards and Technology (NIST), the International Organization for Standardization, and Control Objectives for Information and Related Technologies.

Our program is designed to identify relevant assets and associated risks, protect against, detect, respond to and recover from cybersecurity events, and employs a “defense in depth” strategy to protect the confidentiality, integrity, and availability of our systems and information assets.

We continually assess our cybersecurity and threat detection capabilities—including our proficiency in identifying emerging tactics, techniques, and procedures of threat actors—and to enhance our ability to focus our resources appropriately.



Data privacy

We collect information, including personal information, to enable us to offer high-quality, responsive products and services to our customers. We use this information to provide rate quotes, enable us to offer coverage, service policies, communicate with our agents, renew coverage, and process claims.

We strive to maintain appropriate administrative, technical and physical safeguards that are designed to protect the personal information we collect or receive. [The Hanover Insurance Group Privacy Policy](#) includes more information about how we collect, use and disclose personal information.

Cybersecurity training

To best educate our team members about cybersecurity, we regularly conduct information security training designed to enhance awareness and prevent, mitigate, and prepare for a response to a cybersecurity threat. These training courses and programs cover a broad array of relevant topics, including, but not limited to, information security, password protection and social engineering. Additionally, we supplement specific information security training with email campaigns and simulations that raise awareness and understanding of phishing among our team members.

“We maintain a vigilant focus on cybersecurity to protect the personal information our customers and business partners share with us.”



– Danielle Goulet,
Senior Vice President,
IT Core Services and
Chief Information Security Officer

Third-party risk assessments

We leverage a risk-based, third-party risk management process when engaging with external firms. Through this process, our information security personnel evaluate the information security and business continuity capabilities, risks and vulnerabilities of prospective and existing service providers.

We remain focused on further strengthening our enterprisewide information security program:

- Continuing to evolve security capabilities
- Introducing automation across the security operating model
- Investing in the growth and development of our team members

Appendix

Disclaimer:

The Hanover Insurance Group, Inc. (“The Hanover”) prepared the GRI-referenced content index to provide additional information to various stakeholders on The Hanover’s ESG sustainability practices. Disclosures contained herein should not be deemed to be material to The Hanover or material to an investor under Rule 405 of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder solely because they have been presented for inclusion herein. To the contrary, disclosures in this report have been selected for inclusion in this report for a number of reasons, including but not limited to: for the benefit of stakeholder groups, in addition to investors, who have an interest in more detailed topical information from The Hanover (e.g., insureds, insurance agents, employees, communities, industry associations, suppliers, and interested third parties); for commercial, competitive or marketing reasons; for transparency into ESG practices and data points that other companies disclose and that would otherwise be inferred to be absent should we not provide disclosure; and to provide insight into The Hanover’s overall sustainability practices and CARE values (see 102-16 below) where we have available data to provide representative examples, reasonable estimates and/or third-party information upon which such estimates can be made, and/or other information relevant to our overarching principles and approach. These disclosures have been reviewed by the Hanover’s Sustainability Council (see 102-19 below) and included in this report on the foregoing basis, and not on the same basis or standards that disclosures are reviewed and approved for inclusion in The Hanover’s reports that are filed with or furnished to the U.S. Securities and Exchange Commission (“SEC”).

Any restatements, and reasons for such, are footnoted as part of the data presentation within the body of the report.

GRI 102: General Disclosures

Organizational Profile

102-1	Name of the organization
	The Hanover Insurance Group, Inc. (NYSE: THG) The organization is sometimes referred to as “The Hanover” within this content index.
102-2	Activities, brands, products and services
	For a description, please see the Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the “Form 10-K”), Part I, Item 1 - Business.
102-3	Location of headquarters
	The Hanover Insurance Group, Inc. 440 Lincoln Street Worcester, Massachusetts USA 01653
102-4	Location of operations
	See Form 10-K, Part I, Item 2 - Properties , page 32. The Hanover’s significant operations are in the United States.
102-5	Ownership and legal form
	The Hanover is a publicly traded stock corporation (NYSE: THG) domiciled in the State of Delaware that operates through several property and casualty insurers and other subsidiaries. For a complete list of entities within the group, see Exhibit 21 of the Form 10-K.
102-6	Markets served
	The Hanover offers its products exclusively in the United States. We are licensed to sell property and casualty insurance in all 50 states, as well as the District of Columbia and Puerto Rico. Throughout the United States, we actively market core commercial products in 50 states and the District of Columbia and personal lines policies in 20 states. See the “Lines of Business” section of Part I, Item 1 — Business, pages 4-15 in the Form 10-K .
102-7	Scale of the organization
	As of December 31, 2022, The Hanover had: (Form 10-K, page 16) <ul style="list-style-type: none"> • Approximately 4,600 employees; • 2022 revenues of \$5.46 billion; • 2022 net income of \$116.0 million; and • Shareholders’ equity of \$2.35 billion See GRI 102-4 and 102-6 above for information on scope and geography of operations.

102-8 Information on employees and other workers

As of December 31, 2022, The Hanover had approximately 4,600 employees. All our employees are at-will.

The Hanover does not collect data regarding temporary employees, as these individuals are employed by third-party staffing firms during their temporary employment. Permanent employee data is compiled and stored by workforce intelligence personnel.

Employee gender composition for all permanent employees:

- 59% female employees
- 40% male employees
- 1% undeclared

Employee regional breakdown for all permanent employees:

- Northeast: 2,564 employees
- Southeast: 404 employees
- Midwest: 1,245 employees
- West: 425 employees

Employment type for permanent employees is:

- Full-time female: 58%
- Part-time female: 1%
- Full-time male: 40%
- Part-time male: 0%
- Full-time undeclared gender: 1%
- Part-time undeclared gender: 0%

102-9 Supply chain

The Hanover engages third-party suppliers to support our company strategy to provide specialized product and service capabilities through distinctive relationships with many of the best independent insurance agent and brokers in the country with a customer-driven focus. Distribution is exclusively through independent agents and brokers. The Hanover Sourcing Procurement and Relationship Consultants Office contracts with approximately 1,400 suppliers, which represent all aspects of our personal lines, core commercial and specialty businesses, as well as various functions across enterprise-wide programs.

102-10 Significant changes to the organization and its supply chain

None.

102-11 Precautionary principle or approach

See the "Risks" section of [Part I, Item 1 — Business \(page 3\) of the 2023 Form 10-K](#) and the current "Risk Factors" section, Part I, Item 1A of the current [Form 10-K](#) for a description of how The Hanover manages risk and applies the precautionary approach.

The company has an appointed chief risk officer and utilizes a dedicated risk function.

See GRI 103-2 below for additional information on risk management and mitigation.

102-12 External initiatives

The Hanover, in partnership with The Hanover Insurance Group Foundation, continues to expand our mission "to enact meaningful and positive change in the lives of underserved youth — and empower the difference makers who support them" through our four identified strategic funding priorities that address educational barriers, health and social determinants, workforce/workplace development and community safety.

Our new online grant making platform has made our grants program more accessible and streamlined, enabling us to award more grants to established nonprofits that focus their efforts on expanding their reach and deepening their impact through proven and/or innovative approaches that align with our mission and at least one of our funding priorities in our key geographies. See the Foundation's website for more information: [Community impact | The Hanover Insurance Group](#)

In 2022, The Hanover distributed more than \$1.8 million in grants, sponsorship, and matching gift contributions to non-profit organizations primarily in Massachusetts and Michigan.

In addition, we continued our external impact through our volunteer commitments and service as leaders on non-profit community boards and leadership committees. The Hanover played a leadership role in the celebration of Worcester's 300th anniversary as the lead sponsor and co-chair of the month-long celebration. Additionally, several company leaders served as major contributors to the success of the Worcester Homecoming that brought distinguished alumni back to the city for a targeted reinvestment and future development opportunities.

Our employees rallied throughout the year with ongoing organized efforts of volunteerism and giving back. We had over 350 employees participate in Worcester and Howell's Day of Caring, respectively. In addition, more than 200 employees supported the Worcester Tercentennial events that included a parade with a company float. Our business resource groups also worked together to execute a company-wide back to school drive.

Additionally, in 2022 we launched our Business Resource Group (BRG) Impact Fund to further advance our inclusion, diversity and equity (IDE) efforts. The fund was developed to empower our BRGs to drive impactful IDE programming and community-driven initiatives. We distributed over \$250,000 IDE-focused grants and sponsorships through our foundation and community relations team.

We further strengthened our impact enterprise wide through our annual employee giving campaign. More than 3,700 employees, representing 82% of the company's workforce participated in our annual campaign in 2022, raising more than \$1 million. In total, the campaign raised \$1.5 million, including the matching contributions from The Hanover Insurance Group Foundation. The campaign benefited countless individuals and families in need, providing support and services through non-profit organizations across the country. More than 88 United Way chapters and 1,900 nonprofit organizations nationwide benefited from these commitments. For additional information, see GRI 203-2.

102-13 Membership of associations

The Hanover and its employees play an active role in several industry associations related to the property and casualty insurance industry, including:

- Insurance Institute for Highway Safety, an independent, nonprofit scientific and educational organization dedicated to reducing the losses (i.e., deaths, injuries, and property damage) from motor vehicle crashes.
- Insurance Institute for Business and Home Safety, an independent, nonprofit, scientific research and communications organization dedicated to building safety research aimed at promoting real-world solutions for home and business owners, helping to create more resilient communities.
- Insurance Research Council, an independent, nonprofit research organization that examines important public policy matters that impact consumers, insurers and policymakers.
- Insurance Information Institute, a non-profit organization dedicated to providing information on insurance for the benefit of consumers and others.
- The American Property Casualty Insurance Association (APCIA), an industry organization of the property and casualty market. Representing nearly 60% of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers.

Strategy

102-14 Statement from senior decision-maker

“At The Hanover we take great pride in our commitment to be a socially responsible organization — one that makes a real difference in our communities, governs its actions with the utmost integrity, and acknowledges the impact the environment has on our business. This is what it means to be a good corporate citizen, and these values are essential to our future success.”

- Jack Roche, President and CEO

102-15 Key impacts, risks, and opportunities

See “Board’s Role in Risk Oversight,” page 19 in the [2023 Proxy Statement](#) and see the “Risks” section of Part I, Item 1 - Business (page 3) and the “Risk Factors” section, Part I, Item 1A of the [2023 Form 10-K](#).

In addition to the financial resiliency described in more detail in GRI 201-2 below, sustainability presents The Hanover with opportunities within our insurance business to both service the needs of our customers and enhance sustainability, including:

- A “Green Coverage” offering from our personal lines business that enables homeowners to request restoration work with environmentally friendly materials after a loss.
- A “Green Advantage” offering from our core commercial business that covers additional costs to restore green-certified buildings to current standards, to perform air quality testing, and to recycle debris.
- Sprinkler credits and loss control services to reduce fires and water use.
- Safety and disaster preparedness materials via participation in and sponsorship of International Business and Home Safety; we also provide materials via our [Loss Control Portal website](#).

In addition, sustainability efforts afford us the opportunity to engage, attract, motivate and encourage the health of a diverse work force, including the following programs (also highlighted on our [Careers and Benefits](#) page):

- On-site fairs at our main campuses to educate employees on how to reduce their carbon footprint through solar energy, composting, the use of sustainable products and more
- Numerous health and wellness program offerings
- Financial counseling to assist employee well-being
- Flexible work arrangements
- Volunteer opportunities to clean up and improve the community
- Promotion of local sourcing with activities such as a farmers market and local vendor fairs at our Worcester, Mass. headquarters.

102-16 Values, principles, standards, and norms of behavior

The Hanover’s [Code of Conduct](#) outlines our company’s expectations for business and professional conduct that is aligned with our values, principles and standards of behavior, not only legal and regulatory requirements. The Code of Conduct also helps employees recognize and address ethical issues.

In addition, The Hanover’s vision, mission and values are embodied in our shared values of [Collaboration, Accountability, Respect and Empowerment \(CARE\)](#), which were adopted through a process that included a company-wide crowdsourcing campaign.

102-17 Mechanisms for advice and concerns about ethics

The Hanover’s Code of Conduct outlines our company’s expectations for business and professional conduct that is aligned with our values, principles, and standards of behavior. By establishing our standards and expectations for conduct, the Code of Conduct also helps employees recognize and address ethical issues. To ensure that each employee is familiar with these standards of behavior, avoids ethical issues and understands how to report concerns, The Hanover requires that all new employees, and on a bi-annually basis all current employees, participate in a training course, and all employees annually certify compliance with the [Code of Conduct](#).

We have an alert line maintained by an independent third-party service for communicating anonymously and confidentially with the Board of Directors (the “board”), the audit committee, our general auditor and our chief legal officer.

The Hanover also [maintains a webpage](#) with information on how the board can be contacted directly.

Governance

102-18	Governance structure
	<p>For a general discussion of the corporate governance structure of our organization, including committees of the board, please see "Corporate Governance," pages 7-21 in the 2023 Proxy Statement or on our website.</p> <p>Oversight of sustainability-related risks and opportunities is the responsibility of the board and its committees. In general, ESG-related oversight is codified in the charter of the board's nominating and corporate governance committee (NCGC); however, certain aspects of ESG are overseen by the compensation and human capital and audit committees. Oversight of issues related to human capital management, corporate culture and human capital development (including policies and practices relating to inclusion and diversity) are the responsibility of the board's compensation and human capital committee and are contained in that committee's charter. Additionally, oversight of the company's risk management policies and procedures and data security and privacy are the responsibility of the audit committee and are contained in that committee's charter.</p> <p>Similarly, the board, directly or through its standing committees, oversees risks related to the company, including climate-related risks and other material ESG risks. The board regularly receives reports and presentations from key members of management, including the company's CEO, chief financial officer, chief legal officer, chief risk officer, chief information security officer, chief privacy officer, and chief actuary on matters which, in its or management's view, merit attention from a risk management perspective, such as catastrophe risks, insured exposure aggregation levels, ex-catastrophe underwriting risk, reinsurance levels and creditworthiness of our reinsurers, the investment portfolio, legal, regulatory and compliance matters, capital considerations, growth plans, matters relating to human capital management, and other material ESG sustainability risks.</p> <p>Climate-related opportunities, to the extent that they are material to the organization, are integrated into our business plans and strategy, and are overseen by the board as part of its regular review of The Hanover's strategic objectives.</p>
102-19	Delegating authority
	<p>The board has oversight responsibility of the company's executive leadership and their management of sustainability topics. The executive leadership team has established a cross-disciplinary management committee known as the Sustainability Council, which is headed by our EVP, chief legal officer, and comprised of leaders across the organization involved in ESG sustainability matters. The Sustainability Council has a formal written charter that establishes its mission to support the company's ongoing commitments and initiatives related to ESG, corporate social responsibility, sustainability, and other policy matters relevant to the company and its stakeholders. The council assists the company in: (a) developing general strategy relating to ESG sustainability matters, (b) creating, implementing, and monitoring initiatives and policies based on that strategy, (c) the drafting and coordination of communications with employees, investors and other stakeholders with respect to ESG sustainability matters, (d) monitoring and assessing developments relating to, and improving the company's understanding of ESG matters, and (e) efficient, timely and accurate disclosure of sustainability matters to internal and external stakeholders. The primary charge is one of oversight, such that the primary responsibility and ultimate decision-making with respect to the company's underlying programs and policies remains with the senior executives, business units and functions currently responsible for such matters.</p>
102-20	Executive-level responsibility for economic, environmental, and social topics
	<p>See disclosure in GRI 102-19 above and GRI 102-32 below.</p>

102-21	Consulting stakeholders on economic, environmental, and social topics
	<p>Input from stakeholders, including our insureds, independent insurance agents and brokers, the community, employees, regulatory bodies, investors, industry associations, and suppliers are critical to The Hanover's success, and many of our sustainability priorities come from interactions with these groups. Investor relations facilitates investors' conversations with The Hanover's executive leadership team and the board. See GRI 102-53 for investor relations contact information. In addition, see the "Shareholder Engagement" and the "ESG, Sustainability and Corporate Responsibility" sections on pages 19 and 20-22, respectively, of the 2023 Proxy Statement.</p> <p>See GRI 102-17 on means provided to facilitate communications directly to our board.</p>
102-22	Composition of the highest governance body and its committees
	<p>See the "Corporate Governance" section, pages 7-21, and in particular the "Board Profile and Diversity" sub-section, pages 11-12, in the 2023 Proxy Statement.</p> <p>All of our directors other than the CEO are independent. As of 12/31/22, four of our 11 independent directors are female and two of our 11 independent directors are people of color.</p>
102-23	Chair of the highest governance body
	<p>See "Board Leadership Structure," page 13 in the 2023 Proxy Statement.</p> <p>The chair of the board is not an officer or employee of the company and is independent.</p>
102-24	Nominating and selecting the highest governance body
	<p>See "Consideration of Director Nominees," pages 16-17 in the 2023 Proxy Statement.</p>
102-25	Conflicts of interest
	<p>See "Related-Person Transactions," pages 9-10 in the 2023 Proxy Statement.</p> <p>Matters that pose potential conflicts of interest for all employees are assessed as part of our annual Code of Conduct certification process. See GRI 102-25 above for more information. The results and any significant findings identified as part of the Code of Conduct certification process are reported to the board on an annual basis.</p> <p>In addition, each member of the board and each of our executive officers is required to complete a director/officer questionnaire on an annual basis. This questionnaire requires disclosure of board memberships, related party transactions, and conflicts of interest with our independent accountants and compensation consultant, among other topics. As of 12/31/2022, we have no cross-board or controlling shareholders or related-party transactions requiring approval or disclosure.</p>
102-26	Role of highest governance body in setting purpose, values, and strategy
	<p>See GRI 102-18, 102-19 and 102-32.</p>
102-27	Collective knowledge of highest governance body
	<p>The NCGC maintains a comprehensive skills and experience matrix for evaluating the background and skill set of the board on both an individual director and collective basis. The matrix details the key competencies, demographic information, and outside public company board, committee, committee chair and CEO experience. The NCGC tracks each director's level of current and developing expertise across the key competencies in order for the board to ensure that it can effectively oversee the long-term success of the company and to align with the company's goal of being a premier property and casualty company in the independent agency channel. The categories of key competencies include, among other things: property and casualty insurance (beyond company board service), senior management, financial services, finance/accounting, investments/capital markets, technology, and governance. The board seeks director candidates whose skills, experience, and expertise can augment the key competencies that the company has identified. The matrix is also designed to track diversity measures.</p>

102-28	Evaluating the highest governance body’s performance
	See “Nominating and Corporate Governance Committee,” page 16 in the 2023 Proxy Statement for an overview of how the board evaluates its performance. In addition, the election of directors is subject to a vote by our shareholders, making each director accountable to our shareholders.
102-29	Identifying and managing economic, environmental, and social impacts
	See GRI 102-18 and 102-19 above.
102-30	Effectiveness of risk management processes
	For underwriting risk management processes, see GRI 103-2. Enterprise Risk Management, in coordination with the Sustainability Council and group risk committee, continues to assess physical and liability climate-related risks associated with underwriting, investment and operational risks, as well as evaluate the possible socioeconomic pathways to growth developed by various third-party experts.
102-31	Review of economic, environmental, and social topics
	A total number of five board and 28 board committee meetings were held during 2022. The board receives semiannual updates regarding the company’s material ESG activities and management discusses with the appropriate committee any material risks associated with the company’s sustainability initiatives. The audit committee reviews material environmental risks; the NCGC governance committee reviews the company’s activities and disclosures related to sustainability, including environmental, social and governance matters; and the compensation and human capital committee reviews the company’s strategies, policies and practices relating to corporate culture and human capital development, including policies and practices relating to inclusion and diversity. At a management level, the Sustainability Council reviews and oversees ESG topics. For more information see GRI 102-19.
102-32	Highest governance body’s role in sustainability reporting
	The board and the NCGC, as part of their regular meetings, receives presentations and updates on material ESG matters, including The Hanover’s efforts in sustainability reporting. In addition, members of the executive leadership team, including the chief legal officer, chief human resources officer and chief financial officer serve on the Sustainability Council (see GRI 102-19) and oversee the preparation and public reporting of the company’s ESG disclosures. Responsibility for ESG reporting is codified in the charter of the Sustainability Council.
102-33	Communicating critical concerns
	See GRI 102-17 above and see “Communicating with the Board,” page 17 in the 2023 Proxy Statement .
102-34	Nature and total number of critical concerns
	As disclosed in GRI 102-17 above, we have an alert line maintained by an independent third-party service for communicating anonymously and confidentially with the board, the audit committee, our general auditor and our chief legal officer. We assess and respond to all submissions to the alert line. We also provide information to facilitate direct communication with our board. As required by the rules and regulations of the SEC, material developments to the organization are reported publicly on forms filed with the SEC. See the note preceding this index for a discussion of the methodology used to identify topics for inclusion in this report and how this methodology differs from the standard of materiality applied for reporting in our filings with the SEC.

102-35	Remuneration policies
	See “Executive Compensation,” pages 30–59 in the 2023 Proxy Statement .
102-36	Process for determining remuneration
	See “Executive Compensation,” pages 30–59 in the 2023 Proxy Statement .
102-37	Stakeholders’ involvement in remuneration
	See “Item 2,” page 21 of the 2023 Proxy Statement and also see “Executive Compensation,” 30–59 in the 2023 Proxy Statement .
102-38	Annual total compensation ratio
	See “CEO Pay Ratio,” page 28 in the 2023 Proxy Statement .
102-39	Percentage increase in annual total compensation ratio
	See GRI 102-38 above.
102-40	List of stakeholder groups
	The Hanover’s stakeholder groups include: insureds, independent insurance agents and brokers, the communities in which we operate, employees, governmental authorities, investors, contractors, suppliers and industry associations. These stakeholders are critical to the company’s success.
102-41	Collective bargaining agreements
	None.
102-42	Identifying and selecting stakeholders
	The Hanover identifies stakeholders as the insureds who purchase policies, independent agents and brokers with whom we work to serve insureds, our employees, the regulatory bodies that oversee and regulate our operations, our investors, the suppliers with whom we partner to provide our services, the residents of the communities in which we operate, and the industry associations with which we collaborate to align our business to industry best practices.
102-43	Approach to stakeholder engagement
	Examples of routine stakeholder engagement include: customer communications and notices; informational bulletins and press releases; agent communications; events and in-person site visits; employee meetings; inter- and intranet website postings with extensive information and resources; round tables and crowdsourcing campaigns; civic engagement and community service projects; investor calls and presentations; and our annual meeting of shareholders.
102-44	Key topics and concerns raised
	We value the perspectives and opinions of our stakeholders and, where practical and economically feasible and consistent with our CARE values (Collaboration, Accountability, Respect, Empowerment), we incorporate their feedback on key topics into our approach.
102-45	Entities included in the consolidated financial statements
	In 2022, we reported on our financial statements that we conduct our ongoing business operations through four operating segments. These segments are Core Commercial, Speciality, Personal Lines, and Other, serving our customers through various property and casualty insurers as well as other subsidiaries. For a complete list of entities see Exhibit 21 of the Form 10-K .

102-46	Defining report content and topic boundaries
	This GRI-referenced content index was prepared by a cross-disciplinary team responsible for The Hanover’s ESG disclosures and reviewed by the Sustainability Council. For more information on the Sustainability Council, see GRI 102-19. The Hanover used the Global Reporting Initiative Sustainability Reporting Standards of 2018 to develop this report. In determining the content of the report, The Hanover’s team considered the company’s core values and experience, as well as the reasonable expectations and interests of the company’s stakeholders, The Hanover’s insureds key among them.
102-47	List of material topics
	The Hanover used the GRI definition of materiality as one of its reporting principles. For all material aspects identified, the related data and performance information in this GRI-referenced content index cover The Hanover’s consolidated operations as a company, unless otherwise noted. See the note preceding this index for a discussion of the methodology used to identify topics for inclusion in this report and how this methodology differs from the standard of materiality applied for reporting in our filings with the SEC.
102-48	Restatements of information
	Any restatements, and reasons for such, are footnoted as part of the data presentation within the body of the report.
102-49	Changes in reporting
	This GRI-referenced content index includes a cross-reference to the Task Force on Climate-related Disclosures (TCFD) framework to identify the GRI KPIs that are also responsive to the TCFD. There have been no other changes in reporting since the publication of The Hanover’s last GRI-referenced content index in December 2022.
102-50	Reporting period
	This GRI-referenced content index features quantitative and qualitative data for 2022, as updated where indicated.
102-51	Date of most recent report
	Our last GRI-referenced content index was dated December 31, 2022.
102-52	Reporting cycle
	This is the fourth year that we have prepared a GRI-referenced content index. Our initial report was published on February 20, 2020, and updated in December 2020. We expect to publish an annual report in the fourth quarter of each year.
102-53	Contact point for questions regarding the report
	Oksana Lukasheva, senior vice president, investor relations and corporate finance olukasheva@hanover.com 508.855.2063
102-54	Claims of reporting in accordance 102-8 with the GRI Standards
	This GRI-referenced content index has been prepared referencing GRI standards.
102-55	GRI content index
	The GRI content index is reflected in this table.
102-56	External assurance
	The Hanover did not employ an external organization to audit this GRI-referenced content index. However, our independent, registered accounting firm audits certain financial information in the Form 10-K, included via URL links within this content index. In addition, our internal audit department reviewed the supporting documentation for disclosures of certain KPIs in this GRI-referenced index.

Economic Topics

GRI 103: Management Approach

103-1	Explanation of the material topic and its boundary
	The Hanover generates and distributes economic value by delivering on our promise to compensate a customer after suffering a covered loss. The subsequent disclosures related to economic performance have been included for presentation due to the volatility and significance each presents to The Hanover. While we aim to create a strong financial base to be resilient in the face of external events, our results may fluctuate as a result of cyclical or non-cyclical economic changes in the property and casualty insurance industry and other events outside our control, such as severe weather and terrorism.
	Industry catastrophe models assume an increase in frequency and severity of certain weather or other events, such as fires, hurricanes and other natural disasters, whether as a result of global climate change or otherwise. Due to geographical concentration in our property and casualty business within the United States, changes in economic, regulatory and other conditions in the regions where we operate, whether due to environmental, social or governance factors could have a significant negative impact on our business as a whole.
	For information about The Hanover’s 2022 economic performance, see the Form 10-K .
103-2	The management approach and its components
	The Hanover seeks to monitor and control risk exposure through an enterprise-wide risk management framework. Six major sources of risk are monitored and modeled, and these sources of risk are influenced by environmental and social factors such as climate change, increased weather severity, and human capital development, among others.
	The six major sources include: <ul style="list-style-type: none"> • Catastrophe underwriting risk; • Ex-catastrophe underwriting risk; • Reserve risk; • Investment risk; • Credit risk; and • Operational risk
	The Hanover’s risk governance is robust, with business unit risk structures supported by an enterprise risk management (ERM) function. The ERM function, in partnership with the enterprise risk management group (ERMG), is responsible for identifying, monitoring, and analyzing material, corporate-level risks and emerging issues. Together, the team classifies, assesses, and manages risks, ensuring proper governance across the enterprise. ERMG membership is intended to represent The Hanover’s business segments (Agency Markets and Specialty) and identified functional areas of the organization. A risk register is maintained, and each risk is assessed in terms of its likelihood of materialization, its mitigated financial magnitude, and the time horizon over which it might exist or emerge. Every risk in the risk register is owned by a member of ERMG, and the risk team meets with each risk owner to capture new risks and review and refresh risk assessments at a minimum annually, and up to quarterly, for the most material risks.
	Severe weather is a top risk on The Hanover’s current and emerging risk register, and is tracked, researched, analyzed, and reported by the ERM function. Regular updates are provided to the corporate group risk committee (GRC), aggregation working group, ERMG, and Sustainability Council (see GRI 102-19). The chief risk officer presents on the ERM program, including updates to The Hanover’s top current and emerging risks, to the audit committee of the board four to five times per year, and to the board annually. The risk function closely follows the research and analysis being conducted by several industry bodies, universities, and weather experts. We analyze historical data and trends to identify possible signs of climate change impacting both catastrophe and noncatastrophe weather-related losses.

The management of underwriting risk, including climate change, starts with the chief underwriting officer and corporate underwriting team to set guidelines and corporate appetite guardrails that apply to all lines of business (e.g., hurricane risk). The team works in collaboration with business units to fulfill their specific strategies. Business unit leaders create and review underwriting guidelines within established guardrails and for each line of business, industry and/or class of business that specify the nature and characteristics of the risks The Hanover is willing to accept. Underwriting authority letters are granted to each individual underwriter in the organization. Authority letters provide specified limits of authority and a clear escalation path is outlined as risks increase in size and complexity.

The aggregation working group is responsible for exposure management as well as monitoring catastrophe risk and risk concentrations as they relate to each peril and region — hurricane, other wind, winter storm, earthquake, hurricane-induced precipitation, flood, wildfire, and terrorism. The underwriting committee is responsible for assisting executive management in exercising its oversight of the underwriting risks and controls that have a material impact on the company. The committee conducts research on underwriting topics, reviews performance against established risk tolerances, and directs actionable items toward the appropriate businesses. The GRC considers the current and emerging risks and mitigation actions underway for each of the six major sources of risk. All members of the executive leadership team are members of the GRC, along with the chief risk officer and chief actuary. The committee meets quarterly, and the results are reported to the Board of Directors.

Our investment portfolio is primarily managed by external large scale asset managers with oversight by our internal investment department. The ERM function works in close collaboration with the investment team to monitor matters in relation to asset allocation, financial market risk and liquidity risk. The chief investment officer reports to the board twice a year. See GRI 102-30 and “Other Topics, Investments” for more information on The Hanover’s investment metrics and published investment policy.

In addition, in 2022 we launched the Green Team, an employee-led advisory group. The Green Team’s mission is to lead resiliency action and nurture a sustainable mindset among employees through education and community engagement, in support of our commitment to be a socially responsible organization. The team is organized around three main topics:

- **Education**—Strengthen knowledge of ESG practices, with a focus on the role individuals and our company play in building climate resiliency
- **Community**—Compile resources and offer opportunities for employees to get involved both internally and externally
- **Business alignment**—Develop a feedback loop between employees and senior leaders to exchange ideas and knowledge on environmental topics, seeking ways to communicate this information and elevate The Hanover’s brand.

In addition to the robust governance structure, regular engagement with business leaders, finance officers, underwriting professionals, actuarial staff and the claims unit provide collaboration opportunities and prompt development of new risk management strategies and reporting tools to better inform risk selection and management across the enterprise. For additional information, see GRI 201-2.

GRI 201: Economic Performance

201-1 Direct economic value generated and distributed

Please refer to the [2022 Financial Supplement](#) for details on The Hanover’s 2022 economic performance. An updated financial supplement is published quarterly. In addition, financial information on the basis required to be reported by the company’s financial regulators (“statutory reporting”) is made regularly available on [our website](#).

The Hanover also distributes economic value to its shareholders through the payment of dividends and repurchases of shares of its common stock.

201-2 Financial implications and other risks and opportunities due to climate change

The Hanover is committed to protecting our environment, making a difference in our communities, and governing our actions with integrity. We believe these values are essential to our success as a leading property and casualty insurance company providing insurance solutions in a dynamic world. We recognize climate change poses new and emerging risks, as well as opportunities to make The Hanover and its stakeholders more resilient in the years to come.

Identified Climate-related Risks and Opportunities

Risks

The Hanover recognizes the risks climate change poses to our environment, the implications of increased weather occurrences and severity on our customers, and the impact our employees have on the environment as they perform their job functions and commute to and from work. The financial risk that climate change brings to The Hanover primarily relates to the impact it may have on the frequency and/or severity of weather events, and the resulting impact those events may have on the property and casualty coverages we provide. Our greatest defense to the potential impacts of climate change on our business is to manage our exposure concentrations in any one geographic area, leverage external and internal catastrophe and other models, and utilize reinsurance.

Opportunities

Climate change offers an opportunity for The Hanover to strengthen its financial resilience by managing its exposure footprint and containing the severity of a 1-in-250, or extreme loss event, within a specified risk tolerance. By establishing resiliency to climate change, we believe that we can maintain a strong financial foundation and can continue to deliver on our promise to our insureds. We continuously manage volatility and concentration risk by leveraging models and third-party scores to identify areas to address through pricing, as well as reinsurance terms and conditions. We purchase facultative, property per-risk and catastrophe treaty reinsurance to protect areas of concentrated risk, as well as to mitigate possible impact from extreme events. We will continue to evaluate our rate structure, underwriting guidelines, and coverage offerings in response to changes in weather patterns, as well as developments in building and community resilience.

We consider climate risk and opportunities through both our annual strategic planning process and ongoing business management, as well as through our long-term strategic planning efforts.

TIME HORIZON	CLIMATE RISKS	CLIMATE OPPORTUNITIES
Short Term 1–5 Years	<ul style="list-style-type: none"> Increased volatility (frequency/severity) of weather events 	<ul style="list-style-type: none"> Promote green endorsements and coverages Support building resiliency through evolving building code standards and compliance to ordinance or law coverage
Medium Term 5–10 Years	<ul style="list-style-type: none"> Potential changes to the Atlantic hurricane patterns impacting exposure concentration Potential for regulatory changes constraining insurer underwriting responses 	<ul style="list-style-type: none"> Leverage loss control services to educate insureds on preventative measures (e.g., contractual language, green endorsements, storm preparedness) Deepen underwriting and loss control staff training on evolving and unique climate exposures
Long Term 10–30 Years	<ul style="list-style-type: none"> Changes to availability of reinsurance coverage to protect economics The potential for sea level rise to alter the coastline and the associated risk to local economies Climate-related litigation 	<ul style="list-style-type: none"> Mitigation of risk over time by growing our casualty portfolio to balance property exposure Evolution of tools and models to aid in climate-change scenario modeling and exposure management practices Advancement in pricing to reflect loss mitigation through enhanced building codes and resilient building features

201-3 Defined benefit plan obligations and other retirement plans

For a description of defined benefit plan obligations, see our disclosure of The Hanover Insurance Group Pension Benefit Obligations, page 58 in the 2022 [Form 10-K](#).

In addition to our defined benefit pension plan, The Hanover also maintains the following retirement and savings plans:

- The Hanover Insurance Group Retirement Savings Plan
- The Hanover Insurance Group Non-Qualified Retirement Savings Plan
- The Hanover Insurance Group Excess Benefit Retirement Plan

For a description of the level of participation in these plans by our named executive officers, see the compensation disclosures in the [2023 Proxy Statement](#).

201-4 Financial assistance received from government

The Hanover did not receive financial assistance from any government in 2022.

GRI 203: Indirect Economic Impacts

203-2 Significant indirect economic impacts

The [Donahue Report](#) on The Hanover's economic impact in Massachusetts is a key reference for the full impact that we have had through the years.

In-kind contributions in the community:

We continue to demonstrate an indirect economic impact through our volunteer commitments and service as leaders on non-profit community boards and leadership committees that have an economic impact on our community. This was demonstrated during the pandemic as we positioned leaders to serve in key positions that helped to further support the ongoing COVID-19 relief efforts, which included hosting vaccine clinics, addressing food insecurity, housing stability, workforce development, education, childcare and mental health.

Looking more broadly across our communities to address the long-term economic impact of the pandemic, members of our leadership served on key strategic committees to infuse more financial resources and support.

Jack Roche, The Hanover's president and CEO, served on the finance committee of Worcester Homecoming, which was an organized effort to attract notable alumni to engage in discussion and learn more about our goals of enhancing and sustaining the pre-pandemic momentum of Worcester's renaissance.

Dennis Kerrigan, EVP, chief legal officer, served on both the Worcester Business Development Corporation and the Worcester Regional Research Bureau's board of directors.

Kimberly Salmon, president of The Hanover Insurance Group Foundation and head of community relations, continued to chair the Mayor's Mental Health Taskforce, an ongoing community effort to support continued access to mental health resources and care. In addition, she continued to serve on the Greater Worcester Community Foundation, Worcester Educational Collaborative, and Worcester State University Foundation. And in 2022, Kimberly joined the UMass Memorial Medical Group board, co-chaired the Worcester Tercentennial Committee and served on the Worcester Homecoming board and leadership committees.

GRI 205: Anti-corruption

205-1 Operations assessed for risks related to corruption

As a company with operations almost exclusively in the United States and with the vast majority of insurance premium coming from the United States, we have assessed our operations for risks related to corruption, but our risk assessment has not identified corruption as a material risk that is monitored as part of our risk register.

205-2 Communication and training about anti-corruption policies and procedures

We have adopted an anti-bribery and anti-corruption position as part of our [Code of Conduct](#). These provisions are applicable to all employees, officers and directors of the company. Each year we undertake a Code of Conduct certification process that requires every employee to certify their compliance with the Code of Conduct, including the provisions regarding anti-corruption. In addition, employees whose roles within the organization necessitate it are required to complete an annual training course on Office of Foreign Assets Control (OFAC) and Anti-Money Laundering compliance.

GRI 103: Management Approach

103-1	Explanation of the material topic and its boundary
	The Hanover recognizes the risks that climate change poses to our environment, the implications of increased weather severity on our customers, and the impact our employees have on the environment as they perform their job functions and commute to and from work. Actions that we can take to reduce our environmental impact help to mitigate these risks. The subsequent disclosures related to environmental topics have been included for presentation due to the volatility and significance each presents to The Hanover. See the note preceding this index for a discussion of the methodology used to identify topics for inclusion in this report and how this methodology differs from materiality, as defined and reported in our filings with the SEC. For information about The Hanover's key risk factors, see the 2023 Form 10-K , beginning on page 18.
103-2	The management approach and its components
	The Hanover has taken many steps to reduce emissions and energy consumption at our owned facilities. Please refer to the GRI KPI 100 series for a description of our risk management practices. See GRI KPI 103-2 under 'environmental topics' for more information on our risk management practices.

GRI 302: Energy

302-1	Energy consumption within the organization																														
	In 2022, we consumed approximately 19.0 million kWh of electricity and 441,637 therms of natural gas between our owned locations in Worcester, Mass, Howell, Mich. and leased office spaces. Our owned locations account for 1,013,711 square feet (77% of office space) while our leased office locations account for 308,531 square feet (23% of office space). Overall emission levels since 2018 decreased due to the shift to remote/hybrid work and reduction in travel. ²																														
	<table border="1"> <thead> <tr> <th>Item</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Energy consumption</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Mobile Combustion (mT)</td> <td>6,451</td> <td>6,440</td> <td>2,897</td> <td>2,707</td> <td>3,980</td> </tr> <tr> <td>Office Activity (mT)</td> <td>9,153</td> <td>8,814</td> <td>7,418</td> <td>7,634</td> <td>8,086</td> </tr> <tr> <td>Total Carbon Dioxide (mT)</td> <td>15,604</td> <td>15,254</td> <td>10,315</td> <td>10,341</td> <td>12,066</td> </tr> </tbody> </table>	Item	2018	2019	2020	2021	2022	Energy consumption						Mobile Combustion (mT)	6,451	6,440	2,897	2,707	3,980	Office Activity (mT)	9,153	8,814	7,418	7,634	8,086	Total Carbon Dioxide (mT)	15,604	15,254	10,315	10,341	12,066
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302-4	Reduction of energy consumption																														
	In 2022, we completed several energy-efficiency projects. At our main office headquarters in Worcester, Mass., we installed new energy-efficient LED lighting, advanced lighting control systems, HVAC system upgrades, and completed building envelope improvements resulting in decreased energy use. At our Howell, Mich. office we also replaced aging heating equipment with new and more efficient equipment, also resulting in energy savings.																														

GRI 303: Water and Effluents

303-3	Water withdrawal
	The Hanover does not have a water recycling program.

303-5	Water consumption																		
	In 2022, The Hanover used approximately 1,000,405 cubic feet of water at our owned locations in Worcester, Mass., Howell, Mich., and our leased offices. This reduction in consumption since 2018 is primarily due to the shift to remote/hybrid work and implementation of water savings measures at our owned facilities. ³																		
	<table border="1"> <thead> <tr> <th>Item</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Water consumption</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Water consumption (cu ft)</td> <td>2,045,169</td> <td>1,833,286</td> <td>1,097,807</td> <td>1,094,915</td> <td>1,000,405</td> </tr> </tbody> </table>	Item	2018	2019	2020	2021	2022	Water consumption						Water consumption (cu ft)	2,045,169	1,833,286	1,097,807	1,094,915	1,000,405
Item	2018	2019	2020	2021	2022														
Water consumption																			
Water consumption (cu ft)	2,045,169	1,833,286	1,097,807	1,094,915	1,000,405														

GRI 305: Emissions

305-1	Direct (Scope 1) GHG emissions																														
	Direct Scope 1 greenhouse gas (GHG) emissions include emissions from natural gas used for heating at our owned locations in Worcester, Mass. and Howell, Mich. office and our leased offices in addition to our mobile combustion emissions from The Hanover's leased automobile fleet vehicles and leased corporate aircraft. Overall emission levels since 2018 decreased due to the shift to remote/hybrid work and reduction in travel. ⁴																														
	<table border="1"> <thead> <tr> <th>Item</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>GHG emissions</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Mobile combustion (mT)</td> <td>4,022</td> <td>3,980</td> <td>2,278</td> <td>2,233</td> <td>2,686</td> </tr> <tr> <td>Office activity (mT)</td> <td>2,376</td> <td>2,284</td> <td>2,016</td> <td>1,970</td> <td>2,337</td> </tr> <tr> <td>Total carbon dioxide (mT)</td> <td>6,398</td> <td>6,264</td> <td>4,294</td> <td>4,203</td> <td>5,023</td> </tr> </tbody> </table>	Item	2018	2019	2020	2021	2022	GHG emissions						Mobile combustion (mT)	4,022	3,980	2,278	2,233	2,686	Office activity (mT)	2,376	2,284	2,016	1,970	2,337	Total carbon dioxide (mT)	6,398	6,264	4,294	4,203	5,023
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305-2	Energy indirect (Scope 2) GHG emissions																														
	Indirect greenhouse gas (GHG) emissions from electricity usage in The Hanover's owned locations in Worcester, Mass. and Howell, Mich., together with The Hanover's leased properties totaled an estimated 5,749 metric tons in 2022, using a location-based method. We purchased renewable energy certificates ("RECs") from our electric supplier in an amount equal to 100% of our electricity consumption at our corporate headquarters in Worcester, Mass. REC's were sourced from wind renewable sources. In 2022 our Worcester, Mass. headquarters represented 69% of our total electricity usage, equivalent to 3,169 metric tons of CO2e emissions. This reduction in emissions since 2018 is primarily due to the shift to remote/hybrid work, reduction in the size and number of leased office locations, and the implementation of energy savings measures at our owned facilities (see 302-4). ⁵																														
	<table border="1"> <thead> <tr> <th>Item</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>GHG emissions (location-based)</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total carbon dioxide (mT)</td> <td>6,777</td> <td>6,530</td> <td>5,402</td> <td>5,664</td> <td>5,749</td> </tr> </tbody> </table>	Item	2018	2019	2020	2021	2022	GHG emissions (location-based)						Total carbon dioxide (mT)	6,777	6,530	5,402	5,664	5,749												
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² 302-1 emissions are estimates and have been restated due to a change in methodology and improved data quality and availability. This change in methodology is aligned with industry standards.

³ 303-5 has been restated to include owned and leased office locations. This change in methodology is aligned with industry standards.

⁴ 305-1 emissions are estimates and have been restated due to a change in methodology and improved data quality and availability. This change in methodology is aligned with industry standards.

⁵ 305-2 emissions are estimates and have been restated due to a change in methodology and improved data quality and availability. This change in methodology is aligned with industry standards.

305-3 Other indirect (Scope 3) GHG emissions

Other indirect (Scope 3) greenhouse gas (GhG) emissions were estimated for corporate business travel driven by our employees in their personal vehicles in addition to air and rail travel. GhG emissions were estimated using information provided by employee expense reimbursement system for employee mileage and by our travel services provider for air and rail miles traveled. Reductions in 2020 and 2021 are primarily due to reduced travel during the pandemic which have since increased, but are still below pre-pandemic levels.⁶

Item	2018	2019	2020	2021	2022
GHG emissions					
Total carbon dioxide (mT)	2,429	2,460	619	474	1,294

305-4 GHG emissions intensity

See GRI 302-1

305-5 Reduction of GHG emissions

See GRI 302-4.

305-6 Emissions of ozone-depleting substances

The Hanover is not a manufacturer and does not produce, import, or export any ozone-depleting substances.

305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions

The Hanover is not a manufacturer. No significant Nox, SOx, or other significant air emissions are produced.

GRI 306: Effluents & Waste

306-2 Waste by type and disposal method

In 2022 at our corporate office headquarters office in Worcester, Mass., Howell, Mich., and leased office spaces we continued our recycling program, diverting the majority of waste from landfills. This was performed through single-stream recycling, recycling of electronics⁷ and recycling of construction waste from on-site construction/maintenance activities.⁸

Item	2018	2019	2020	2021	2022
Waste produced (tons)					
Waste	307	236	119	91	110
Recycling	127	156	113	103	111
Compost	22	21	8	6	5
Document destruction	67	78	69	64	68
Recycling—const & demo	28	46	64	25	25

⁶ 305-3 emissions are estimates and have been restated due to a change in methodology and improved data quality and availability. This change in methodology is aligned with industry standards.

⁷ 306-2 Electronics waste includes laptops, cords, and other computer equipment. Approximately 21 tons of electronic waste was recycled in 2022.

⁸ 306-2 has been restated to include owned and leased office locations. This change in methodology is aligned with industry standards.

GRI 103: Management Approach

103-1 Explanation of the material topic and its boundary

The Hanover is committed to building an organization of the future—an inclusive, diverse, engaged and incentivized workforce that values the health, safety, development and dignity of our workers. Our future success is dependent on our ability to attract, develop and retain qualified employees. Meeting employee expectations with respect to health, safety, development, and dignity is a key component to executing on this commitment. The subsequent disclosures related to social performance have been included for presentation due to the volatility and significance each presents to The Hanover. See the note preceding this index for a discussion of the methodology used to identify topics for inclusion in this report and how this methodology differs from materiality, as defined and reported in our filings with the SEC.

For information about The Hanover’s current key risk factors, see the 2023 [Form 10-K](#), beginning on page 18. In addition, please see the Employees and Human Capital Resources section on page 16 of the [Form 10-K](#).

103-2 The management approach and its components

The Hanover manages its priority to build an organization of the future by making a commitment to objectively assess the current state of the organization and formulate a collaborative strategy to address the key findings. For example, management has made a commitment to an inclusive, diverse and equitable workplace because we believe that when our employees feel accepted and engaged, our business thrives. At The Hanover, embracing inclusion, diversity and equity (IDE) means that we appreciate our differences, reinforce inclusive behaviors at all levels and live what we call our CARE values (Collaboration, Accountability, Respect, Empowerment). To that end, to reinforce our CARE culture, since 2018, we have focused on our IDE initiative, by continuing the following:

- Analyzed IDE practices, strategy implementation and enterprise-wide communication plan development on an ongoing basis
- Employee-led IDE council, an advisory group, that provides employee and business insights to our executive leadership
- Established a dedicated IDE team to develop, implement and execute inclusive practices throughout all business practices
- Led training on unconscious bias and inclusive leadership
- Launched a mentorship pilot program
- Created numerous business resource groups for women and underrepresented populations with executive leadership support alignment
- Invested in technology to enable data driven decision-making and analytics to help diversify prospective candidate pools for senior leadership positions and increase representation of diverse populations in our sourcing and hiring practices
- Highlighted our focus on what equity means, with the commitment to intentionally integrate it into our culture through ongoing education and evolving business practices
- Expanded our charitable focus to diversify support of underserved youth and populations in our local communities

Further, accountability has been established by incorporating oversight of IDE as part of our larger corporate culture into the charter of the compensation and human capital committee of the board, and by linking IDE initiatives to incentive compensation metrics for our CEO and entire executive leadership team.

See GRI 103-2 under “environmental topics” for more information on our risk management practices.

GRI 401: Employment

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

The Hanover provides comprehensive health and welfare benefits (i.e., medical, dental, life, disability and other voluntary benefits) to all full- and part-time employees who work 30 or more hours per week. Additional benefits, such as a 401(k) plan, employee assistance program and caregiving support are provided to employees regardless of hours worked. Please refer to The Hanover's [career site](#) for more details on employee benefits.

In 2022, we continued to promote our Hanover CARES Matching Gift Program to expand our commitment to issues that align with our foundation's mission and causes that impact our employees where they live and work. These programs were both timely and responsive to the current community needs.

Initially the Hanover CARES Matching Gift Program was launched to address the social and racial justice movement following the George Floyd unrest. This program was developed and informed by our business resource groups to have the greatest impact.

The COVID-19 Response Matching Gift Program was initiated in response to the significant community needs that emerged and/or were exacerbated in the wake of the pandemic. The match focused on supporting organizations addressing the communities' basic needs and social determinants of health—hunger, shelter, transportation, social isolation, and access to educational resources and personal protective equipment.

These programs helped to revise our existing educational matching gift program to be more inclusive and in alignment with our new mission and drives impact in the communities in which our employees live and work.

This also helped us to reduce the minimum employee gift amount to be matched to make it accessible for all to participate.

In addition, we also provide annual competitive scholarships to children of Hanover employees. And, in 2022, we expanded the employee scholarship program from just high school seniors to included undergraduate college students as well.

401-3 Parental leave

The Hanover offers paid parental leave to all employees, as noted on the company's [benefits page](#).

GRI 402: Labor/Management Relations

402-1 Minimum notice periods regarding operational changes

Significant organizational changes are communicated to employees through formal communication channels and, by and large, are planned well in advance. We aim to communicate to our leaders and employees most impacted by a change before communicating out to our larger employee workforce. In addition, for some organizational changes we have utilized company-wide crowdsourcing campaigns to seek input from our employees so that their opinions, perspectives, and ideas can be included in the decision-making process.

GRI 403: Occupational Health and Safety

403-1 Occupational health and safety management system

The Hanover has established a safety committee that meets quarterly to review, discuss, and implement action plans and training to mitigate potential safety risks.

Less than 1% of our workforce is considered to be exposed to higher-than-average occupational risk. It is also the responsibility of every employee at The Hanover to adhere to the [Code of Conduct](#) and to ensure the safety of themselves and their co-workers.

403-2 Hazard identification, risk assessment, and incident investigation

See GRI 403-1.

403-3 Occupational health services

OSHA injury recording compliance is managed through a contracted third-party specialist in partnership with The Hanover's human resources department. Any incident is reviewed by, at a minimum, members of the facilities team and physical security staff to determine if any mitigating actions are appropriate.

For the minimal portion (less than 1%) of the employee population with the potential for exposure to high occupational risk, The Hanover contracts a third-party specialist to:

- Perform quarterly mock OSHA inspections to identify and help mitigate any relevant issues; and
- Review, help develop, and train relevant staff on safety policies and procedures.

403-4 Worker participation, consultation, and communication on occupational health and safety

The safety committee meets quarterly to review issues or concerns employees or managers may have. The committee membership represents multiple segments and departments of the company and is open to all interested employees. The Hanover also has a safety warden program for all its owned and leased properties with more than one person. This program engages employees and trains them to assist in the event of large-scale events, such as a building evacuation or shelter-in-place situation.

403-5 Worker training on occupational health and safety

Annual site-specific training is conducted by a third-party specialist at both The Hanover's Worcester, Mass., and Howell, Mich., locations for employees who could be exposed to high occupational risk, although this group only represents less than 1% of the total workforce. See GRI 403-1.

403-6 Promotion of worker health

The Hanover offers a variety of medical plan options, allowing employees to choose the level of access and type of care they desire. All our medical insurance carriers provide services and programs for non-work-related conditions by evaluating risk factors determined through submitted claims and communicating directly with those employees in need.

We offer well-being programs that cater to the physical, financial, mental and social well-being of our employees. Please refer to The Hanover's [Career Site](#) for details on employee benefits.

GRI 404: Training and Education

404-1 Average hours of training per year per employee

The Hanover is committed to building a strong culture of continuous learning and development. We offer robust opportunities that range from soft skill building to expanding technical skillsets. Learning is available to every employee at the company. We also offer reimbursement for tuition and education-related fees, including professional and industry designations.

Our training results include:

- Approximately 2,981 training hours completed on compliance and ethics in 2022.
- 2022 was not a companywide Code of Conduct training year, this is a bi-annual activity. A code of conduct questionnaire and employee certification is required annually, however. The hours allocated to completing the 2022 code of conduct review and certification are not included in this total.
- All employees take training related to information security practices and privacy.
- In 2022 employee participants averaged 16 hours of formal training.

Not included in this information is a significant amount of both technical and informal training that occurs within each business unit.

404-2 Programs for upgrading employee skills and transition assistance programs

See GRI 404-1.

404-3 Percentage of employees receiving regular performance and career development reviews

Each employee, regardless of role, is formally evaluated and receives a performance discussion annually. In addition, performance connections take place between manager and employee on an ongoing basis to discuss goals, overall performance, development opportunities, and demonstration of leadership and corporate values.

GRI 405: Diversity and Equal Opportunity

405-1 Diversity of governance bodies and employees

[Corporate Governance Principles](#)

The Hanover is committed to building an inclusive culture where we appreciate our differences, reinforce inclusive behaviors at all levels, and demonstrate our CARE values, because we believe that when our employees feel accepted and engaged, our business thrives.

The following displays the composition of our governance bodies and overall workforce as of 12/31/2022:

Board of Directors:

- Four of our 11 (36%) non-employee board members are female. A woman chairs our board, and one of the three (33%) standing board committees is chaired by a woman.
- Two of our eleven (18%) non-employee board members are people of color.
- Age diversification—Our board members range in age from 57–74 (as of 9/1–9/20/22); See the [2023 Proxy Statement](#) for more information.

Executive leadership:

- One of our nine executive leaders is female.
- Age diversification
- 56% Baby Boomers (born between 1946-1964)
- 44% Generation X (born between 1965-1979)

The Hanover has approximately 4,600 employees. Employee gender composition for all employees:

- 59% female employees
- 40% male employees
- 1% undeclared

Employee age breakdown for all employees:

- 21% Baby Boomers (born between 1946-1964)
- 35% Generation X (born between 1965-1979)
- 37% generation Y (born between 1980-1994)
- 7% Generation Z (born between 1995-2012)

See GRI 103-2 under 'employment topics' for more information on our inclusion and diversity practices. For additional information on IDE initiatives, and workforce diversity and other demographic information, see [The Hanover's Inclusion, Diversity and Equity](#) website.

GRI 412: Human Rights Assessment

412-2 Employee training on human rights policies or procedures

Human rights are integral to our core company value of respect. Our company is built on the principle of doing the right thing by our customers, employees, agent partners, and the communities in which we work. The Hanover is committed to an equal opportunity workplace that is free of discrimination and harassment based on national origin, race, color, religion, gender, ancestry, age, sexual orientation, gender identity, disability, marital status, veteran status, genetic information, or any other status protected by law.

We support our employees with:

- Corporate business resource groups;
- Unconscious bias training (See GRI 404-1);
- An anti-discrimination policy;
- Anti-harassment and inclusion policies, and accompanying training to employees; and
- An anonymous reporting hotline and dedicated website to help employees report concerns and maintain anonymity (See GRI 102-17).

We have also received numerous designations:

- America's Best Midsize Employers, Forbes
- America's Best Insurance Companies, Forbes
- Best Place to Work for LGBTQ+ Equality (perfect score on Corporate Equality Index), Human Rights Campaign Foundation
- Best Company for Women, Fairygodboss
- Best Company Where CEOs Support Gender Diversity, Fairygodboss

GRI 413: Local Communities

413-1 Operations with local community engagement, impact assessments, and development programs

Our major operations in Worcester, Mass. and Howell, Mich. have community engagement programs.

The Worcester Together Group and Response Team supports escalated needs in the community, addressing food insecurity, housing instability and mental/behavioral health. This team had many priorities supporting the homeless community, opening a women-only shelter, and other work related to senior isolation, establishing education, refugee/immigrant/undocumented resources, community health, and vaccine equity targeted at assisting those at the highest risk, among other priorities.

In addition, members of The Hanover’s executive leadership team served on several of Worcester’s boards that impact the economic recovery and development for the city, which include Worcester Regional Research Bureau (Dennis Kerrigan, CLO), Worcester Business Development Corporation (Dennis Kerrigan, CLO), and the Worcester Regional Chamber of Commerce (Harris Berenson, VP Counsel), along with the YMCA of Central Massachusetts (Eric Cannon, chief risk officer, and Scott Greico, chief underwriting officer).

Additionally, a leadership member from our Hanover Charitable Foundation also serve across Worcester at Worcester State University, UMass Memorial Health System and WE Collaborative (Kim Salmon, AVP community relations).

Members of leadership staff also served on the search committee for the new superintendent of the Worcester Public Schools system (Kim Salmon, AVP community relations) and on the search committee for a new president and CEO (Dennis Kerrigan, CLO and Kim Salmon, AVP community relations).

We continued our summer internship community experiences, separating our summer interns into 12 working groups and pairing them with non-profits in the community that are working to address educational barriers, social determinants of health, workforce/workplace development and community safety.

GRI 415: Public Policy

415-1 Political contributions

The Hanover’s [Code of Conduct](#) outlines our policy on the company’s political contributions and activity. The board’s [audit committee charter](#) also notes oversight of political spending.

The Hanover Insurance Group Foundation only supports 501(c)(3) tax-exempt organizations or groups operating under a fiscal agent of a tax-exempt non-profit. The foundation will not make grants for endowments, medical or academic research, scholarships, sectarian or religious purposes, or to support candidates for political office. Additionally, private non-operating foundations, 509(c)(4) organizations, and Section 509(a)(3) Type III non-functionally integrated organizations are not eligible to apply.

GRI 418: Customer Privacy

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

The Hanover collects information, including personal information, so that we may offer quality products and services to our customers. We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. To safeguard that information, we maintain physical, electronic and procedural safeguards designed to protect the confidentiality and integrity of all non-public, personal information, including but not limited to Social Security numbers, driver’s license numbers and other personally identifiable information. The Hanover’s data security framework is aligned to standards developed by the National Institute of Standards and Technology (NIST). We utilize the NIST framework for understanding, managing, and expressing cybersecurity risk to internal and external stakeholders. We also incorporate the NIST framework to help identify and prioritize actions for reducing cybersecurity risk and for aligning policy, business, and technological approaches to managing that risk. Our dedicated information security function, overseen by our chief information security officer, conducts regular internal security audits, vulnerability assessments and penetration testing of the company’s systems, products and practices affecting customer data.

In addition, the company’s information security function regularly undertakes information security awareness and training exercises designed to enhance awareness and prevent, mitigate or prepare for a response to a cybersecurity threat. A full-time member of the information security team dedicated to awareness and training leads these initiatives. Legal compliance with information security and data privacy rules and regulations is the responsibility of attorneys in the Office of the General Counsel, including a dedicated privacy attorney.

Data privacy and cybersecurity risk is one of the risks identified and managed by our enterprise risk management (ERM) function. See GRI 103-2 for more information. Additionally, data privacy and cybersecurity risk are overseen like other risks facing the company by our Board in accordance with its risk oversight function. See GRI 102-15 for more information. Oversight of information security risk and monitoring of the company’s information security programs and cybersecurity efforts are codified in the [charter of the audit committee](#). The audit committee is comprised entirely of independent directors. The audit committee/board receives formal presentations on information security from the company’s chief information security officer approximately five times a year, and additional updates related to information security programs or data incidents are communicated to the board, audit committee or audit committee chair on an as-needed basis, as dictated by the circumstances and as required under our organization’s formal data incident response plan.

As a regulated entity, The Hanover and its group of affiliated companies are subject to, and must adhere to ongoing cybersecurity regulations, including regulations promulgated by federal and state authorities, including the New York Department of Financial Services.

The Hanover’s privacy policies and notices are publicly disclosed and available at the [privacy center on our website](#). These notices and policies provide transparency to our data privacy practices and provide information on how individuals may obtain additional information.

In 2022, and since 2018 when we started reporting under the GRI framework, there were no substantiated complaints concerning breaches of customer privacy received from either outside parties or regulatory bodies. Additionally, in the three years prior to December 31, 2022, there were no expenses incurred from information security breach penalties and settlements from outside parties or regulatory bodies. The company maintains a comprehensive cybersecurity risk insurance policy from an unaffiliated third-party insurer.

Investment Policy

Not applicable	Responsible investment policy
<p>The Hanover has an Environmental, Social and Governance (ESG) Investment Policy Statement, as published in our sustainability report.</p>	

TCFD Table

The table below provides a cross-reference of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations to the corresponding GRI KPI included in this content index.

TCFD RECOMMENDATION	CORRESPONDING GRI KPI
1) Describe the board’s oversight of climate related risks and opportunities	102-18; 102-19
2) Describe management’s role in assessing and managing risks and opportunities	103-2
3) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	201-2
4) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	201-2
5) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	201-2
6) Describe the organization’s processes for identifying and assessing climate-related risks	103-2
7) Describe the organization’s processes for managing climate-related risks	103-2
8) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	103-2
9) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	201-2
10) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	305-1; 305-2; 305-3
11) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	See “Other topics,” Investments



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