



Sustainability Report 2022



Creating Sustained Value at Travelers

Our long-term success depends not only on our business strategy and competitive advantages but also on keeping our promise to be there for our customers, communities and employees – or what we call the Travelers Promise. For this reason, we take an integrated approach to sustained value creation.

To focus our reporting on the topics most relevant to our industry, business and stakeholders, we have identified 16 key drivers of sustained value at Travelers. These topics:

- Are integral to our ability to create shareholder value over time and execute on our long-term business strategy.
- Allow us to effectively convey our holistic approach to risks and opportunities.
- Help us communicate the inextricable link between our corporate purpose of fulfilling the Travelers Promise and our mission of creating long-term shareholder value.

Ultimately, our approach to these 16 topics helps us create the kind of inclusive prosperity we are proud of.

Click on the icons below to navigate to our 16 drivers and learn more about how each one contributes to sustained value creation at Travelers.

Our Drivers of Sustained Value



**Business
Strategy &
Competitive
Advantages**



**Capital &
Risk
Management**



**Climate
Strategy**



Community



**Customer
Experience**



**Data Privacy &
Cybersecurity**



**Disaster
Preparedness
& Response**



**Diversity &
Inclusion**



**Eco-Efficient
Operations**



**Ethics &
Responsible
Business
Practices**



**Governance
Practices**



**Human Capital
Management**



Innovation



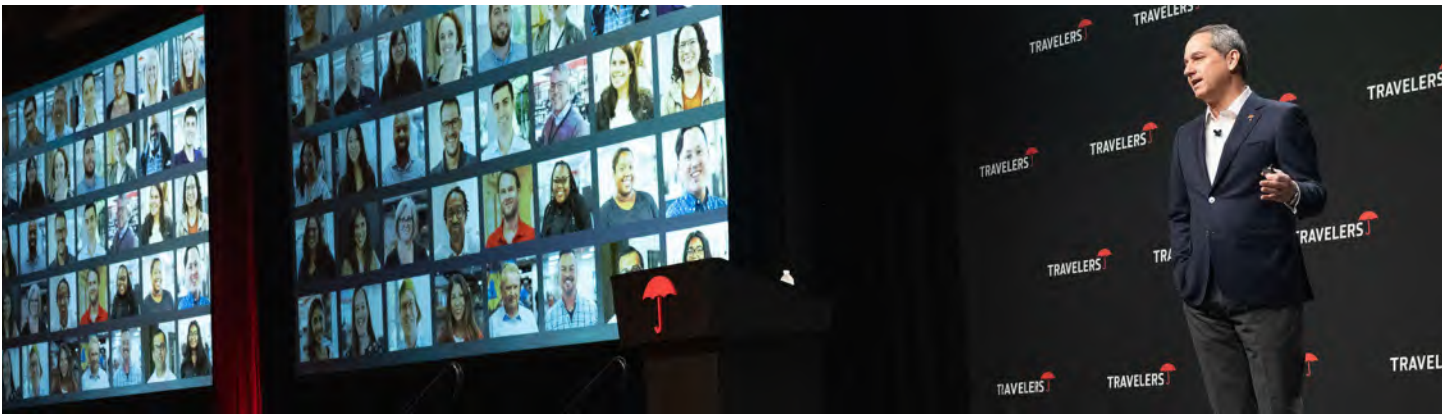
**Investment
Management**



Public Policy



**Safety &
Health**



CEO Message



At Travelers, we manage risk for our customers, and for more than 160 years, they've trusted us to be there when it matters most. In 2022, we delivered very strong top- and bottom-line results in the face of a challenging operating environment, proving once again that we are built to manage whatever comes our way. Our very strong financial performance this year reflects both our relentless execution – day in and day out – across our businesses, and the impact of the significant investments and strategic initiatives we have undertaken in recent years. We continue to innovate on top of a foundation of excellence to sustain our success for the future.

Our continued success requires that we do three things successfully: **perform, transform** and make good on the **Travelers Promise**.

At Travelers, **perform** is the flywheel that sets everything we do in motion. Perform for us means executing on our long-term financial strategy to generate industry-leading returns on equity over time. We've posted a double-digit return on equity in every year over the last decade, with the exception of 2017, a difficult CAT year for the industry, in which we posted a 9% ROE. In every one of those years, we comfortably covered our cost of equity. And by

continuing to execute successfully on our long-term financial strategy, we will continue to create shareholder value.

Our formidable competitive advantages are the foundation of our success. However, we understand that the competitive advantages that have fueled our achievements over the past decade will not necessarily be the same as those we will need to continue to lead for the next decade. Consequently, **transform** means positioning the company to continue to perform by ensuring that our competitive advantages remain relevant and differentiating tomorrow and 10 years from tomorrow. To that end, we have embraced an ambitious innovation agenda guided by our vision to be the *undeniable choice for the customer and an indispensable partner for our agents and brokers*.

Perform is how we deliver industry-leading results today, and **transform** is the way we prepare to do so tomorrow. Each depends on the other, and both depend on one thing: the **Travelers Promise**.

The Travelers Promise is a commitment to take care of our customers, our communities and each other. This includes being there to help our customers recover after the storm and also giving them the security they need to invest in their families and businesses. It also includes caring for the communities in which we live and work by supporting academic and career success, and promoting the development of thriving neighborhoods and enriched communities. Finally, it is about making Travelers a great place to work for our diverse workforce – the best talent in the industry – and a great partner for our agents and brokers. In the end, the Travelers Promise is about taking care of the people we are privileged to serve.

Put another way, for Travelers, sustainability comes down to this: only by successfully delivering on our perform and transform agenda will we earn the resources we need to keep the Travelers Promise. And only by faithfully keeping the Travelers Promise will we earn the support of key stakeholders essential to our perform and transform success. That is how we are going to deliver results next quarter and succeed for the next quarter century.

With that in mind, I invite you to read on about the ways we are driving sustainability at Travelers.

A handwritten signature in black ink, appearing to read "Alan", with a stylized, flowing end.

Alan Schnitzer, Chairman and Chief Executive Officer



Company Profile

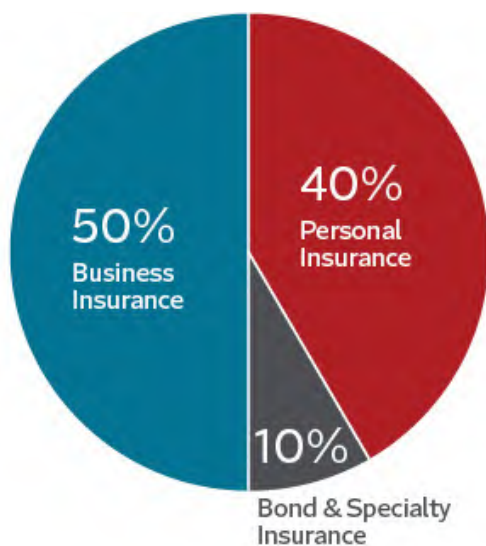
The Travelers Companies, Inc. (NYSE: TRV) is a leading provider of commercial, personal and specialty insurance products and services to businesses, government units, associations and individuals. Our diverse business lines offer our customers a wide range of coverage sold primarily through independent agents and brokers. Travelers has more than 30,000 employees and relationships with approximately 13,500 independent agents and brokers in the United States, Canada, the United Kingdom and the Republic of Ireland. Travelers is the only property casualty company in the Dow Jones Industrial Average and generated revenues of approximately \$37 billion in 2022.

HIGHLIGHT

\$2.8B

of net income, a decrease of 22% from 2021

Net Written Premiums





Business Insurance

Business Insurance offers a broad array of property and casualty insurance products and services to our customers, primarily in the United States, as well as in Canada, the United Kingdom and the Republic of Ireland, and throughout other parts of the world as a corporate member of Lloyd’s.

Leading U.S. commercial writer, with a top-five position in five major product lines, including number one in workers compensation and commercial multi-peril^[1]



Personal Insurance

Personal Insurance offers a broad range of property and casualty insurance products and services covering individuals’ personal risks, primarily in the United States, as well as in Canada. Our primary products of automobile and homeowners insurance are complemented by a broad suite of related coverages..

A top-10 writer of U.S. personal automobile and homeowners insurance, and a leading personal insurance writer with independent agents^[2]



Bond & Specialty Insurance

Bond & Specialty Insurance offers surety, fidelity, management liability, professional liability, and other property and casualty coverages and related risk management services to our customers, primarily in the United States. Bond & Specialty Insurance also offers certain surety and specialty insurance products in Canada, the United Kingdom, the Republic of Ireland and Brazil (through a joint venture).

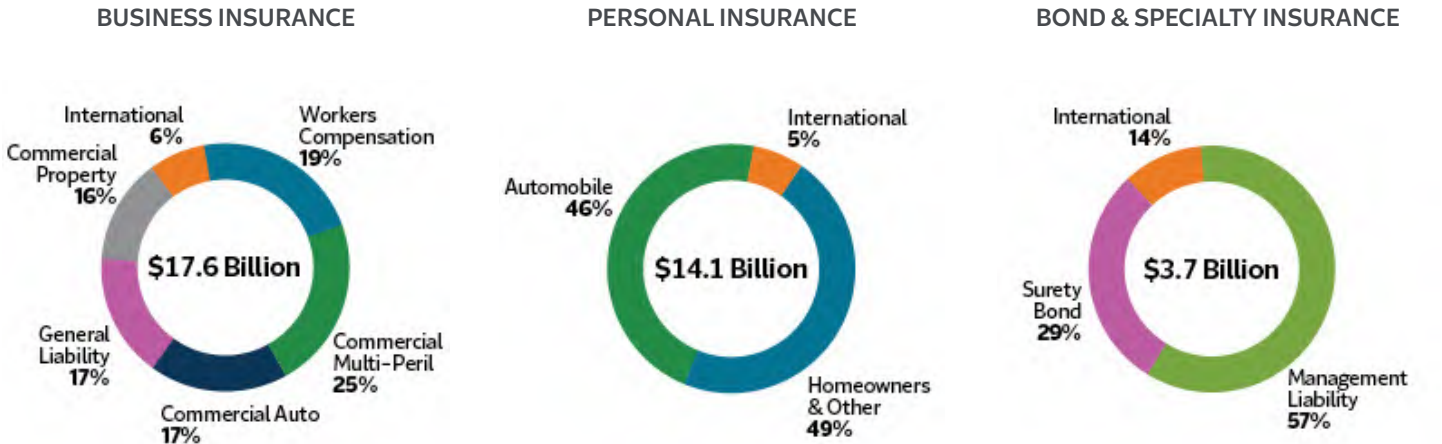
Leading writer of surety and top-five writer of management liability in the U.S.^[3]

[1] 2022 U.S. Statutory DWP. Five major product lines: Commercial Multi-Peril (Commercial Multiple Peril (Liability), Commercial Multiple Peril (Non-Liability), Farmowners Multiple Peril); Commercial Auto (Commercial Auto No-Fault (Personal Injury Protection), Commercial Auto Physical Damage, Other Commercial Auto Liability); General Liability (Other Liability Occurrence, Product Liability); Workers Compensation; and Surety. Copyright © 2023, S&P Global Market Intelligence. Used with permission..

[2] 2022 U.S. Statutory DWP. © A.M. Best Company, Inc. Used with permission.

[3] 2021 U.S. Statutory DWP, U.S. excluding territories. Management Liability reflects Other Liability Claims Made, Fidelity, and Burglary & Theft statutory lines. Copyright © 2023, S&P Global Market Intelligence. Used with permission.

2022 Net Written Premiums





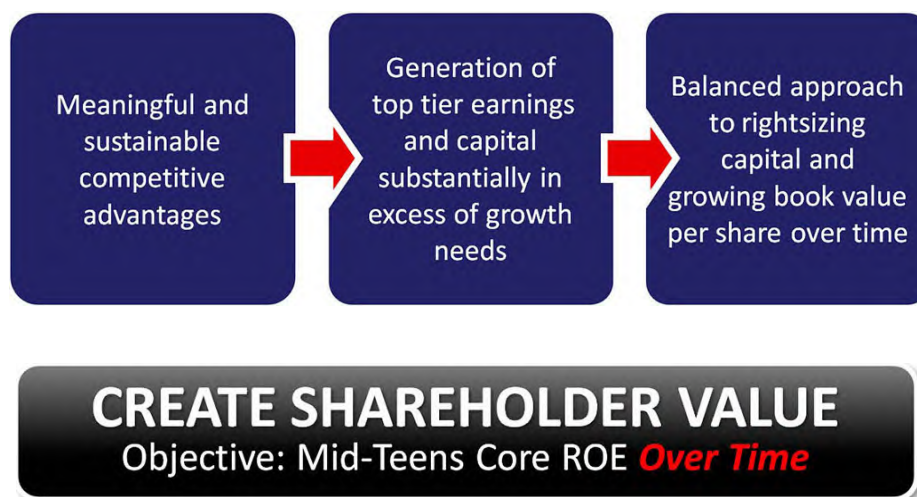
Business Strategy & Competitive Advantages

At Travelers, our simple and unwavering mission for creating shareholder value is to deliver superior returns on equity by leveraging our competitive advantages; generate earnings and capital substantially in excess of our growth needs; and thoughtfully rightsize capital and grow book value per share over time. Our Board of Directors regularly reviews this long-term financial strategy. Executing our long-term strategy requires that we fulfill our promise to take care of our customers, our communities and our employees. By executing our financial strategy, investing strategically in the future and delivering on the Travelers Promise, we will continue to deliver meaningful shareholder value over time.

Business Strategy

Our Long-Term Financial Strategy for Creating Shareholder Value

More than a decade ago, Travelers laid out a clear, simple and unwavering mission for creating shareholder value:



Our results in achieving the elements of this long-term financial strategy speak for themselves. Over the past decade:

- Our return on equity has significantly outperformed the average return on equity for the industry.
- We returned approximately \$29 billion of excess capital to our shareholders.
- We grew dividends per share at an average annual rate of 7%.
- We have grown book value per share and adjusted book value per share at a compound annual rate of 3% and 6%, respectively.

Importantly, over this 10-year period, our return on equity has been less volatile than that of others in the property and casualty industry. The level and consistency of our return on equity over time reflect the value of our competitive advantages and demonstrate the discipline with which we run our business.

Delivering Industry-Leading Return on Equity Over Time

The results we deliver are due to our deliberate and consistent approach to creating shareholder value. We have been clear for many years that one of our crucial responsibilities is to produce an appropriate return on equity for our shareholders. This has meant developing and executing financial and operational plans consistent with our goal of achieving superior returns, which we defined many years ago as a mid-teens core return on equity over time. We emphasize that the objective is measured over time because we recognize that the macroeconomic environment, loss cost trends, weather, geopolitical and other factors impact our results from year to year, and that there are years – or longer periods – and environments in which a mid-teens return is not attainable. In that regard, we established the mid-teens goal at a time when the 10-year Treasury was yielding around 5%, and mid-teens was simply the quantification of what qualified as an industry-leading return in that environment. While the 10-year Treasury rate increased during 2022, this increase will take time to earn into our fixed income portfolio, with less than 10% of the fixed-income portfolio maturing each year. Our ability to achieve a mid-teens return over time going forward will depend, in part, on the interest rate environment. In any event, we always seek to deliver industry-leading returns over time.

Our focus on core return on equity encompasses multiple performance objectives key to creating shareholder value. The measure is a function of both core income and shareholders' equity (excluding unrealized gains and losses on investments). Accordingly, core return on equity reflects a number of separate areas of financial performance related to both our income statement and balance sheet, including the quality and profitability of our underwriting and investment decisions, the pricing of our policies, the effectiveness of our claim management and the efficacy of our capital and risk management.

Granular and Deliberate Execution

One critical component of our ability to deliver exceptional returns over time is our granular approach to underwriting. In our commercial businesses, that means execution on an account-by-account or class-by-class basis. In personal lines, that means a very high degree of segmentation by risk profile, product and geography. With that and our advanced data and analytics, we select the risks we write and price our products deliberately with our targeted return in mind. Underlying all of this is a culture that understands how to balance the art and science of decision-making based on data and analytics. This culture alone is a competitive advantage, and one that we believe is hard to replicate. Our underwriting expertise is a hallmark of our success, and evaluating risk and reward is at the heart of what we do.

We actively manage all levers of profitability available to us, including risk selection, mix of business, claim and expense initiatives, volume, reinsurance, terms and conditions, and price. We have a long track record of capitalizing on all of the available levers to deliver superior returns – and of applying these levers on a strategic and business-by-business basis. This is evident in the way we have executed quite differently in each of our business segments through changing economic and business cycles.

Disciplined Investment Approach

Much like our underwriting strategy, successfully balancing risk and reward is at the heart of our well-defined [investment philosophy](#). Our investment portfolio is managed first and foremost to support our insurance operations and, accordingly, is positioned to meet our obligations to policyholders under a wide range of conditions – anything from a global pandemic to a significant natural disaster to a financial crisis. With this in mind, we emphasize risk-adjusted returns and credit quality rather than reaching for yield that is not commensurate with the underlying risk. Our asset allocation is designed so that the predictable stream of investment income from our fixed income portfolio will provide a firm and reliable foundation for our overall results. In addition, our Investment Policy, approved by our Board of Directors, reflects a long-term approach to sustainable value creation and requires that Travelers [consider environmental, social and governance \(ESG\) factors](#) in the investment process, to the extent relevant.

A Balanced Approach to Rightsizing Capital

Our [capital management](#) strategy has been an important driver of shareholder value creation over time. Our first objective for the capital we generate is to reinvest it in our business – organically and inorganically – to create shareholder value. For example, as we continue to grow our premium volumes, as we have for the past few years, we will retain more capital to support that growth. Also, we continue to invest in everything from talent to technology to further our ambitious innovation agenda and advance our strategic objectives. Having said that, we are disciplined stewards of our shareholders' capital. To the extent that we continue to generate capital that we cannot reinvest consistent with our objective of generating industry-leading returns over time, we will manage it the same way we have for more than a decade – by returning it to our shareholders through dividends and share repurchases. By returning excess capital to our investors, we give them the ability to allocate their investment dollars as they see fit, including by investing in companies with different growth profiles or capital needs, thereby efficiently allocating capital across the economy. Over time, that efficient allocation of capital in the marketplace contributes to a stronger economy.

Acquisitions & Footprint

The lens through which we evaluate acquisition opportunities is that a transaction should contribute to our mission by improving our long-term return profile, reducing the volatility of our returns or creating shareholder value through some other important strategic benefit, such as a geographic or product position.

We have a great deal of experience in executing strategic transactions, and we view this as a core competency. The company that we are today has come together through a number of significant transactions over the past two decades.

Across all of our businesses, our strategic focus continues to include creating opportunities to write more business through retaining and growing our relationships with our high-quality in-force accounts and bringing our franchise value to new customers. As we have done successfully over the past few years, we will continue to seek to grow without compromising our return objectives or changing our risk profile, primarily by targeting customers, industries, products and geographies that we know well. In terms of geography, we continue to believe that geopolitical risk and economic instability around the world are underappreciated. Accordingly, we like our North America concentration. That is not to say that we do not continue to recognize value and evaluate opportunities outside of North America, but we have set an even higher bar for those opportunities today.

Investing in Our Future

Our [competitive advantages](#) set us apart; they are foundational to the success of our long-term financial strategy. At the same time, we understand clearly that the world is changing, and changing quickly. Broadly speaking, we see four significant forces of change impacting our industry:

- Consumers' expectations are changing and being shaped by their experiences in other industries.
- Rapid progress in technology is enabling us to reimagine almost every aspect of our business.
- The opportunities presented by data and analytics are transforming every aspect of our business.
- Traditional distribution is consolidating and alternative models are developing.

We are focused intently on these forces of change. While our long-term financial strategy is not changing, the competitive advantages that have fueled our success over the last decade will not necessarily be the same as those we will need to continue to lead for the next decade. That is the focus of our innovation agenda: making sure that our competitive advantages are as relevant and differentiating tomorrow as they are today.

Ultimately, the vision for our innovation agenda is to be:

The undeniable choice for the customer and an indispensable partner for our agents and brokers.

This vision drives our three [innovation](#) priorities:

- Extending our advantage in risk expertise.
- Providing great experiences for our customers, agents and brokers and employees.
- Optimizing our productivity and efficiency.

A key theme running through our investments is that they are designed in large part to enable us to optimize the top line at attractive returns. We have been investing in these priorities for several years while delivering industry-leading returns and an improving expense ratio.

We are undertaking this work from a position of strength. We have the resources and expertise to be successful. Moreover, our business is complex, and the value of deep domain expertise in understanding risk and the products and services our customers need to manage that risk cannot be underestimated as the starting point for innovation. We believe the winners in our industry will be those who can innovate successfully on top of a foundation of excellence.

Underlying our financial strategy and our innovation agenda is the Travelers Promise – our promise to be there for our customers, communities and employees. Only by faithfully keeping the Travelers Promise will we earn the support of key stakeholders essential to our success. And only by successfully delivering on our financial strategy and executing our innovation agenda will we earn the resources we need to keep the Travelers Promise. That's why, at Travelers, our business strategy and performance are inextricably linked with the Travelers Promise.

Our Competitive Advantages

Our Competitive Advantages Are Meaningful & Sustainable

Our competitive advantages serve as the foundation of our financial success and help us fulfill our promise to protect our customers. Underlying our competitive advantages are four key enablers that help set us apart – our talent and expertise, industry-leading data and analytics, technology and financial strength.



RISK SELECTION, UNDERWRITING & PRICING SEGMENTATION

Data and analytics influence the decisions we make and drive innovation throughout the organization – from the development and delivery of our products and services to risk selection, underwriting and pricing. But data and analytics are only as good as the people interpreting them – which is why we match our strength in data and analytics with a deep industry expertise. We regularly introduce new tools and enhance our training and recruitment practices with the goal of ensuring that our expertise in data and analytics stays at the cutting edge. In addition, we are increasingly transforming our data into actionable insights to improve our decision-making.

- Approximately 1,900 employees working in analytics, including actuaries, data scientists and statisticians, data engineers, and data and information analysts.
- An Underwriting function of 4,000+ people, with an average tenure at Travelers of more than 12 years, supported by 4,000+ operations specialists.
- A broad appetite with a deep underwriting specialization in more than 40 industries.

PRODUCT BREADTH & SPECIALIZATION

We engage broadly across nine major lines of insurance in three segments – [Business Insurance](#), [Bond & Specialty Insurance](#) and [Personal Insurance](#). Our portfolio is balanced across these lines of business and further diversified by geography and customer type and size.

- Leading U.S. commercial insurance writer in 2022, with a top-five position in five major product lines, including number one in workers compensation and commercial multi-peril.^[1]
- A top-10 writer of U.S. personal automobile and homeowners insurance, and a leading personal insurance writer with independent agents.^[2]
- Approximately two-thirds of domestic premiums from liability lines (e.g., workers compensation, management liability, general liability, auto insurance) in 2022.
- Approximately one-third of domestic premiums from property lines (e.g., homeowners, commercial property) in 2022.

DISTRIBUTION RELATIONSHIPS

Domestically, we are the carrier of choice among independent agencies and brokers. Our agent and broker partners have a deep understanding of customer needs, and they provide us with insights that are a valuable part of our underwriting and risk selection process.

- Top-three carrier with the majority of our distribution partners.^[3]
- Leading commercial lines insurer in the UBS Semi-Annual Insurance Agent Survey when agents were asked to identify their commercial lines carriers.^[4]
- Relationships with approximately 13,500 independent agencies and brokers.

CLAIM SERVICES

Our dedicated Claim professionals are trained to deliver high-quality service and handle claims efficiently and with compassion.

We strive to:

- Pay what we owe.
- Deliver exceptional customer experiences.
- Use technology, data, analytics and artificial intelligence to work as efficiently and effectively as possible.

Our customers, claimants and business partners benefit from our innovative capabilities, including:

- Our unique and flexible [catastrophe response](#) capability is made possible by extensive employee cross-training and advanced workforce management programs. For the overwhelming majority of claims, we do not contract with third-party claim adjustors and instead rely on our own staff to respond to claims. In 2022, we were able to adjust virtually 100% of our catastrophe claims with our own employees, supported by innovative technologies, self service capabilities and trusted service partners.
- Our use of advanced technology in damage inspections, including smartphone-based virtual inspection tools, aerial imagery and drones, which allow our Claim professionals to work more safely and effectively.
- Our drone fleet; Travelers is one of the largest commercial users of drones, with more than 150,000 flights conducted by more than 700 certified pilots in 48 states since the program's inception.

[1] 2022 U.S. Statutory DWP. Five major product lines: Commercial Multi-Peril (Commercial Multiple Peril (Liability), Commercial Multiple Peril (Non-Liability), Farmowners Multiple Peril); Commercial Auto (Commercial Auto No-Fault (Personal Injury Protection), Commercial Auto Physical Damage, Other Commercial Auto Liability); General Liability (Other Liability Occurrence, Product Liability); Workers Compensation; and Surety. Copyright © 2023, S&P Global Market Intelligence. Used with permission.

[2] 2021 U.S. Statutory DWP. © A.M. Best Company, Inc. Used with permission.

[3] 2022 Independent Insurance Agents & Brokers of America, Inc. Universe Study.

[4] UBS Semi-Annual Insurance Agent Survey, September 2021.

- Approximately 40 predictive claim models that leverage data and analytics to improve claim outcomes for our customers and increase efficiency for Travelers.
- Subrogation recoveries that significantly outperform industry benchmarks.^[1]
- [Travelers Claim University](#), our state-of-the-art training and professional development facility, dedicated to providing technical training and skills-based learning to Claim employees.
- The deliberate cultivation of an ethical, customer-centric Claim culture through training, internal communications, management coaching and compliance activities.
- A highly selective hiring process for Claim staff designed to attract, retain and develop employees with empathy, integrity and professional expertise.
- Recognition for Claim professionals who deliver exceptional customer experiences that help build the Travelers brand and business.

RISK MITIGATION & IMPROVEMENT

For over 110 years, our loss prevention professionals have assisted agents, brokers and customers across the country and around the world. We deliver expertise in safety and risk mitigation through one of the largest Risk Control departments in the industry. We complete approximately 120,000 consultations annually, including 60,000 jurisdictional boiler and pressure vessel inspection visits, which contribute to a unique risk assessment database we have assembled over the past decade. We leverage this resource not just for risk mitigation but also for risk selection and pricing.

- [Travelers Risk Control consultants](#), backed by highly qualified specialists in areas such as fire protection, product liability, transportation and much more.
- Specialized expertise in public entity exposures, emerging and advanced technology, cybersecurity and resilience, and property valuation for both building and business/personal property.
- Leading provider of risk control services with [industry specialization](#) (e.g., [construction](#) and [manufacturing](#)).
- Enhanced [ergonomic assessments](#) for our customers, leveraging artificial intelligence technology.
- Proprietary risk assessment database with 200M+ data points that were compiled over more than a decade.
- Sophisticated [Industrial Hygiene](#) and [Forensics](#) Laboratories.
- Fully functional sprinkler lab for training customers on effective inspection, maintenance and testing of sprinkler systems.

[1] National Association of Subrogation Professionals (NASP) industry data.



Capital & Risk Management

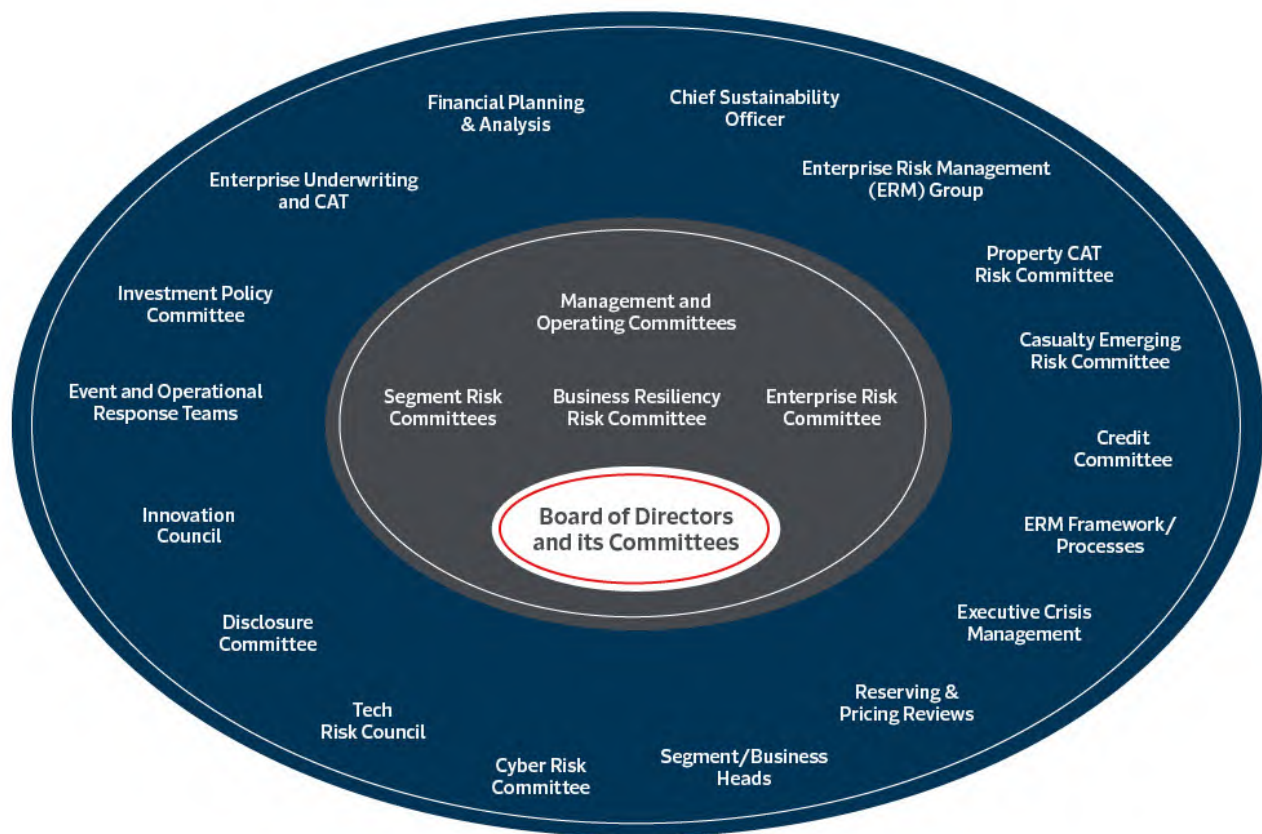
At Travelers, our Enterprise Risk Management (ERM) activities involve both the identification and assessment of a broad range of risks and the execution of coordinated strategies to effectively manage these risks. The mission of our ERM group is to facilitate risk assessment and collaborate in implementing effective risk management strategies to optimize risk and return in alignment with our goals and values.

Approach

ERM at Travelers is an integral part of our business operations. The standards and practices we employ to evaluate and monitor risks are designed to enable a consistent approach to risk management across the organization. We manage our risk-taking to be within our risk appetite in a prudent and balanced manner to create and preserve value for all of the company's stakeholders. ERM also includes an evaluation of the company's risk capital needs, which takes into account regulatory requirements, financial strength and credit rating considerations, among economic and other factors.

A senior executive team, which includes the company's Chief Risk Officer and Chief Underwriting Officer, oversees the ERM process. This team facilitates risk assessments and collaborates with others throughout the enterprise, including risk owners across the organization and senior leaders, to implement effective risk management strategies for Travelers. In addition, our ERM group collaborates with the company's Chief Sustainability Officer to ensure that identification and assessment of environmental, social and governance (ESG) risks are appropriately integrated into our ERM framework. The ERM group also uses third-party modeling processes to evaluate capital adequacy. These analytical techniques are an integral component of the company's ERM process and further support the company's long-term financial strategies and objectives.

The diagram below illustrates some of the different groups, committees, functions and processes involved in our comprehensive approach to overseeing and managing risk.



Board Oversight of Risk

Our Board of Directors oversees our ERM process. As illustrated in the graphic above, the Risk Committee and other committees of the Board are an essential part of our ERM framework and help to establish and reinforce our strong culture of risk management.

The Risk Committee of the Board meets with senior management at least four times a year to discuss ERM activities and provides a report to the full Board of Directors after each such meeting. This approach enables a high degree of coordination between management and the Board.

The Board Risk Committee oversees the implementation, execution and performance of the Travelers ERM program and reviews the strategies, processes and controls pertaining to Travelers' insurance operations. The Board also allocates and delegates risk oversight responsibility to various committees of the Board. Accordingly, all committees of the Board share responsibility for oversight of strategic objectives, risk management and the sustainability of our business. We believe that allocating responsibility for specific risks to a committee with a particular skill set improves the effectiveness of the overall oversight of risks and opportunities. The Board reviews and acknowledges these responsibilities annually.

The Board has allocated and delegated risk oversight responsibility to various committees of the Board as follows:

Audit Committee	Responsible for oversight of risks related to the integrity of financial statements, including oversight of financial reporting principles and policies and internal controls; the process for establishing insurance reserves; and risks related to regulatory and compliance matters. Audit Committee Charter .
Compensation Committee	Responsible for oversight of pay-for-performance philosophy and practices designed to ensure equitable pay across the organization and risks related to compensation programs, including with respect to formulation and administration of those programs, and regulatory compliance with respect to compensation matters. Compensation Committee Charter .
Investment and Capital Markets Committee	Responsible for oversight of risks in our investment portfolio (including valuation and credit risks), capital structure, financing arrangements and liquidity. Investment and Capital Markets Committee Charter .
Nominating and Governance Committee	Responsible for oversight of risks related to corporate governance matters, including succession planning; director independence and related person transactions; workforce diversity and inclusion efforts; public policy initiatives; and community relations. Nominating and Governance Committee Charter .
Risk Committee	Responsible for oversight of ERM activities and risks related to business operations, including insurance underwriting and claims; reinsurance; catastrophe risk and the impact of changing climate conditions; credit risk in insurance operations; information technology, including cybersecurity; and business continuity planning. Risk Committee Charter .

Enterprise Risk Management

Integrating ERM with an effective internal control environment enables our ERM group to foster, lead and support an integrated, risk-based culture throughout the company. To that end, our ERM group:

- Facilitates risk assessments and enhances the coordination of risk management across all categories of risk throughout the company.
- Develops enterprise-wide risk appetite/tolerance/limits.
- Maintains dynamic capital models to quantify and evaluate the company's risk exposures and their related impact on the company's risk/reward assessment, capital structure and future earnings potential.
- Works in partnership with key risk management leaders in different areas throughout the organization (such as underwriting, reserving, investments, credit, regulatory compliance and operations) to ensure coordinated cross-departmental risk management and governance.
- Identifies, evaluates and quantifies risks, their correlations and their interdependencies from all sources across the organization.
- Works to enhance effective and credible risk modeling capabilities as part of the company's overall effort to understand and manage its portfolio of risks to be within its risk appetite and tolerance.
- Provides capital model allocations to the company's products and businesses and helps ensure capital efficiency in concert with regulatory and rating agency targets.

In addition, our ERM group leads the company's annual Management Identification of Significant Risks (MISR) – a governance process through which senior risk and business leaders and various committees collaborate to identify the significant inherent and residual risks faced by Travelers. The MISR process assigns management responsibility for individual risks to senior corporate leaders and/or internal groups, committees and processes and assigns oversight responsibility to various Board Committees. The MISR is reviewed with the Risk and Audit Committees of the Board at least annually and is also reviewed by the Board as part of its annual review of the allocation of risk oversight among its committees.

As part of our ERM process, we use metrics and risk/reward analytics to actively evaluate and adjust our strategies, as well as to further support our long-term financial strategy and business objectives. For example, we use various analyses and methods, including proprietary and third-party computer modeling processes, to make underwriting and reinsurance decisions designed to manage the company's exposure to catastrophic events. In addition to catastrophe modeling and analysis, we model and analyze our exposure to other extreme events. We also utilize proprietary and third-party computer modeling processes to evaluate capital adequacy. For more information, please see the [Ethics & Responsible Business Practices](#) section.

Our approach to ERM is reinforced by our compensation structure, which is designed to encourage a careful balance of risk and reward, both on an individual risk basis and on a companywide basis. Our compensation program also promotes and drives a long-term perspective to managing our business. This long-term perspective is especially important in the property casualty insurance industry, where a short-term focus could create incentives for management to relax the company's underwriting or investment standards to increase revenue and reported profit in the near term but could create excessive risk for shareholders over the longer term. Moreover, results in the property casualty insurance industry can vary significantly when measured year to year because of a variety of factors, including the periodic occurrence of significant catastrophes. Accordingly, we believe that the right way to manage our business is with a long-term perspective, with an eye toward creating value over time. See our [Proxy Statement](#) for a comprehensive discussion of how our compensation program incorporates this long-term perspective.

Business Resiliency

Our approach to business resiliency is designed to allow us to deliver on the Travelers Promise to take care of our customers, communities and employees in the face of unexpected disruptions. The Travelers Business Resiliency Program is our internal ecosystem focused on the goal of ensuring that we can operate consistently for our employees, agents and customers despite crises and operational disruptions and, accordingly, continue to deliver for our shareholders. Our Business Resiliency Program takes a holistic, three-pronged approach that encompasses business continuity, disaster recovery and crisis management. With support from senior management and with oversight by the Risk Committee of our Board of Directors, our program focuses on both preventive measures (including technology availability design, facility resilience and training/awareness programs) and response preparation (including business contingency planning, technology restoration and crisis management/emergency response).



The Travelers Business Resiliency Risk Committee, composed of members of our executive team, oversees the implementation of our Business Resiliency Program and, along with our management-level Enterprise Risk Committee, is charged with reviewing and approving mission- and business-critical processes, identifying risks to business resiliency and facilitating decisions to accept, mitigate or remediate these risks.

Pursuant to its charter, the Risk Committee of our Board of Directors oversees “the strategies, processes and controls pertaining to business continuity and executive crisis management for the Company and its business operations.” In exercising its oversight, the Risk Committee of our Board meets annually with members of the Business Resiliency Risk Committee and the Enterprise Risk Committee to review the company’s business continuity, disaster recovery and crisis management efforts. Among other things, the Risk Committee reviews the enterprise event response protocols, discusses how those protocols would be (and were) triggered for events ranging from catastrophes to local shootings to bomb threats and evaluates lessons learned from actual events, such as the COVID-19 pandemic. The Risk Committee also receives quarterly reports regarding preventive measures for cyber incidents, including those events affecting suppliers that may impact Travelers. In addition, the Risk Committee is regularly briefed on the steps taken to reduce future risk and improve our threat detection and response processes.

Business Continuity

The primary objective of business continuity is to ensure that the company is prepared to respond to, and recover from, an unexpected disruption. This requires a solid understanding of the risks to our operational structure and involves contingency planning and testing of hundreds of business processes across Travelers. We have inventoried our business processes and categorized them according to their criticality and urgency to the company, and we have tailored our resiliency measures accordingly.

Through annual risk reviews, which are facilitated centrally, each business function updates its resiliency plans with respect to key operational aspects. The plans include specific recovery scenarios and detailed workaround plans to be leveraged in the event of a disruption related to technology, facility, workforce or supplier issues. We also conduct validation exercises to test the effectiveness of those plans.

In addition, as a fundamental part of our enterprise supplier management program, we identify supplier risks and mitigating controls, enabling the company to make informed decisions throughout the life cycle of a supplier relationship. Specifically, we assess the business continuity and disaster recovery risk of our suppliers to evaluate their overall business resiliency, recovery capabilities and limitations. And we create contingency plans detailing how the company will continue to operate if a supplier becomes unavailable.

Disaster Recovery

We base our approach to disaster recovery on a model that provides redundant infrastructure, application and platform solutions designed to enable continued operation in the event of a disruption. We review these solutions on a regular basis to ensure that they continue to align with our business strategy. In addition, on an annual basis, we perform disaster recovery testing on all of our mission critical and supporting applications.

We inventory all computing platforms with a detailed plan to move to an alternate site, the specifics of which vary by application design and business criticality. We maintain technology availability standards to help ensure adequate designs are deployed and sufficient procedures are in place and tested to restore infrastructure, applications and data in the event of a disaster.

We perform daily backups of production data from our primary facility to our alternate sites. Critical technology infrastructure is designed with sufficient levels of redundancy to support recovery from local or geographic service disruption events.

Crisis Management

Our Crisis Management Operating Model includes two teams: the Operational Response Team (ORT) and the Enterprise Event Response Team (EERT).

Our integrated ORT comes together to manage events, both planned and unplanned, providing a coordinated and facilitated response to situations of all types. The ORT is a group of employees from across the organization, prepared to come together before, during or shortly after an event to ensure that we respond appropriately. The ORT manages corporate security, real estate, technology, cyber, business continuity, and environmental health and safety events. This team is activated and engaged regardless of the severity of the event. The ORT also maintains well-documented emergency response procedures and conducts regular training, scenario planning and exercises in anticipation of potential emergency scenarios. Travelers has event-specific playbooks covering protocols for various scenarios, including a pandemic, natural disaster, data center outage and cybersecurity incident. For example, our corporate pandemic plan, which outlines our strategy for maintaining a safe and healthy workplace while continuing to deliver uninterrupted service to our customers and agent and broker partners, was activated when the COVID-19 outbreak began. Roles and responsibilities of team members are clearly defined, enabling an efficient response to a national crisis or a technology, worksite, workforce or supplier event.

The EERT manages catastrophe events, underwriting and exposure, claim response and regulatory events. When escalation is required, the ORT and the EERT engage with the appropriate group of senior executives tasked with overseeing the execution of our crisis management and emergency response plans related to the event.

Travelers Business Resiliency Management in the Face of Pandemics

Despite the extraordinarily challenging circumstances related to COVID-19, we were able to continue to serve our customers and our agent and broker partners seamlessly due to our extensive planning and preparation for unforeseeable circumstances; the commitment, resourcefulness and professionalism of our team; and the tremendous efforts of our Technology and Operations group. Upon initial reports of the emerging coronavirus in January 2020, we activated our Business Continuity, Crisis Management and Disaster Recovery teams to track the outbreak and begin executing our robust business resiliency plans. Although COVID-19 impacts have moderated, we remain prepared to address the ongoing impacts of COVID-19 and any future pandemics (including new variants of COVID-19).

Balanced Approach to Capital Management

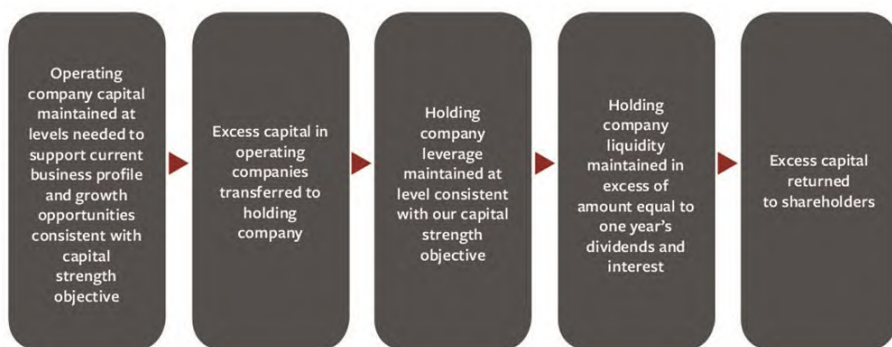
Travelers has consistently provided excellent service to policyholders while delivering strong returns over time. Integral to our long-term financial strategy is a balanced approach to rightsizing capital and generating capital in excess of our growth needs. We maintain operating company capital at levels needed to support our current business profile and growth opportunities consistent with our objective of maintaining significant financial strength and strong credit ratings. Specifically, our capital models first address our need to comply with regulatory risk-based capital requirements and our desire to:

- Maintain significant financial strength and strong credit ratings.
- Continue to remain financially strong after a significant catastrophe event.
- Ensure that we can satisfy the claim payments and other obligations of our business.

To meet these objectives, we monitor our cash inflows (e.g., premiums, service fees, investment income) and outflows (e.g., claim payments, capital investments, operating expenses) on an ongoing basis. Since most of our policies renew annually, we regularly reassess our pricing and risk appetite against our capital needs.

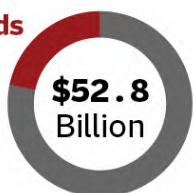
Our capital management strategy has been an important driver of shareholder value creation over time. As we have said many times, our first objective for the capital we generate is to reinvest it – organically and inorganically – in our business to create shareholder value. We will continue to retain capital to support growth in our business and invest capital to further our ambitious [innovation agenda](#) and advance other strategic objectives. Today, we are making strategic investments in everything from talent to technology. Having said that, we are disciplined stewards of our shareholders' capital, and to the extent that we continue to generate capital that we cannot reinvest consistent with our objective of generating industry-leading returns over time, we will manage it the same way we have for more than a decade – by returning it to our shareholders.

Our Balanced Approach to Capital Management



Over the last 10 years, our [financial success](#) and balance sheet strength have enabled Travelers to grow dividends per share at an average annual rate of 7% while increasing our adjusted book value per share by 93%. These accomplishments are on top of returning approximately \$29 billion of excess capital to the company's shareholders over the same 10-year period. Our financial strength is also reflected in our strong credit ratings from four of the major rating agencies.

Dividends



Share Buybacks

Since the initial share repurchase authorization in May 2006 and through December 31, 2022, **Travelers has returned \$52.8 billion** of capital to shareholders: \$40.0 billion in share repurchases at an average price of \$72.50 per share and \$12.8 billion in dividends.



Investment Management

The primary purpose of our investment portfolio is to position us to fulfill our promise to our customers to fund future claim payments. For this reason, we employ a thoughtful investment philosophy that focuses on stable and appropriate risk-adjusted returns.

Approach

We strive to be thoughtful underwriters on both sides of our balance sheet, and we have always allocated our assets to support our insurance operations, not the reverse. Because the primary purpose of our investment portfolio is to fund future claim payments, Travelers employs a risk-adjusted approach to its investment portfolio. Our asset allocation gives us a high level of confidence that our capital is adequate to support our insurance business, in both good times and bad. Our approach has served us remarkably well over a long period and allows us to invest in our businesses with an eye to the future.

Our Co-Chief Investment Officers – members of our Management and Operating Committees – lead our investment department, which directly manages our fixed income assets (93% of our investment portfolio), as well as our investments in equity securities, real estate, private equity limited partnerships, hedge funds, real estate partnerships and joint ventures. The Investment and Capital Markets Committee of the Board oversees our investment strategy and the risks related to our investment portfolio (including valuation and credit risks), capital structure, financing arrangements and liquidity.

Well-Defined and Consistent Investment Philosophy

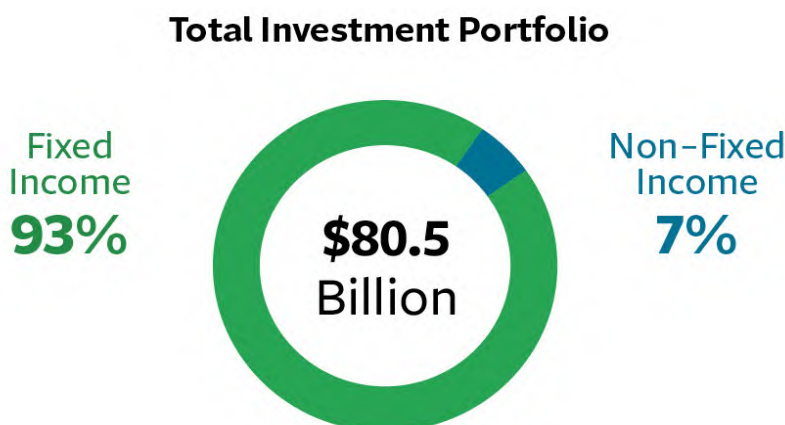
Our investment portfolio is a key source of stability and strength for Travelers. The portfolio is managed first and foremost to support our insurance operations; accordingly, our investment portfolio is positioned to meet our obligations to policyholders under almost every foreseeable circumstance – anything from a global pandemic to a significant natural disaster to a financial crisis. With this in mind, we are focused on risk-adjusted returns and credit quality rather than reaching for yield that is not commensurate with the underlying risk. Our well-defined and consistent investment portfolio has been a meaningful and reliable contributor to our results year in and year out.

The performance of our investment portfolio in 2022 underscores the wisdom of our thoughtful and diversified approach. Net investment income was very strong at \$2.2 billion after-tax, reflecting higher interest rates and the growth in our fixed income portfolio. While down year over year, as expected, our alternative portfolio continued to perform well, particularly in light of the significant downturn in the broader equity markets that occurred in 2022.

Looking forward, we expect to benefit from higher invested assets in our fixed income portfolio and higher interest rates. As inflation has persisted and the Federal Reserve has aggressively shifted its policy in response, the yield on new investments is now meaningfully higher than the yield on our maturing investments. With rates possibly “higher for longer,” net investment income from our fixed income portfolio should continue to grow and meaningfully contribute to our results going forward.

Investment income reliable contributor to results; \$2.2 billion, after-tax, in 2022

(\$ in millions as of December 31, 2022, unless otherwise noted)



After-Tax Yield	FY'22	FY'21
Long-Term Securities	2.3%	2.3%
Short-Term Securities	1.7%	0.1%
Total Fixed Income	2.3%	2.2%
Non-Fixed Income	5.5%	15.2%
Total Investments	2.5%	3.0%

Fixed Income Portfolio	Rating		%	% Fixed Maturities by Rating ²	
Municipal	Aaa/Aa1	\$31,379	39%	Aaa	44%
Corporates ¹	A2	34,528	40%	Aa	23%
U.S. Government & Agencies	Aaa/Aa1	3,470	4%	A	19%
Short-Term Securities	A1/P1	5,438	4%	Baa	13%
Mortgage-Backed Securities	Aaa/Aa1	1,991	2%	Total Investment Grade	99%
Foreign Governments	Aaa/Aa1	994	1%	Below Investment Grade	1%
Total Fixed Income	Aa2	\$74,630	93%		

Non-Fixed Income Portfolio		%
Private Equity Funds	\$2,785	3%
Real Estate & Real Estate Partnerships	1,814	2%
Equity Securities	807	1%
Hedge Funds & Other	418	1%
Total Non-Fixed Income	\$5,824	7%

[1] Includes \$1.14 billion of Commercial Mortgage-Backed Securities with an Aaa rating and \$523 million of Asset-Backed Securities with Aa1 rating.

[2] Rated using external rating agencies or by Travelers when a public rating does not exist. Rating shown are the higher of the rating of the underlying issues or the insurer in the case of securities enhanced by third-party insurance for the payment of principal and interest in the event of issuer default. Below investment grade assets refer to securities rated “Ba” or below.

Responsible Investing

As of December 31, 2022, Travelers' invested assets totaled \$80.5 billion, of which 93% was invested in fixed maturity and short-term investments. This high-quality investment portfolio generated net investment income of \$2.6 billion pre-tax in 2022.

In addition to achieving appropriate risk-adjusted returns, our investments enable many environmental and social improvements. As one of the largest investors in municipal bonds, we provide funding to approximately 950 different municipal issuers, with the proceeds of our investments used to improve the quality of life in communities across 47 states, the District of Columbia and Puerto Rico. For example, we invest in municipal bonds that support water and sewer projects (notional \$5 billion), which help mitigate pollution, provide safe drinking water, promote conservation and, in many cases, respond to changing climate conditions. Additionally, our investments in K-12 education (notional \$10 billion) and higher education (notional \$4.2 billion) support enterprises directly involved in improving communities and students' lives. We currently own \$2.8 billion (notional) in fixed income securities classified as "green," "sustainability" and "sustainability-linked" bonds by Bloomberg L.P. We also maintain smaller investments in low-income housing tax credits, which help build affordable housing. See the [Investment Portfolio](#) section in our Form 10-K for a detailed breakdown of our investment portfolio. For additional detailed information related to our investment holdings, please see our most recent [annual audited statutory basis financial statements](#) for the Travelers Combined Pool and other non-pooled entities. A summary of the investments held by investment type, country and credit rating (where applicable) can be found in the Summary Investment Schedule (Exhibit 2 for the Travelers Combined Pool Audit and Exhibit 1 for the other non-pooled companies' audits). Additional investment information can be found in the Supplemental Investment Risks Interrogatories (Exhibit 3 for the Travelers Combined Pool Audit and Exhibit 2 for the other non-pooled companies' audits).

ESG Factors in Investment Decisions

We recognize the importance of responsible investment and, accordingly, incorporate environmental, social and governance (ESG) factors in assessing the sustainability of the entities in which we invest. We have traditionally limited our exposure to public equity securities and other riskier asset classes. Since we invest overwhelmingly in fixed income securities, our analysis of ESG factors focuses primarily on credit risk. Our Investment Policy, approved by our Board of Directors, reflects a long-term approach to sustainable value creation and requires Travelers to consider ESG factors in the investment process, to the extent relevant.

With respect to our fixed income investments, we invest using a variety of qualitative and quantitative criteria that take into account both expected returns and risks including interest rate, credit and prepayment risks. Our fundamental investment process weighs, on an appropriate basis, financial statement data, management information, relevant ESG factors, third-party research and other information. In addition, our asset allocation process considers the expected return advantages offered in the market in compensation for bearing various risks, including credit risk and ESG risks.

We have assigned internally developed ESG scores to all issuers in our fixed income portfolio. In certain circumstances, this process has led to the exclusion of potential investments or the divestment of portfolio holdings ("negative screening") due to ESG risks where we believed that the expected returns were not consistent with the underlying risks – in other words, where we did not believe we would be appropriately compensated for the risks that we would be assuming.

As it pertains to investments to support our insurance operations, consistent with our credit-based approach to investing, we have a [policy](#) to avoid making new debt or equity investments in companies with significant exposure to thermal coal mining, oil sands or coal-based electricity generation, to the extent consistent with applicable law and our fiduciary duties.

In addition, in our municipal bond, mortgage and real estate investments, we consider the impact that changing climate conditions may have on any given city, state or region. Since we assume catastrophe risks such as earthquakes and windstorms in our capacity as an insurer, we also seek to manage our portfolio's credit risk to such events by assessing our investment exposures in impacted geographic areas. In addition, for municipal bond issuers in the Southwestern United States and other areas of the country susceptible to drought, all investment analyses include an assessment of water supply adequacy.

For further discussion on the incorporation of ESG factors in our investment process and the impact of the regulatory environment in which we operate on the investments we make, please see our [SASB Report](#).

GHG Emissions and Our Investment Portfolio

Currently, greenhouse gas (GHG) emissions data for the substantial majority of segments of our investment portfolio (e.g., municipal bonds (39% of our portfolio), foreign local and regional governments (2%), mortgage bonds (2%), ABS & CMBS (2%) and private equity, hedge funds and other investments (5%)) is unavailable and, where it is available, the data quality remains inconsistent. Accordingly, at this time, we cannot accurately calculate the total emissions of our overall investment portfolio. Nonetheless, as discussed in detail above, we believe that we have incorporated the relevant risks into our investment analysis. In addition, we have attempted to quantify GHG emissions of securities within our corporate securities portfolio (corporate bonds and public equity), the only portfolio segment where some GHG emissions data is available. This portfolio represents less than one third of our overall investments. As additional emissions data becomes available over time, we expect that the total GHG emissions that we will be able to report will increase.

For a detailed discussion on our approach to calculating GHG emissions financed by our investment portfolio and the results of our calculations, please see our [TCFD Report](#).

Climate Scenario Analysis With Respect to Our Investment Portfolio

We recently engaged a third-party vendor to perform a climate risk analysis of Travelers' investment portfolio. This analysis combined climate stress tests with stochastic modeling of possible future economic outcomes to help us better understand the possible impacts of various scenarios on our investment portfolio.

For a detailed discussion regarding the analysis and its results, please see our [TCFD Report](#).



Lead Director Message



As independent Lead Director of Travelers, I am privileged to serve a company that helps its customers achieve their personal and business goals by protecting the things that matter most to them. I am also proud to oversee a management team that takes an integrated approach to sustained value creation.

As a Board, we have a responsibility to act as stewards of our shareholders' capital by creating shareholder value *over time*. I emphasize *over time* because, in the property and casualty insurance business, decisions are made and strategies are developed based on tens and even hundreds of years of data. At Travelers, we've observed that the companies that create the most shareholder value are the ones that think not quarter-by-quarter but decade-by-decade, as our company does. In that sense, Travelers has been managing with a mindset focused on sustainability long before it became fashionable.

As Alan notes in his message, management has also long recognized that to succeed in its mission of creating shareholder value over time, the company must not only *perform* and *transform* but also take care of its customers, communities and employees – or, as we refer to it, fulfill the *Travelers Promise*. The Board shares this commitment to the Travelers Promise and its central role in long-term value creation. In fact, Travelers' success for more than 160 years is owed, in large part, to keeping that Promise.

Our Board takes a holistic approach to its oversight responsibilities, with the goal of ensuring that the decisions Travelers makes today maximize its long-term sustainability. In addition to overseeing capital allocation, investment management, enterprise risk management and other business topics traditionally overseen by boards, the Board meets regularly with senior Travelers leaders to review strategic plans and initiatives related to a broad variety of business-relevant risks and opportunities. These include, for example, risks and opportunities related to changing climate conditions, emerging technology, data privacy and cybersecurity, ethics and compliance, human capital management, diversity and inclusion, and community relations, to name just a few.

Specifically, in 2022, as part of a larger strategic planning session, we reviewed strategies related to the company's human capital management efforts, including talent management and development, and the employee experience. Additionally, this last year, as we have done in the past, the Risk Committee and the Board met regularly with leaders throughout the organization to discuss catastrophe risks, including weather volatility and changing climate conditions, with a focus on Travelers' underwriting strategies and risk management approach and the potential impact of climate-related perils to Travelers and its customers. In 2022, technology and cybersecurity risks continued to be top of mind for the Board and for me, as Chair of the Risk Committee. The Risk Committee regularly reviewed evolving cyber risks and their impact on our company, our cyber products and our customers. In addition, we continued to review the risks associated with emerging technologies, as well as how technology can be leveraged to support innovation in our businesses and position the company for profitable growth over time. As a Board, we recognize that given the pace of change in today's world, our business will continue to face new and evolving challenges. We will continue to examine each issue with the attention and thoughtfulness it deserves,

with the overarching goal of ensuring Travelers' ability to create shareholder value over time. We feel confident that this approach will enable Travelers to continue to perform today and transform for tomorrow.

Finally, I would like to acknowledge that the Board has long understood and valued the importance of soliciting investor feedback on topics that are important to the company and its shareholders. Since 2009, the Board's Nominating and Governance Committee has overseen a comprehensive shareholder engagement program under which management reaches out to the company's largest shareholders throughout the year to facilitate a dialogue with respect to the company's financial results, corporate strategy, compensation practices and environmental, social and governance matters. Over the past year, management engaged with shareholders representing approximately 45% of the company's outstanding shares to discuss their perspectives on these matters, with a particular focus on the company's comprehensive climate strategy and diversity, equity and inclusion efforts. As Lead Director, I personally participated in meetings with shareholders representing more than 26% of our outstanding shares. We will continue to engage with our shareholders to ensure that the company's policies, practices and disclosures are informed by their views.

On behalf of the Travelers Board, I look forward to continuing to serve the interests of our shareholders and other stakeholders. In the meantime, I encourage you to read more about Travelers' holistic approach to sustained value creation on this site.

A handwritten signature in black ink, appearing to read "T.C. Schermerhorn". The signature is fluid and cursive, with the first name "Todd" and last name "Schermerhorn" clearly distinguishable.

Todd C. Schermerhorn, Lead Director



Governance Practices

The Board of Directors and management of Travelers are committed to implementing sound corporate governance practices with the goal of ensuring that the company operates ethically and with integrity and is managed to maximize the long-term interests of its shareholders.

HIGHLIGHT

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Directors on our Board are independent

Approach

Our commitment to good corporate governance is reflected in our [Governance Guidelines](#), which describe the Board's views on a wide range of governance topics. These Governance Guidelines are reviewed annually by the Nominating and Governance Committee, and any changes deemed appropriate are submitted to the full Board for its consideration. Our [2023 Proxy Statement](#) discusses our robust corporate governance practices, which are designed to support sustained value creation for our shareholders.

The Board works with management to set the short-term and long-term strategic objectives of our company and to monitor progress on those objectives. Strategic topics are generally discussed at each Board meeting, and the Board and management participate in a separate strategy session each year. In setting and monitoring strategy, the Board, along with management, considers the risks and opportunities that impact the long-term sustainability of our business model and whether the strategy is consistent with our core values, culture and [risk appetite](#). The Board regularly reviews:

- Our progress with respect to our strategic goals.
- The risks, including the environmental, social and governance (ESG) risks, that could impact the long-term sustainability of our business.
- The related opportunities that could enhance our long-term sustainability.

The Board oversees these efforts in part through its standing committees, based on each committee's responsibilities and areas of expertise. Each committee regularly reports to the Board regarding its areas of oversight responsibility. The Board has allocated and delegated risk oversight responsibility to its committees in accordance with the following principles:

Committee	Responsible for oversight of:
Audit	<ul style="list-style-type: none"> Risks related to the integrity of the company's financial statements, including oversight of financial reporting principles and policies and internal controls. The company's process for establishing insurance reserves. Risks related to regulatory and compliance matters.
Risk	<ul style="list-style-type: none"> The company's Enterprise Risk Management activities. Risks related to the company's business operations, including insurance underwriting and claims; reinsurance; catastrophe risk and the impact of changing climate conditions; credit risk in insurance operations; and information technology, including cybersecurity. The company's business continuity plans.
Compensation	<ul style="list-style-type: none"> The company's pay-for-performance philosophy and practices designed to ensure equitable pay across the organization. Risks related to the company's compensation programs, including formulation, administration and regulatory compliance with respect to compensation matters.
Investment and Capital Markets	<ul style="list-style-type: none"> Risks related to the company's investment portfolio (including valuation and credit risks), capital structure, financing arrangements and liquidity.
Nominating and Governance	<ul style="list-style-type: none"> Risks related to corporate governance matters, including succession planning, director independence and related person transactions. The company's workforce diversity and inclusion efforts, public policy initiatives and community relations.
Each committee is also responsible for monitoring reputational risk to the extent arising out of its area of responsibility.	

Each Board committee has a written charter, which contains specific responsibilities, including the risk oversight functions listed above.

With a focus on continually improving the ability of the Board to provide informed oversight, the Nominating and Governance Committee oversees educational sessions for directors on matters relevant to our company, business strategy and risk profile. For example, topics of those sessions have focused on the role that corporate culture and board oversight played in publicized lapses in corporate governance at other firms.

The Board and each of its committees evaluate the allocation of oversight responsibility at least annually, along with their respective performance and effectiveness.

To learn more about the specific risk oversight functions delegated to each Board Committee and our Enterprise Risk Management activities, see the [Capital & Risk Management](#) section of this site, and view our [Proxy Statement](#) to see specific Board Committee responsibilities.

Management and Oversight of Sustainability Matters

With respect to oversight of ESG-related risks and opportunities, each committee is assigned responsibility for oversight of matters most applicable to its charter responsibilities. We believe that allocating responsibility to a committee with relevant knowledge and experience improves the effectiveness of the Board's oversight. For example, as indicated above, the Audit Committee oversees risks related to regulatory and compliance matters; the Compensation Committee oversees implementation of our pay-for-performance philosophy and practices designed to ensure equitable pay across the organization; the Nominating and Governance Committee oversees our workforce diversity and inclusion efforts, public policy initiatives and community relations; and the Risk Committee oversees strategies pertaining to management of catastrophe exposure, changing climate conditions and information technology, including cybersecurity.

In addition, our Chief Sustainability Officer and our management-level ESG Committee—a multidisciplinary committee consisting of senior company executives that meets at least quarterly—drive the prioritization and management of, and reporting on, sustainability issues. We also regularly engage with our investors, our customers, our employees, our agents and brokers, regulators, rating agencies and other stakeholders on business issues and the ESG topics of interest to them.

To learn more about our shareholder engagement, including with respect to ESG matters, please see our [Proxy Statement](#).

To learn more about our stakeholder engagement and how we identify our priority sustainability topics, see the [About Our Sustainability Reporting](#) section of this site.

Board Independence & Diversity

An effective and independent Board of Directors is critical to good corporate governance. All of our directors, other than our Chairman and CEO, are independent. All committees are comprised of independent directors, other than the Executive Committee on which our Chairman and CEO serves.

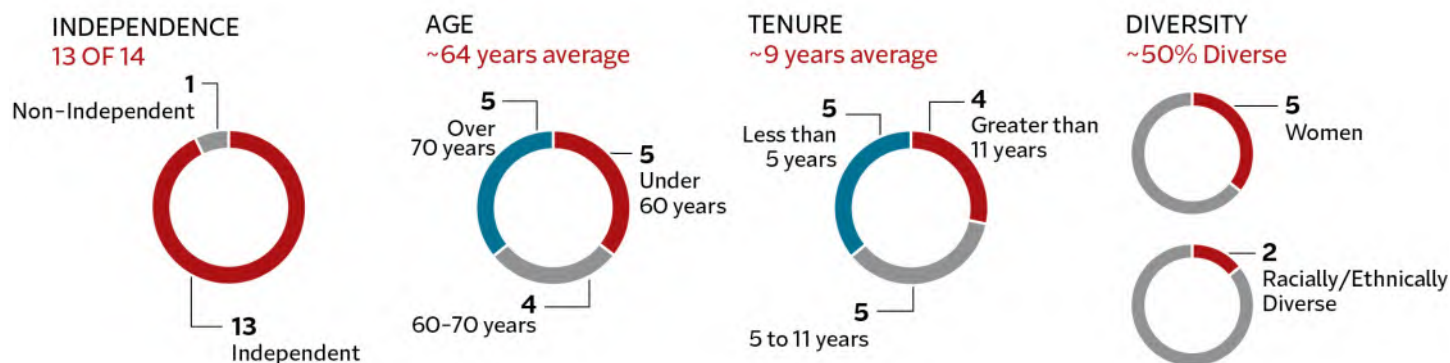
The Board has an independent [Lead Director](#). The independent Lead Director coordinates the efforts of the independent directors and has the authority to, among other things, convene and chair meetings of the independent directors as deemed necessary, as well as to approve the Board meeting schedules and meeting agenda items.

To further ensure effective independent oversight, independent members of the Board regularly meet in executive session with no members of management present. Executive sessions are chaired by the independent Lead Director. Each of the committees also meets regularly in executive session. For additional information on our Board structure and the role of the independent Lead Director, see our [Governance Guidelines](#) and our [Proxy Statement](#).

The members of the Board have a broad range of skills, expertise, industry knowledge, viewpoints and backgrounds and include five women and two racially/ethnically diverse directors. The Board and the Nominating and Governance Committee carefully consider the importance of diverse viewpoints, backgrounds and experiences and other demographics when selecting future director nominees. The Board seeks to ensure that it is composed of members whose particular expertise, qualifications, attributes and skills, when taken together, allow the Board to satisfy its oversight responsibilities effectively.

Another factor considered in board composition is maintaining a balanced approach to board refreshment, with the intent of ensuring an appropriate mix of long serving and new directors. Our Governance Guidelines contain a director age limit, providing that no person who will have reached the age of 74 before the annual shareholders meeting will be nominated for election at that meeting without an express waiver by the Board. The Board believes that waivers of this policy should not be automatic and should be based upon the needs of the company and the individual attributes of the director.

Director Snapshot



Board & Executive Compensation


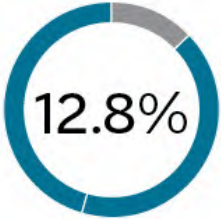

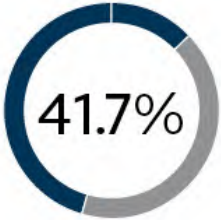


Our director and executive compensation programs are designed to reinforce a long-term perspective and to align the long-term interests of our executives and directors with those of our shareholders.

Director Compensation Highlights

- Under the director compensation program, nonmanagement directors currently receive more than 50% of their annual board and committee chair compensation in the form of deferred stock units. The shares underlying these units are not distributed to a director until at least six months after the director leaves the Board, aligning director interests with those of long-term shareholders.
- Nonmanagement directors are required to accumulate and retain a level of ownership of Travelers equity securities equal to four times the director's most recent annual deferred stock award.
- The Nominating and Governance Committee reviews the appropriateness of the director compensation program at least once every two years.

Executive Compensation Highlights

With our pay-for-performance philosophy and compensation objectives as our guiding principles, we deliver annual executive compensation through the following elements:

Element	Metrics	CEO Compensation Mix	Other Named Executive Officers (NEOs)
Fixed			
Base Salary	Base salaries are appropriately aligned with Compensation Comparison Group.	 5.8%	 12.8%
Performance-Based Cash			
Annual Cash Bonus	<p>The Compensation Committee evaluates a broad range of financial and nonfinancial metrics in awarding performance-based incentives.</p> <p>Core return on equity is a principal factor in the Compensation Committee's evaluation of the company's performance.</p> <p>The Committee also considers other metrics, including core income and core income per diluted share, and the metrics that contribute to those results.</p>	 30.4%	 41.7%
Performance-Based Equity			
Long-Term Stock Incentives	<p>Annual awards of stock-based compensation are typically in the form of stock options and performance shares. Because our performance shares only vest if specified core return on equity thresholds are met, and because stock options provide value only if our stock price appreciates, the Compensation Committee believes that such compensation is all performance-based.</p> <p>The mix of long-term incentives for the CEO and other named executive officers is approximately 60% performance shares and 40% stock options, based on the grant date fair value of the awards.</p>	 63.8%	 45.5%

- Our executive compensation program links compensation to the achievement of our short-term and long-term financial goals and strategic objectives.
- As part of our long-standing pay-for-performance philosophy, we utilize performance measures that are intended to align compensation with the creation of shareholder value and reinforce a long-term perspective.
- The Compensation Committee believes that the most senior executives, who are responsible for the development and execution of our strategic and financial plans, should have the largest portion of their compensation tied to performance-based incentives, including stock-based compensation, the ultimate value of which is dependent on the performance of our stock price over time and our three-year core return on equity. Accordingly, the proportion of total compensation that is performance-based increases with successively higher levels of responsibility.
- Our executive compensation program reflects established and evolving corporate governance standards, including:
 - A maximum cash bonus opportunity with regard to our CEO.
 - A robust share ownership requirement of six times base salary for the CEO, three times base salary for vice chairmen and executive vice presidents and the equivalent of base salary for senior vice presidents.
 - A clawback policy with respect to cash and equity incentive awards to our executive officers.
 - The prohibition of hedging transactions as specified in our securities trading policy.
 - The prohibition of pledging shares without the consent of Travelers (no pledges have been made).

For more detail regarding our executive compensation program, see the Compensation Discussion and Analysis section of our [Proxy Statement](#).

Shareholder Rights

Travelers [Articles of Incorporation](#) and [Bylaws](#), together with our [Governance Guidelines](#), define and protect our shareholders' rights, including through:

- **Annually Elected Directors.** The annual election of directors reinforces the Board's accountability to shareholders.
- **Proxy Access.** Shareholders may include director nominees in our Proxy Statement if certain conditions are met.
- **Majority Vote Standard for Director Elections.** In uncontested elections, a director who receives fewer votes "For" election than "Against" must promptly tender a resignation to the Board.
- **Single Voting Class.** Travelers common stock is the only class of shares outstanding.
- **No Poison Pill.** Travelers does not have a poison pill.
- **Right to Call a Special Meeting.** Special meetings of the shareholders may be called at any time by a shareholder or shareholders holding 10% of voting power of all shares entitled to vote or 25% where the meeting relates to a business combination.



Climate Strategy

Our property and casualty insurance operations expose us to claims arising out of catastrophes in each of the geographies where we write business and to varying peak catastrophe perils in different countries and regions. Severe weather events over the last two decades have underscored the unpredictability of climate trends. For example, the frequency and/or severity of hurricane, tornado, hail and wildfire events in the United States have been more volatile during this time period. We believe that changing climate conditions have also likely added to the frequency and severity of natural disasters and created additional uncertainty as to future trends and exposures. Our approach to climate-related risks and opportunities is multifaceted, and we believe it allows us to mitigate our exposure to climate-related risk and provide products and services that both help our customers mitigate those risks and meet our long-term financial objectives. As part of our comprehensive climate strategy, we also advocate for and support community resiliency efforts.

HIGHLIGHT

27%

Compound annual growth rate of our Global Renewable Energy Practice since 2019, with revenue up more than 107% over that same period

Approach

As a core part of our business, we continually monitor, assess and respond to the risks and opportunities posed by changing climate conditions to provide products and services that both help our customers mitigate associated risks and are priced to meet our long-term financial objectives. We also regularly consider new insurance products and services that could be useful to our customers in addressing climate-related risks. This section introduces our approach to managing changing climate conditions, which we expand on in a detailed [report](#) that aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). To read about environmental efforts within our operations, refer to the [Eco-Efficient Operations](#) section.

Board Oversight and Governance

Our Board of Directors and its Risk Committee consider changing climate conditions as part of, and integral to, overseeing our business and operations. The Board of Directors plays an important role in overseeing our Enterprise Risk Management (ERM) practices and

strategies, including our company's evaluation of potential risks relating to changing climate conditions. The Risk Committee of the Board, composed of independent directors, is responsible for oversight of the strategies, processes and controls relating to risks in our business operations, including insurance underwriting and claims, reinsurance, catastrophe exposure and the impact of changing climate conditions on those operations. The Risk Committee assists the Board in overseeing the operational activities of our company and the identification and review of risks that could have a material impact on Travelers, including risks relating to changing climate conditions.

The Risk Committee meets on a quarterly basis with the Chief Risk Officer, Chief Underwriting Officer, members of the Enterprise Risk Committee and, as appropriate, other members of senior management to discuss risks that could have a material impact on Travelers, including risks relating to changing climate conditions. These discussions include, for example, information regarding historical loss experience, loss trend projections, lessons learned from recent catastrophe events, underwriting practices and market share analyses. These discussions inform, among other things, the company's financial plan, risk appetite and underwriting approach. The Risk Committee, in turn, reports to the full Board with regard to its discussions.

In addition to the Risk Committee, our management-level enterprise risk and underwriting risk committees are key elements of our ERM structure and help establish and reinforce our strong culture of risk management, including with respect to changing climate conditions. A senior executive team, which includes the Chief Risk Officer and the Chief Underwriting Officer, oversees the ERM process. We also have other business-level risk committees that meet multiple times a year with senior management to discuss potential risks to Travelers related to the environment and changing climate conditions. These committees include the Enterprise Risk Committee, the Enterprise Catastrophe Committee, the Casualty Emerging Risk Committee, and the Climate, Energy and the Environment Committee (CEEC).

The CEEC coordinates and supports climate-related initiatives and strategies across Travelers and is a venue to share information and leverage expertise. The CEEC has four subgroups, each led by senior staff and aligned with a key area of focus:

1. **Risk Identification and Management.** Supports business activities to identify, monitor and assess climate-related risks. Participants include representatives from our ERM function (which includes the ERM group, Catastrophe Risk Management, and Enterprise Underwriting). Representatives from Investments, Government Relations, Legal, Risk Control, Claim, the Global Renewable Energy Practice and business underwriting groups across the company also participate in this subgroup.
2. **Products, Market Development and Customer Services.** Supports activities to identify and develop product opportunities, explore potential new markets and expand services to help customers prepare for and respond to potential risks related to changing climate and "green" trends. Participants include Business Insurance Underwriting and Product, Enterprise Underwriting, Risk Control, Claim, the Global Renewable Energy Practice and employees from across our business units.
3. **External Relations, Communications and Industry Leadership.** Supports Travelers external-facing corporate groups on matters pertaining to climate, energy and the environment. Participants include the Travelers Institute®, Government Relations, Corporate Communications, Catastrophe Risk Management, Enterprise Underwriting, Risk Control, Community Relations and Investor Relations.
4. **Facilities and Operations Management.** Coordinates Travelers initiatives and activities to develop and implement environmentally responsible corporate practices, including establishing emission reduction goals and monitoring progress in achieving those goals. Participants include members of the Travelers Corporate Real Estate team, along with key members of the facility management teams of our outsourced service provider.

Travelers provides detailed climate-related disclosures through voluntary reporting, such as our [TCFD Report](#), as well as mandatory submissions, such as those required by the National Association of Insurance Commissioners (NAIC). In 2022, the NAIC again allowed insurers, including Travelers, to submit a TCFD Report in lieu of completing the NAIC Insurer Climate Risk Disclosure Survey. Readers are encouraged to review our TCFD Report to gain a more complete understanding of our approach to addressing the risks and opportunities related to changing climate conditions.

Risk Identification & Management

The Risk Identification and Management Subcommittee of our Climate, Energy and the Environment Committee (CEEC) meets regularly to discuss and assess climate-related issues, risks and trends. The subcommittee stays current on climate-related and environmental risks, including through industry publications and external conferences, and actively monitors various relevant factors, such as:

- Climate-related litigation and novel theories of liability.
- Legal and regulatory requirements impacting climate, energy and the environment.
- Market-based policies that put a price on greenhouse gases, such as carbon pricing or cap-and-trade programs.
- Efforts by states, nations and nongovernmental organizations to adopt policies or implement programs designed to reduce emissions impacting global temperatures.
- Emerging regulatory requirements and “best practice guides” for international businesses with respect to risk management, disclosure and scenario analysis practices relating to changing climate conditions.
- Impacts related to emerging “clean” or “green” energy and technology trends and products.

The subcommittee also receives regular updates from internal subject matter experts regarding emerging scientific analyses and published reports relating to weather trends and the effects of changing climate conditions. The majority of these publications focus on forward-looking impacts of changing climate conditions. These publications include:

- Materials issued by the U.N. Intergovernmental Panel on Climate Change.
- National Climate Assessment Reports issued in the United States by the National Oceanic and Atmospheric Administration as part of the U.S. Global Change Research Program.
- Articles published in scientific journals.

When a potential risk is identified, the subcommittee engages in a comprehensive review to evaluate the risk. This process involves the relevant internal stakeholder groups and, as appropriate, may be elevated under our Enterprise Risk Management (ERM) framework for discussion with senior management and the Board of Directors. To read more about our ERM activities, refer to the [Capital & Risk Management](#) section.

Risk Control & Mitigation

Climate trends, which manifest themselves over long periods of time, provide a long-term opportunity for our Risk Control department to offer and develop services to help current and potential customers mitigate the risks associated with changing climate conditions. For example, to help mitigate and minimize property losses caused by severe weather-related events, Travelers Risk Control has developed a comprehensive framework of technical planning resources to assist customers with conducting business impact analyses to prioritize and implement risk management action plans and physical improvements. Risk Control monitors events and claim trends and partners with associations such as the Insurance Institute for Business & Home Safety (IBHS) to assess innovative building products and new technologies designed to minimize wind, hail, flood and wildfire exposures. This deep domain expertise allows us to help customers improve their resiliency over time.

In addition, our Risk Control professionals provide guidance to our customers who have incorporated “green” products or systems for the purpose of reducing their carbon emissions and/or increasing their environmental sustainability. These products and systems include, for example, solar panels on residential and commercial rooftops, lithium-ion batteries used to store solar energy and vegetative roofs on commercial buildings.

Travelers Risk Control maintains technical committee memberships on the National Fire Protection Association, the Underwriters Laboratories Standards Technical Panels, the Fire Protection Research Foundation’s Property Insurance Research Group, the Organization of Scientific Area Committees for Forensic Science Standards and other associations to help us research and evaluate the reliability and

fire safety of “green” products and systems to determine how these products and systems impact fire, structural and safety exposures. This knowledge is used to continually update our views and empowers our Risk Control professionals to help our customers mitigate the risks associated with changing climate conditions and “green” products and systems, with a goal of improving outcomes while strengthening customer relationships. To learn more about some of our other products and services related to climate strategy, refer to the [Products & Services](#) portion of this section.

At Travelers, we strive to lead by example and incorporate climate-related risk control measures into our own operations. To read about environmental and climate-related risk control efforts within our operations, refer to the [Eco-Efficient Operations](#) section.

Underwriting Strategy

For both property and casualty lines of business, we consider environmental factors, including weather trends and patterns, alongside other relevant risk variables in our underwriting evaluation process and in our underwriting strategies. In addition to catastrophe modeling, discussed in further detail under [Catastrophe & Weather Models](#), we evaluate the findings contained in governmental reports and other external scientific studies related to climate to assess potential impacts on our underwriting and pricing decisions. For example, we have evaluated the extent to which phases of the Atlantic Multidecadal Oscillation, the El Niño — Southern Oscillation, the North Atlantic Oscillation and Saharan dust conditions may influence changes in basin frequency, severity or U.S. landfall risk of hurricanes. Our catastrophe underwriting also incorporates lessons learned from recent events, including the 2017 Tubbs Fire (California), the 2018 Camp Fire (California), and the 2019 Kincade Fire (California), as well as past events, such as Hurricanes Harvey and Katrina and Superstorm Sandy. In addition, we are studying impacts of several 2021 wildfire events in California and Oregon, as well as the late-season 2021 Marshall Fire (Colorado) and Hurricane Ian (Florida) in 2022. These lessons learned are reflected in our:

- Disciplined approach to terms and conditions that are designed to make outcomes more predictable.
- [Risk Control initiatives](#), which help us with risk mitigation, selection and pricing.
- Proprietary flood underwriting, which factors in building footprints compared with segmented flood zones.
- Proprietary wildfire underwriting, which factors in terrain slope, vegetation density and propensity to burn, and road access (including proximity to fire stations), as well as historical footprints.

We are able to respond quickly to changing conditions since most of our policies renew annually. This gives us the flexibility to adjust our pricing, underwriting strategy and related policy terms and conditions, as appropriate. In addition to making short-term tactical adjustments to our underwriting strategy and product pricing based on the climate-related risks we identify, we monitor climate-related risks on a medium- and long-term horizon to arrive at a holistic view of climate-related impacts on our business, further allowing us to adjust and refine our strategy, products and pricing.

Our broad product diversity also mitigates our exposure to climate-related risks. We engage broadly across nine major lines of insurance through our three business segments—Business Insurance, Bond & Specialty Insurance and Personal Insurance. Our portfolio is balanced across these lines of business and further diversified by geography and customer type and size. Travelers is a leading U.S. Commercial writer with a top-five position in five major product lines, including a number one position in workers compensation and commercial multi-peril.^[1] See our [Business Strategy & Competitive Advantages](#) section to learn more about our product breadth and specialization.

Finally, informed by our risk selection, claim experience and risk appetite, we reinsure a portion of the risks we underwrite to further manage our exposure to losses and to protect our capital. We cede to reinsurers a portion of these risks and pay premiums based upon the risk and exposure of the policies subject to such reinsurance. For further discussion of our reinsurance program, see our [Annual Report on Form 10-K](#).

[1] 2022 U.S. Statutory DWP. Five major product lines: Commercial Multi-Peril (Commercial Multiple Peril (Liability), Commercial Multiple Peril (Non-Liability), Farmowners Multiple Peril); Commercial Auto (Commercial Auto No-Fault (Personal Injury Protection), Commercial Auto Physical Damage, Other Commercial Auto Liability); General Liability (Other Liability Occurrence, Product Liability); Workers Compensation; and Surety. Copyright © 2023, S&P Global Market Intelligence. Used with permission.

Our robust risk management practices and disciplined approach to underwriting and pricing help Travelers identify and manage both the transition and the physical risks related to changing climate conditions and respond to climate-related opportunities now and as these opportunities evolve over time.

Climate Strategy Scenario Analysis With Respect to Hurricane Peril

We recently engaged a leading catastrophe modeling firm to perform a climate risk analysis of Travelers' property portfolio. This analysis combined climate science projections with catastrophe modeling to evaluate the effects of changing climate conditions on the U.S. hurricane peril for two future emission scenarios and for several time horizons (i.e., 2030, 2050 and 2100). Based on this scenario analysis, given our company's risk profile, our underwriting strategy and the fact that changing climate conditions will occur over decades, we do not expect the climate impacts with respect to the hurricane peril to have a material impact to our average annual loss and return period loss estimates. While we anticipate the hurricane risk to be manageable over time, this scenario analysis provides insight into the range of potential future risk, allowing us to be forward-looking in our planning and strategy.

For a detailed discussion regarding the analysis and its results, please see our [TCFD Report](#).

Catastrophe & Weather Models

Travelers uses various analyses and methods, including proprietary and third-party modeling processes, to make underwriting and reinsurance decisions designed to manage the company's exposure to catastrophic (CAT) events. The Enterprise Catastrophe Risk Management group assesses CAT risk and manages the development of our strategic CAT efforts, including the use of proprietary and third-party models and geospatial analysis to analyze CAT events and related risks.

This group actively monitors and evaluates changes in third-party models and, when necessary, calibrates the CAT risk model estimates delivered via our proprietary modeling processes. We consider historical loss experience, recent events, underwriting practices, market share analyses, external scientific analysis and various other factors, including nonmodeled losses, to refine our proprietary view of catastrophe risk. Our proprietary models, which are an integral part of our Enterprise Risk Management process and support our long-term financial strategies and objectives, are updated on a regular basis as new information and techniques emerge.

Analytical techniques like these are an integral component of our [Capital & Risk Management](#) processes and further support our long-term financial strategies and objectives.

Products & Services

Travelers is positioned to benefit from the increased economic activity in the renewable energy and clean technology industries by insuring more renewable energy projects globally. Our dedicated [Global Renewable Energy Practice](#) provides solutions for the life span of a renewable energy business, from research and development and manufacturing to permanent operations, as well as onshore and offshore wind, solar and biopower operations. This practice is designed to facilitate innovation and the growth of renewable energy businesses and support the transition over time to a lower-carbon economy. Our Global Renewable Energy Practice also helps Travelers capture a greater share of the expanding renewable energy industry domestically and internationally, as trends toward renewable and clean energy sources continue to accelerate. For example, our [WindPak®](#) and [SolarPak®](#) products respond to unique coverage issues for the wind and solar industries based in the United States. We have also expanded our international footprint for onshore and offshore wind and solar operations throughout Asia, Europe, the United Kingdom, Mexico and Canada with our unique coverages written through Travelers Lloyd's Syndicate 5000.

We continue to aggressively pursue the renewable energy sector, such as by providing coverages globally for commercial and residential solar installations and onshore and offshore wind farms, including the first U.S. offshore wind farm project, Block Island Wind Farm. Over the past four years, our Global Renewable Energy Practice grew at a compound annual growth rate of 27%, with revenue up more than 107% since 2019. We also offer specialized coverage, as well as discounts where permissible, to incentivize environmentally responsible behavior—specifically, to encourage adoption of FORTIFIED Home™ construction, green buildings and hybrid/electric vehicles. Examples of our current product offerings include the following:

- **Green Building Coverages.** A suite of green building coverages that respond to the unique coverage issues of “green” buildings and provide for the additional costs to help policyholders repair, replace or rebuild with “green” materials after a loss.
- **Green Home Discount.** A discount of up to 5% for homes that are LEED (Leadership in Energy and Environmental Design) certified.
- **Wind Mitigation Discount.** In many states, our newest homeowners program offers a discount of up to 18% on hurricane premium for homes built to the Insurance Institute for Business & Home Safety (IBHS) FORTIFIED Gold™ standard. In Alabama, depending on the location, the discount can be up to 55% on hurricane premium for this designation. Additional discounts for wind mitigation may be available by state.
- **Hybrid/Electric Vehicle Discount.** A discount for hybrid or electric vehicles.
- **Hybrid Boat Discount.** A discount of up to 10% for hull and liability coverages on hybrid boats and yachts—available in certain states and subject to individual eligibility.
- **Electric Boat Discount.** A discount of up to 10% for electric boats run by motors instead of engines—available in certain states and subject to individual eligibility.

In addition, through our [Prepare & Prevent](#) website, we provide customers, agents and brokers and the general public with extensive educational resources to help them plan for, stay safe during and recover from natural disasters of all types. This site and our Risk Control section of MyTravelers® for Business provide customers, agents and brokers with access to over 1,250 resources to help them better understand risk, mitigate exposures and prevent losses.

Finally, when possible, we take steps to notify customers and agents of certain approaching natural disasters and inform them of steps they can take to help prevent damage. We also provide links to actionable prevention content on our Prepare & Prevent website. After major natural disasters, we communicate with customers and agents to inform them of steps they can take to mitigate damage, file a claim and begin the recovery process.

Resilient Communities

As part of an ongoing effort to enhance public awareness about the need for effective adaptation strategies to reduce losses related to natural disasters, Travelers supports and participates in research, advocacy and education. Travelers sponsors the [Insurance Institute for Business & Home Safety \(IBHS\)](#), the BuildStrong Coalition, [Habitat for Humanity®](#), SBP and the Wharton Risk Center to promote stronger building codes and more resilient communities and to influence industry standards and best practices. We participate on the board of IBHS, an independent, nonprofit scientific research organization supported by the insurance industry. IBHS translates top-tier research into action to strengthen homes and businesses, inform the insurance industry and increase community resiliency. Over the last decade, IBHS has identified gaps through full-scale laboratory testing at its state-of-the-art facility and has influenced changes to existing building code standards and best practices to mitigate potential losses. Through our research partnership with IBHS, we have gained a better understanding of severe wind, hail and fire impacts on building engineering standards and have incorporated these insights into our underwriting and pricing methodologies.

We also participate on the board of the BuildStrong Coalition, a group composed of national business and consumer organizations, companies and emergency management officials. BuildStrong is dedicated to advocating for federal government legislation and incentivizing state adoption and enforcement of building codes to protect property, save lives and reduce loss costs.

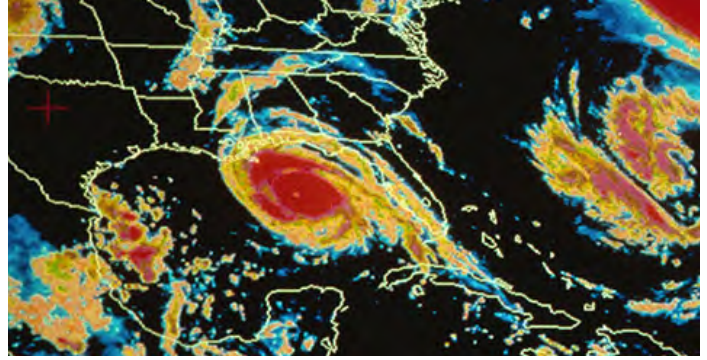
Following enactment of the Disaster Recovery Reform Act in 2018, the Federal Emergency Management Agency (FEMA) developed a new pre-disaster mitigation program called Building Resilient Infrastructure and Communities (BRIC). Through this program, FEMA provides federal funds to states, local communities, tribes and territories for mitigation activities. For Fiscal Year 2021, FEMA was authorized to distribute up to \$1 billion in BRIC funding. Long a priority for Travelers and the BuildStrong Coalition, FEMA now can provide states and localities with dedicated pre- and post-disaster funding opportunities that will save lives and help communities reduce the future costs of natural disasters by helping homeowners fortify their homes using IBHS-proven technologies. State and federal funding for resiliency efforts is essential. According to a National Institute of Building Sciences study, for every \$1 spent on hazard mitigation, the United States can save \$6 in future disaster costs. In these ways, we are advocating for our communities, which we believe is good for our customers, for the communities in which we live and work and for creating shareholder value over time.

Illustrative Initiatives



ENVIRONMENTAL INITIATIVES IN EUROPE

The Travelers Europe Forest Takes Shape



IBHS SPONSORSHIP

Supporting Research in Severe Weather Readiness and Response



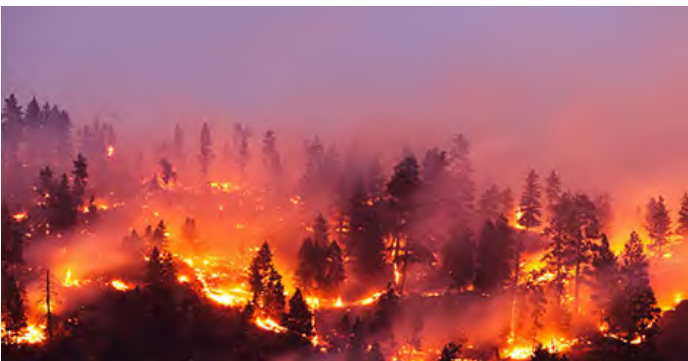
TRAVELERS ART SPEAKS

Building Strong, Resilient Communities



TRAVELERS INSTITUTE

Thought Leadership on Disaster Preparedness



WILDFIRE DEFENSE SERVICES

Protecting Our Customers from Increased Wildfire Risk



Community

Travelers – directly and through the Travelers Foundation – has provided more than \$230 million in gifts to local communities over the past decade, focused on supporting academic and career success, developing thriving neighborhoods and creating culturally enriched communities. Our giving, along with our extensive volunteer efforts, helps us deliver sustained value for all stakeholders.

HIGHLIGHT

>\$230M

In gifts to local communities over the past decade – directly and through the Travelers Foundation

Approach

At Travelers, we understand that we can only thrive as a business enterprise if our economy and our communities thrive too. We believe that strong communities are sustained by educational and economic opportunities, and we are dedicated to assisting our communities in generating those opportunities. Our community initiatives, including our volunteer and matching gifts programs, are also designed to enhance employee engagement and retention.

Travelers provides [community support](#) both directly and through the Travelers Foundation, the company’s philanthropic arm. The Travelers Foundation Board of Directors provides oversight of the foundation’s strategies, priorities and activities. Our Community Relations department meets regularly with the foundation’s Board, comprised primarily of senior leaders from our Management and Operating Committees. Community Relations also reports annually to the Nominating and Governance Committee of the Travelers Board of Directors. Travelers and the Travelers Foundation publish an annual [community report](#) to highlight our accomplishments and progress.

Our Giving Priorities

With a focus on equity and inclusion, we target our giving and volunteerism priorities to help improve academic and career success, develop thriving neighborhoods and create culturally enriched communities.

- **Academic and Career Success.** Travelers supports initiatives that combat inequity by creating pathways and enhancing opportunities for career readiness, access and success. While supporting our communities, these initiatives help address corporate needs for a skilled workforce and benefit the economy at the same time. Travelers, directly and through the Travelers Foundation, has provided more than \$110 million since 2009 to help foster academic success, increase career preparedness and reduce barriers to higher education. Programs such as [Travelers EDGE® \(Empowering Dreams for Graduation and Employment\)](#), which celebrated its [15th anniversary](#) in 2022, are helping to strengthen our communities and build a robust and diverse talent pipeline for Travelers for the future. Here are a few examples of how we supported academic and career success in 2022:
 - Seventy-four percent (14 of 19) of *Travelers EDGE* graduates were hired full time by Travelers from the 2021–2022 academic year. Of those who accepted full-time positions at Travelers, 83% were admitted into leadership and technical development programs.
 - As part of the GRIT (Get Ready! Immersive Traineeship) program, 20 students from Hartford and New Britain, Connecticut, high schools worked with teams of Travelers employees on projects during a five-week summer program; this program included professional development and opportunities to learn more about Travelers and the insurance industry.
 - Travelers has supported the Page Education Foundation for more than 20 years. The foundation’s mission is to support and encourage Minnesota’s underserved students to pursue postsecondary education. Students receive tuition assistance and are also paying it forward by engaging in meaningful mentorships with elementary school students. In 2022, Travelers employees volunteered to review scholarship applications in addition to assisting the Page Connections program, which includes career development webinars for Page Scholars. One Travelers employee designed and delivered the most popular webinar – on financial well-being – and was honored as Page Volunteer of the Year for his many contributions to the organization.
- **Thriving Neighborhoods.** Travelers fosters thriving neighborhoods through neighborhood economic development and community-building services to help individuals, families and small businesses understand and mitigate risks, stay safe and prepare for disasters. Since 2009, Travelers has donated more than \$60 million to help make home ownership possible, to help rebuild after natural disasters and to better position small businesses for success. Travelers’ efforts to promote thriving neighborhoods include the [Small Business Support](#) program – which leverages our employees’ expertise to help women, minority and veteran small business owners – and Travelers Fortifies Communities – which is focused on building affordable, wind-resistant homes to FORTIFIED Home™ standards throughout the country. Here are a few examples of how we supported thriving neighborhoods in 2022:
 - The nonprofit small business support organizations that we partner with reached more than 40,000 entrepreneurs from various industries and locations, with many being women-, minority- or veteran-owned small businesses.
 - 115 FORTIFIED homes were built with our support across Louisiana, Texas, Florida, South Carolina, and Puerto Rico.
 - Travelers’ support enabled Team Rubicon to rebuild 18 homes in low-attention disaster sites. Low-attention disasters are devastating weather events that affect communities but are not large enough in scale to draw the government, media and philanthropic response triggered by major events.
- **Culturally Enriched Communities.** Travelers supports organizations that enrich lives through arts and culture, both as a lever for academic improvement and to foster cultural vitality in communities where our employees live and work. In 2019, we launched [Travelers Art Speaks](#), an internal initiative that leverages our investment in arts and cultural organizations, to spark meaningful and thought-provoking dialogue on topics related to diversity and inclusion. Since 2009, we have provided more than \$50 million to help keep our communities vibrant. Here are a few examples of how we supported culturally enriched communities in 2022:

- Travelers was the leading sponsor of the Norman Rockwell Museum's "Imprinted: Illustrating Race" exhibit, which examines the role of published images in shaping attitudes toward race and culture in the United States. The exhibit opened in June 2022 in Stockbridge, Massachusetts, and will travel to other locations starting in 2024.
- We partnered with the Wadsworth Atheneum Museum of Art in Hartford, Connecticut, to host an event where more than 150 students from local schools experienced George Balanchine's The Nutcracker® and learned about a career in ballet.
- Since 1997, Travelers has been a dedicated supporter of Project Success programs serving students in Minneapolis and St. Paul, Minnesota. Project Success' mission is to motivate and inspire young people through the arts to dream about the future, help them take steps to get there and give them the tools they need to achieve their goals.

Throughout the pandemic and during 2022, we continued to address broader community needs arising from the COVID-19 pandemic. From the onset of the pandemic, we repurposed the kitchen facilities on our main campus in Hartford to assist nonprofits in the preparation and delivery of tens of thousands of meals to those in need. From April 2020 through March 2022, we provided a combined total of more than 165,000 meals to four community meal centers in the Hartford region. Our pandemic response efforts also included more than \$2 million to pay the wages and health benefits for eligible third-party contract employees who provide services at Travelers offices, including dining and building maintenance, protecting jobs that would have otherwise been lost during the economic shutdown.

We remain committed to making equity a centerpiece of our approach to charitable giving and community involvement. For example, Travelers partners with Resource, a joint initiative led by Village Capital and the Black Innovation Alliance, to create a stronger entrepreneurial infrastructure for business founders across the United States who are Black, Indigenous or people of color. In 2022, we further invested through the Black Innovation Alliance to support Black technologists, creatives and innovators from across the country. Travelers sponsored the 2022 National Urban League Conference, which convenes influencers, thought leaders and those engaged in social justice efforts. As a corporate member of the NAACP Legal Defense and Educational Fund, Travelers also sponsored the 34th National Equal Justice Awards Dinner, which recognizes and honors leaders in law, the arts, business and philanthropy who have demonstrated a commitment to the promotion of racial justice and equality.

Travelers Charitable Giving

	2022	2021	2020
Direct Cash	\$17,167,515	\$17,056,108	\$19,537,777
Foundation Cash	\$6,039,000	\$5,546,500	\$3,407,352
Total Cash	\$23,206,515	\$22,602,608	\$22,945,129
Non-Cash^[1]	\$478,243	\$1,631,844	\$1,767,285

[1] Non-cash giving includes furniture and equipment donations, facilities subsidies for the Travelers Championship, logo items donated and similar activities.

Employee Volunteerism & Giving

We take pride in empowering our employees to have a positive impact on their communities by serving others. As community leaders, Travelers employees are more than strong corporate citizens – they are valuable assets to the communities in which they live and work. Year after year, our employees' efforts to give back to the communities we call home are truly remarkable. We do not limit the number of paid volunteer hours an employee can take during the year; each employee works directly with their manager to balance volunteering with their job responsibilities.

We hear from our employees about how connecting with their communities – by contributing their time, talents and financial resources – is personally rewarding, drives engagement and morale, and strengthens their commitment to our company's mission. We also see how community involvement – whether by leading a team volunteer project, coordinating an event for a local nonprofit, providing pro bono services or serving on a charity's board of directors – helps our employees develop as professionals, building competencies that we value in the Travelers workforce.

In 2022, employee giving and volunteer activity increased significantly as COVID-19 restrictions were lifted in most states and Travelers employees returned to the office. In-person volunteer activities resumed in April 2022. Travelers employees participated in the following volunteer activities, among others, during 2022:

- **200 employees** participated in Earth Day cleanup activities in parks and gardens in Connecticut and Minnesota.
- **150 employees** packed support kits for homeless individuals in partnership with the United Way of Central and Northeastern Connecticut at the Personal Insurance Leadership Meeting.
- **240 Business Insurance employees** supported the homeless by packing support kits in Atlanta, Georgia, and Nashville, Tennessee.
- **180 summer interns** packed kits with literacy and other supplies for elementary school summer students in Hartford public schools.
- **170 Minnesota employees** packed more than 900 backpacks with school supplies for local students.
- **380 employees** volunteered at The Hole in the Wall Gang Camp, a free camp in Connecticut for seriously ill children and their families, to get the cabins and grounds ready for campers and their families.
- **200-plus employees** supported BestPrep by volunteering as eMentors, mock interviewers and counselors for its Minnesota Business Venture summer camp.
- **10 employees** in Alpharetta, Georgia, served as coaches, mentors and judges for West Forsyth High School's 3DE/Junior Achievement case competition. As part of this competition, students work in teams over a five-week period to craft a solution to an actual real-world business challenge. Travelers was recognized nationally with the U.S. President's Bronze Volunteer Service Award for the 2021-22 school year for its strong support of Junior Achievement.
- **25 employees** from Alpharetta and Norcross, Georgia, hosted a three-day professional development retreat with Usher's New Look for more than 50 college and high school students. The training included a leadership panel, a drone demonstration and a tour of the Travelers Data Center.
- **Approximately 50 employees** were matched with elementary school students in Hartford, Connecticut, for weekly lunchtime reading through our Read to a Child program.

Through the Travelers Community Connections intranet site, we continue to encourage Travelers employees to log their company-sponsored and independent volunteer activities, as well as view volunteer opportunities available in their communities. In addition, Travelers maintains both a matching gifts and volunteer rewards program to encourage and support employees in their efforts.

Travelers Community Connections Matching Gifts Program

We amplify our employees' generosity with the Travelers Community Connections program. From 2013 through 2022, we matched our employees' gifts of time and money with \$21 million in matching funds. The program offers an annual Cash Match of up to \$500 per employee for donations made through our online portal. Employees also are eligible to earn volunteer rewards at a rate of \$20 per volunteer hour logged, which they can then designate as grants to eligible charities. Each employee may earn up to \$1,000 in rewards annually. Our annual Community Connections Campaign also encourages employee giving through fundraising events in support of United Way affiliates across the country and reminds employees about the ability to give to their favorite charities through payroll deduction and other methods. During the 2022 campaign, which was themed "Ensuring Resilient Communities," employees raised more than \$800,000 for our local communities through over 100 creative virtual and live events.

Travelers Community Connections Team Volunteer Grants

The Travelers Community Connections field office volunteer grant program encourages volunteer initiatives at our offices across the United States by supporting employee team requests for grants of up to \$15,000 to support local schools and nonprofit partners.

In 2022, 16 organizations partnering with Travelers offices across the country raised nearly \$250,000 through this program. In addition, through Travelers' ongoing partnership with Habitat for Humanity International, 31 team build grants were provided to 29 Habitat for Humanity local affiliates, totaling more than \$270,000; in Connecticut, Minnesota and Canada, Travelers employees participated in 21 builds, adding \$235,000 of support.

As demonstrated below, these programs add up to millions of dollars in assistance for the communities we call home.

Supporting Employee Community Involvement

	2022	2021	2020
Employee Volunteer Hours	73,000	57,000 ^[1]	50,000 ^[1]
Travelers Community Connections Field Office Activities	16	13	5
Matching Gifts	\$1.8 million	\$1.6 million	\$1.7 million

[1] The Covid-19 pandemic severely reduced volunteer activities among our employees, resulting in reduced volunteer hours.

Illustrative Initiatives



THE STREET PROJECT DOCUMENTARY

Spotlighting the Risks of the Road



TRAVELERS CHAMPIONSHIP®

Our Signature Community Event



JUNIOR ACHIEVEMENT INSURANCE LEARNING LABS

Fostering Financial Literacy and
Insurance Know-How



VOLUNTEER SERVICE: A KEY VALUE

Responding to Community Needs



TRAVELERS ART SPEAKS

Advancing Inclusion Through the Arts



GIRLS' LEADERSHIP SUMMITS

Inspiring Girls to Be Strong, Smart and Bold

Illustrative Initiatives



TRAVELERS EDGE®

Transforming Tomorrow's Workforce



ENVIRONMENTAL INITIATIVES IN EUROPE®

The Travelers Europe Forest Takes Shape



SUPPORTING OUR ENTREPRENEURS

Our Partnership with Village Capital



AMERICAN FORESTS PARTNERSHIP

Partnering for a Purpose — Helping to Reforest America



COMMUNITY SERVICE VEHICLE DONATIONS

Driving Opportunity



GIRLS WHO CODE

Growing Tech Talent

Illustrative Initiatives



SUPPORTING FUTURE LEADERS IN INSURANCE

Travelers Investing in the Next Generation of Talent



SMALL BUSINESS SUPPORT

Empowering Small Business Owners to Succeed



TRAVELERS FORTIFIES COMMUNITIES

Building Strong, Resilient Communities



Customer Experience

We strive to provide great experiences for our customers, agents and brokers at every touchpoint, from sales to claim servicing. To meet evolving consumer and business expectations, we are investing in technologies, capabilities and talent to deliver fast, personalized service across platforms, with the goal of being *the undeniable choice for the customer and an indispensable partner for our agents and brokers*.

HIGHLIGHT

+61 Net Promoter Score (NPS)

The highest NPS, or loyalty metric, in Marsh McLennan's corporate segment for overall experience

Approach

At the heart of who we are is our promise to take care of our customers. In the best of times, our products and services provide our customers with the security to grow and thrive. When disaster strikes, that promise can mean helping replace a totaled vehicle or helping repair a roof in time for the holidays or a special occasion. In every case, a Travelers policy means a trusted relationship that can last years, even generations, and brings value to our customers, our enterprise and our shareholders.

We recognize that to deliver on our promise and to produce industry-leading returns over time, we need to understand our customers' changing needs and expectations, which are increasingly shaped by their experiences both inside and outside the insurance industry. Meeting and exceeding those expectations require us to keep the customer at the heart of everything we do and collaborate with our agent and broker partners to provide a seamless and consistent experience across all interactions and touchpoints.

Our Head of Customer Experience, a member of our Operating Committee, leads our enterprise-wide efforts to enhance our customer experience. We regularly conduct customer research to gain a real-time understanding of our customers' needs. We also rely on our data and analytics expertise to develop intelligent models that help us predict and provide for their needs throughout the customer life cycle. We use these learnings to strategically invest in technologies, capabilities and talent that enable us to become faster, easier, nimbler, more digital and more personalized. Through these efforts, we continue to drive one of our [three innovation priorities](#) – to provide great experiences for our customers, agents and brokers.

Marsh McLennan, the largest insurance broker in the world, tracks its broker experience with insurance carriers. In 2022, of the corporate carriers evaluated by Marsh, Travelers received the highest Net Promoter Score (NPS) for overall experience. Providing exceptional experience for our customers and our agent and broker partners will continue to be one of our top priorities. In 2023, among other efforts, we will continue to enhance our robust self-service capabilities for our customers and our agent and broker partners.

From a claim perspective, customer experience is both a core value and a business discipline. For the overwhelming majority of claims, we do not contract with third-party claim adjusters and instead rely on our own staff to respond to claims; in 2022, we were able to adjust virtually 100% of our catastrophe claims with our own employees, supported by innovative technologies, self-service capabilities and trusted service partners. This structure sets us apart in the industry, allowing us to process claims quickly and accurately, with a consistently high standard of customer service. Our claim-handling capability is at the heart of our promise to our customers and proved again in 2022 to be a significant competitive advantage that results in a better outcome for our customers and a more efficient outcome for us. In 2022, we were able to resolve approximately 90% of our customers' property claims arising out of catastrophe events within 30 days. This was a particularly remarkable result given that we responded to 64 catastrophe events and over 100,000 catastrophe notices of loss in 2022. The capacity to service virtually all of our claims with our own employees also provides us with valuable insights and data, which helps us continually learn from our customers and refine our service processes to optimize their experience with us.

In recent years, we adjusted our claim inspection process to rely more heavily on state-of-the-art digital and virtual capabilities. In addition to creating operational efficiencies, investments in digital capabilities over the past few years have enabled us to improve the customer experience in meaningful ways. We are now using virtual claim-handling capabilities on a significant majority of both auto appraisals and wind/hail claims, often eliminating the need for inspection by a Travelers Claim professional. In other words, we are delivering great experiences for our customers and a more efficient outcome for our shareholders.

The following highlights some of the recent recognition we have received for our customer experience:

- Forbes named Travelers one of the Best Small Business Insurance Carriers (2023).
- U.S. News ranked Travelers in the top 10 for Best Car Insurance Companies (2023).
- U.S. News named Travelers one of the Best Workers Compensation Insurance Companies (2023).
- TrustedChoice.com named Travelers the Best Small Business Insurance for Professional Liability (2023).
- Corporate Insight granted Travelers awards for both Desktop Website and Mobile App (2022).
- Verint Experience Index: Property & Casualty Insurance ranked Travelers in the top 10 for customer satisfaction (2022).
- Insurance Business America awarded Travelers with a 5-Star Excellence Award for outstanding customer service in the Home and Workers Compensation Insurance categories (2021).

Ultimately, the results of our customer experience efforts are reflected in our very strong customer retention rates.

Customer Retention Rates

Business Group	1Q '21	2Q '21	3Q '21	4Q '21	1Q '22	2Q '22	3Q '22	4Q '22
Domestic Business Insurance (excluding National Accounts)	83%	84%	85%	85%	86%	86%	86%	88%
Domestic Business Insurance: Select Accounts	79%	80%	81%	81%	83%	83%	83%	83%
Domestic Business Insurance: Middle Market	86%	87%	87%	87%	89%	88%	89%	91%
Domestic Bond & Specialty Insurance: Management Liability^[1]	87%	86%	86%	86%	85%	88%	89%	90%
Domestic Personal Insurance: Automobile^[2]	85%	86%	86%	86%	85%	84%	84%	82%
Domestic Personal Insurance: Homeowners and Other^[2]	84%	85%	85%	86%	85%	84%	84%	84%
Total International Insurance^[1]	81%	80%	81%	84%	82%	86%	81%	85%

[1] This ratio excludes surety and other products that are generally sold on a non-recurring, project specific basis.

[2] This ratio represents the expected number of renewal policies that will be retained throughout the annual policy period to the number of available renewal base policies.

Note: Statistics are in part dependent on the use of estimates and are therefore subject to change

Human-Centered Experience

In service of our vision to be the undeniable choice for the customer and an indispensable partner for our agents and brokers, we strive to provide great experiences at every point in their journey with us – from helping them assess their insurance needs to assisting them with their purchase of insurance products and services and, should the need arise, claim resolution. To meet evolving consumer and business expectations, we continue to invest in technologies, capabilities and talent to deliver fast, personalized service across our platforms.

We work hard to provide our customers with compelling and frictionless experiences and products that help simplify their lives and provide peace of mind. We understand the importance of a human connection, especially when a customer experiences a life event such as buying a new home or investing in their business. We also understand the growing importance of new technological capabilities that meet customers and agents where they are and allow them to easily interact with us through their channel of choice. By continually enhancing our digital and virtual capabilities, we are better able to help our customers protect what is important to them, keep themselves and their employees safe and well, and get through a covered loss.

We remain committed to maintaining the human touch while delivering this exceptional digital experience. Here are some of the ways we work hard to do that:

Making Sure We Have the Right People

We aim to attract, hire and develop employees with empathy, integrity and professional expertise. Our goal is to hire and nurture people who care about the long-term success of Travelers, which includes caring about the well-being of our customers and providing exceptional service to our customers and agent and broker partners.

Cultivating a Culture of Caring

We are the beneficiaries of a long-standing culture anchored in trust – the trust we earn from our customers in challenging times and the trust we place in each other and our agents and brokers every day. The importance of the Travelers Promise – our commitment to take care of our customers, our communities and each other – is deeply ingrained in our employees and is the purpose that brings our employees to work each day with energy and enthusiasm.

Human-Centered Design

Designing exceptional experiences for our customers is both an art and a science. We continually test, learn and listen to feedback so we can better craft, monitor and optimize experiences across all lines of our business, using an outside-in, human-centric approach.

Product and Loss Consultation

Customer experience starts with ensuring that customers have the right product coverage for their risk management needs. Then, in the event of a loss, we have an innovative workflow that gives customers the option of being better informed about coverage, deductibles and the claim process prior to filing an insurance claim.

Leveraging Data and Analytics to Enhance the Customer Experience

We leverage our deep expertise in data and analytics to support decision-making and drive informed and thoughtful experience design and customer-focused innovation. We have more than 60 million data records related to businesses, individuals and distributors, including virtually every business in the United States. These records are curated into well-designed proprietary data products. We leverage this with more than 2,000 external data sets, including high-resolution aerial imagery covering substantially all property exposures in the United States. All of this data fuels models that support risk selection and segmentation, pricing, reserving, claim response and more. Our data and analytics advantage, augmented by the latest technology, is significant and difficult to replicate. Ultimately, these capabilities lead to a better customer experience across the customer life cycle – at the time the customer purchases a policy, during the time they remain a Travelers customer and in the event of a loss.

Ethical & Empathetic Claim Culture

Treating our customers, claimants and business partners with the highest degree of integrity, professionalism and empathy and paying what we owe are core to our mission. That's why our Claim organization has a deliberate focus on attracting, developing and retaining a high-performing workforce that shares our values and embraces our culture. We offer our Claim professionals comprehensive training designed to drive alignment with Claim's values and vision and drive the ethical, empathetic and effective claim handling that is critical to our success. Employees are regularly recognized for their ability to make our customers feel secure, respected and cared for at every interaction.

Our [Code of Business Conduct and Ethics](#) clearly establishes Travelers' policy to handle claims fairly by paying what we owe and following the terms of the applicable insurance policies and all claim-handling standards contained in the applicable statutes and regulations. The Code specifies that Claim personnel are expected to act promptly and in good faith when handling claims. These principles are frequently reinforced by management at all levels within the Claim department through regular training, communications and claim review. Claim professionals' core technical training addresses coverage determination and customer communication, and our internal quality review of claim files includes determination of whether all coverages were correctly identified, applied and communicated to the customer. In addition, all Claim employees are required to annually certify compliance with a Claim-specific compliance plan that goes above and beyond the company compliance plan to specifically address good-faith claim handling.

Listening to Our Customers & Partners

At Travelers, we understand the power of listening. To that end, we aim to provide our customers and agent and broker partners with the ability to quickly and easily share feedback on our products, services and interactions. Our Customer Experience teams, which span across all Travelers business lines, regularly monitor and analyze that data to respond to customer and agent concerns while using root cause analysis to improve our processes. Our goals are to ensure that we understand our stakeholders from the start and that we use the valuable feedback we receive to develop the products and services that our customers want and need.

We strive to expand our ability to receive and act upon customer feedback, including through the use of "after call," "chat," and "after transaction" surveys; feedback buttons or active surveys on our digital properties; and deep quantitative research and in-depth interviews with our customers, agent and broker partners and employees. In total, we had approximately 1.5 million feedback-related interactions with customers across all of these channels in 2022. We use the extensive feedback we receive to understand what is working and what we should improve upon – all in service of our relentless pursuit of continually improving our products and services.

Here are some additional ways in which we advance our goal of listening to our customers and agent and broker partners:

- **24/7 Customer Advocacy Help Line.** With one of the most comprehensive suites of commercial and personal product offerings in the marketplace, over 30 businesses and more than 30,000 employees, it could be difficult to reach the right person at the right time. To make it easier, our Customer Advocacy team of trained specialists is available 24/7 to help our customers, agents and brokers navigate to the right person at Travelers. Customers can find the Customer Advocacy telephone number and email address by clicking on the "Contact Us" button on the homepage of Travelers.com. In 2022, we responded to more than 80,000 customer inquiries via our help line.
- **Social Media Response Capabilities.** Many of today's customers prefer to interact through social media. To address this trend, we have established a social media scanning and response capability to quickly respond to customer inquiries through social media. Any time a customer posts on a Travelers social media property or tags Travelers in a post on their social media property, we have a process to quickly review and direct that comment to the right business partner to determine if a response is needed. In 2022, we addressed over 33,000 social media posts with these capabilities, and more than 85% of our customers' social media posts received an initial response within 45 minutes.

Ultimately, by listening to our customers, using advanced analytics and data science tools to better understand their needs, and leveraging data from third parties – such as J.D. Power, Forrester and NICE Satmetrix – we can monitor our customers' needs and evolve our processes and strategies to align more closely with the perspectives of our customers, agents and brokers.

Supporting Our Agents & Brokers

Our partnerships with our agents and brokers are a key competitive advantage for us and an important driver of our long-term success. We aim to be their indispensable partner; together, we deliver on our promise to be there for our shared customers.

To best support our agents and brokers, we continually enhance and evolve our digital marketing and sales tools, which enable our partners to better identify and capture new business opportunities. We provide our agents and brokers with customizable social media, marketing and customer relationship resources, allowing them to engage more effectively with their target markets and local communities.

In addition, we support our agents and brokers as they face global challenges such as cybersecurity, inflation and marketplace conditions. For example, across all business lines, Travelers has implemented multifactor authentication with our agent and broker partners to help protect our customers, our company and each other from cybercrimes such as ransomware attacks, fraudulent sign-ins and other potential security breaches.

Here are some of the other ways we support our agent and broker partners:

Personal Insurance

- In 2022, Personal Insurance provided agents with tools to help customers understand the factors driving premium increases across the industry. By developing detailed Auto and Home Marketplace Guides, we enabled agents to confidently address premium increase questions. With our Renewal Premium Compare Tool, agents can also see why auto, home or landlord renewal premiums may have changed and find discounts that may help lower a customer's premium.
- To support agency development, we offer READY, SET, PIVOTSM, a web-based program designed to prepare agents for the future of insurance. In addition, the Travelers Agent Leadership Program offers in-person training to help agents increase sales, improve retention, leverage digital resources and grow their bottom lines.
- In 2022, we also continued to offer hundreds of digital marketing resources through *toolkitPlus*, introduced our [Quantum Home 2.0[®]](#) product in New York, enhanced our Digital Quote Proposal experience and expanded our [IntelliDrive[®] telematics offering](#).

Business Insurance

- In Business Insurance, we continue to digitize and streamline the transaction life cycle, so we can meet – and ultimately exceed – expectations and improve the overall experience for agents, brokers and customers.
- We provide business insurance products to agents and brokers through our dedicated online portal ForAgents and directly through multiple Agency Management Systems (AMSs). We have also deployed an industry-leading collection of Application Programming Interfaces (APIs) that connect our platforms directly into virtually every major AMS and distribution platform in the marketplace.
- For larger brokers, we're connecting directly to the desktops of their producers, allowing them to send us account data in real time. We also continue to invest in our risk information management services capabilities, such as [e-CARMA[®]](#), a key differentiator for our larger broker partners. For middle market customers who typically have more complex insurance requirements, we have updated our APIs so that agents and brokers can digitally send multiline submissions via their own internal systems. And for smaller commercial customers, we have updated our APIs to return indications or fully bindable quotes for both Business Owner Package and Workers Compensation policies.
- Additionally, we continue to roll out TravisSM – our new proprietary rate, quote and issue platform – to additional lines of business and states. With 60% fewer questions and 50% fewer screens, *Travis* significantly reduces the time and effort to compare rates, provide quotes and issue policies, thereby improving the experience for agents and customers alike.

Bond & Specialty Insurance

- In Bond & Specialty Insurance, we continue to improve the agent experience by enhancing the convenience, connectivity and responsiveness of our digital solutions for Surety & Management Liability. We are leveraging our significant data advantage to improve time to market and deliver enhanced risk management content for our distribution partners and customers.

Travelers Institute® educational programming also offers unique value to our network of 13,500 agent and broker partners, providing a distinguished thought leadership platform. Over the course of more than a decade, the Travelers Institute has hosted more than 700 events in collaboration with agents and brokers, enhancing these relationships while providing education and risk mitigation strategies to thousands of consumers.

The programming leverages our agents' knowledge of how issues such as cybersecurity, distracted driving and natural disasters directly affect families, businesses and communities. Agencies and agent associations regularly co-host programs with the Travelers Institute, invite customers and provide expert speakers, showcasing their risk management expertise and reinforcing their value as trusted advisors for critical insurance decisions. In addition, the Travelers Institute offers presentations on the economic outlook and political landscape at agent conferences and events and provides educational content, including publications, social media campaigns and videos, for agents and brokers to share with clients.

During the pandemic, the Travelers Institute continued to foster these relationships and provide educational programming through its [Wednesdays with Woodward®](#) webinar series. The series launched in June 2020 to explore personal and professional issues impacting our agents, our brokers, our customers, our employees and the communities we serve. Seventy-seven programs have been held through the end of 2022, with topics including telematics-based insurance programs, cross-sector efforts to fight cybercrime and mental well-being in the workplace, among many others. Notably, the Travelers Institute hosted the webinar [60 Minutes in Personal Insurance: Opportunities in a Changing Marketplace](#), highlighting significant trends impacting midsize businesses and providing shared insights that insurance agents and brokers can use to find opportunities amid a changing risk landscape.

Additional programs explored distribution and agency trends for personal insurance and commercial insurance. These included the following webinars:

- [Thrive: How Insurance Agents & Brokers Will Succeed in 2022](#)
- [60 Minutes in the Middle Market: Opportunities in a Changing Marketplace](#)
- [The Future of Fighting Insurance Crime](#)

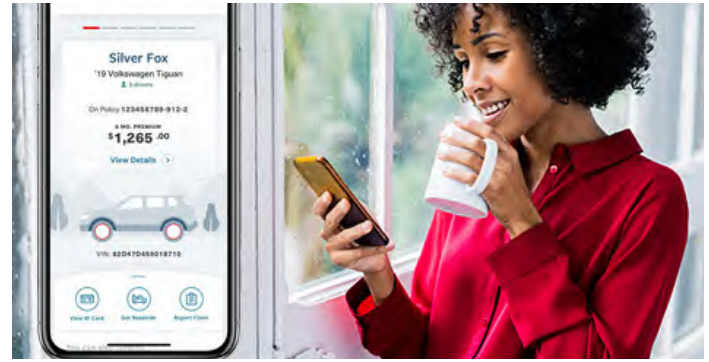
Travelers Institute programs are a great example of how our efforts to strengthen our communities also enhance our relationships with our agent and broker partners and drive our bottom line. In 2022, nearly 90% of agents and brokers who responded to post-program surveys reported that the content was “very” or “extremely” valuable to them, while their comments often highlighted that these programs are shared with their teams.

Illustrative Initiatives



CLAIM EXPERIENCE

Simplifying the Claim Process



REDESIGNED MYTRAVELERS® MOBILE APP

Simplifying the Customer Experience



TOOLKITPLUS

Adding Value for Agents and Brokers



HOME PROTECTION SERVICES

Helping Prevent Water-Related Damage



AMERICAN FORESTS PARTNERSHIP

Partnering for a Purpose — Helping to Reforest America



INTELLIDRIVE®

Leveraging Telematics to Encourage Safe Driving

Illustrative Initiatives



TRAVELERS INSTITUTE

Insurance Essentials: Your Questions Answered



CONNECTED PROTECTION

Travelers Preferred Vendor Program



WEDNESDAYS WITH WOODWARD® WEBINAR SERIES

Thought Leadership Programming



WILDFIRE DEFENSE SERVICES

Protecting Our Customers from Increased Wildfire Risk



Data Privacy & Cybersecurity

As technology becomes more complex and sophisticated, so do the cyber risks that businesses and organizations face. For Travelers, this means first and foremost protecting information about the people and property we insure. Our understanding of these cyber threats also enables us to provide innovative cyber solutions for our customers.

HIGHLIGHT

>25%

Compound annual growth in cyber premiums, 2013–2022

Approach

Our Chief Information Security Officer (CISO) leads the Travelers Cybersecurity department. The CISO reports to the Chief Technology and Operations Officer and is a member of the Enterprise Risk team. Under the direction of the CISO, the Travelers Cybersecurity department continuously analyzes cybersecurity and resiliency risks to our business, considers industry trends and implements controls, as appropriate, to mitigate these risks. This analysis drives our long- and short-term strategies, which are executed through a collaborative effort within Technology and Operations and are communicated to the Board of Directors regularly.

In addition to managing our own cyber exposure, we recognize the valuable services we can provide to our customers in light of the mounting cyber risks they are facing. We offer cyber liability insurance, which provides a combination of coverage options to help protect our customers' businesses.

Board Oversight

Our CISO provides quarterly updates regarding cybersecurity, cyber risk and related policies to Travelers executive management and the Risk Committee of the Board. The Risk Committee of the Board regularly reviews and discusses with management the strategies, processes and controls pertaining to the management of our information technology operations, including cyber risks and cybersecurity.

Cybersecurity

At Travelers, we take a comprehensive and multifaceted approach to protect information in our care and assist our customers in safeguarding their digital assets. We use administrative, technical and physical safeguards to protect information in our care. We have established a wide range of comprehensive data security protections and maintain a data risk management strategy that includes monitoring emerging security threats and assessing appropriate responsive measures.

Policy & Governance

We embed data protection throughout our operations and technology programs with the goal of safeguarding our customer data and digital assets. As a foundation to this approach, Travelers maintains a comprehensive set of cybersecurity policies and standards, which align with the International Organization for Standardization (ISO) 27001 standard and the National Institute of Standards and Technology (NIST) Cybersecurity Framework. Our cybersecurity policies and standards have been developed in collaboration with groups across the enterprise, such as Legal, Compliance and each of our business segments. Our policies include Information and System Use policies for employee and non-employee system users. These policies reinforce the data privacy and protection sections of our [Code of Business Conduct and Ethics](#).

On an annual basis, Travelers undergoes an SSAE 18 SOC 2 (Statement on Standards for Attestation Engagements No. 18 Service Organization Control 2 report) examination conducted by an independent external firm. In addition, we regularly self-assess against our internal policies, using our internal risk assessment process and a variety of other frameworks, such as the New York Department of Financial Services Cybersecurity Requirements for Financial Services Companies, the Insurance Data Security Model Law as adopted by various states and the Payment Card Industry Data Security Standard. We endeavor to comply with all applicable privacy regulations, including but not limited to the [California Consumer Privacy Act](#). Our comprehensive and collaborative approach allows us to further the organizational culture of data security awareness, the effectiveness of data governance and the responsiveness to evolving data management protocols.

Technology

Travelers uses sophisticated technologies and tools to protect information, including but not limited to multifactor authentication, encryption, firewalls, intrusion detection and prevention systems, endpoint detection and response, vulnerability and penetration testing and management, and identity and access management systems. Our identity and access management systems employ both commercial authentication products from leading companies and internally developed systems based on prevailing industry standards. We include periodic recertification access for individuals who access our key data, and we utilize multifactor authentication based on the level of risk. We monitor our network for anomalies, and our Security Operations Center responds to those anomalies.

In addition, we participate in vulnerability information-sharing networks, such as the Financial Services Information Sharing and Analysis Center (FS-ISAC). We also track industry and government intelligence sources for impact in the marketplace and deploy updates as necessary.

Travelers has a robust software patch management process that includes risk assessment and risk-based update schedules. These systems are designed, implemented and maintained with the goal of providing a high level of security for sensitive data.

As the workforce and the work environment continue to evolve, Travelers also continues to evaluate related risks and implement appropriate controls.

Training & Awareness

As part of our annual Code of Business Conduct and Ethics training, all Travelers employees receive data protection and privacy training, which focuses on the need to appropriately protect and secure confidential company information. Additionally, we provide annual security awareness training that covers a broad range of topics, from secure access practices and social engineering to working remotely and reporting suspicious activities. We also provide regular targeted training on topics such as phishing and secure application

development, among others. In addition to online training, we educate our employees through a number of methods, including event-triggered awareness campaigns, recognition programs, security presentations, company intranet articles, videos, system-generated communications, email publications and various simulation exercises. In addition, based on role, certain Travelers contractors receive additional relevant cybersecurity training.

Third-Party Relationships

As part of our supplier risk management program, we conduct cybersecurity diligence and oversight of our third-party vendors. Prior to the commencement of services, our Cybersecurity team identifies vendors that will have access to and/or process Travelers data, and performs risk-based assessments that produce a risk rating. Using this risk-based approach, the Cybersecurity team conducts formal risk assessments on certain providers and partners. The team conducts reassessments on a regular basis, the frequency of which is determined based on a risk assessment and rating process. The assessment process utilizes a comprehensive questionnaire, which addresses aspects of the vendors' data security controls and policies, including business continuity, as well as on-site evaluations for higher-risk relationships.

Where appropriate, Travelers seeks to incorporate contractual language with third parties that includes clear terms involving the collection, use, sharing and retention of user data, including data transferred to third parties. These contracts also generally require parties with whom data is shared to comply with the company's security policy or equivalent.

Incident Response

Travelers has a Security Incident Response Framework in place. The framework is a set of coordinated procedures and tasks that the Travelers Incident Response team executes with the goal of ensuring timely and accurate resolution of computer security incidents. To maintain the robustness of the framework, we conduct tabletop testing exercises several times a year, using risk analysis to select which components of the plan to test.

Compliance

Our cybersecurity framework includes regular compliance assessments with Travelers policies and standards and applicable state and federal statutes and regulations. We validate compliance with our internal data security controls through the use of security monitoring utilities and internal and external audits. In addition, we proactively perform self-assessments against regulatory frameworks such as the NIST Cybersecurity Framework.

Additional information regarding privacy and security at Travelers, including our Privacy Statements, is available [on our website](#).

Data Privacy

Protecting our customers' data and safeguarding customer privacy are essential parts of the Travelers Promise. We evaluate data from many sources, including from our individual or business customers themselves, third-party service providers and public sources. In addition to guiding our risk selection and pricing, this data is leveraged to run sophisticated predictive claim models, which improve claim outcomes for our customers and efficiency for our business.

Key aspects of our data privacy program include the following:

- Travelers will not give or sell personal information to nonaffiliated third parties for their marketing purposes without permission.
- Travelers maintains safeguards designed to help prevent unauthorized use, access and disclosure of personal information. For example, we limit access to personal information and require those who have access to use it only for legitimate business purposes.

Core privacy principles guide the actions we take when collecting and using personal information, including the following:

- **Notice.** We give notice to individuals about the purposes for which Travelers collects, processes, stores and discloses personal information.
- **Collection and Use.** Travelers thoughtfully considers information collection practices and strives to limit collection to only information that is relevant and reasonably necessary to accomplish Travelers' intended purposes. Travelers uses the personal information collected directly from insureds only for purposes consistent with the context of the transaction and/or with consent.
- **Access and Correction.** Personal insurance customers may request access to, and correction of, personal information about them held by Travelers, and Travelers will honor those requests consistent with applicable law.
- **Disclosure.** Travelers takes steps designed to ensure that personal information is only disclosed to third parties for legitimate business reasons.
- **Cross-Border Transfers of Data.** Travelers takes steps designed to ensure that any transfer of personal information across country borders is made in accordance with the local laws of the country from which the personal information is being transferred and the country to which the personal information is being transferred.
- **Retention and Destruction.** Travelers maintains policies relating to record management, including record retention schedules and purge and deletion procedures. When personal information is disposed, we employ secure methods, which are designed to make the personal information unreadable and unreconstructable (such as shredding or degaussing).
- **Information Quality and Integrity.** Travelers takes reasonable steps designed to ensure that the personal information it uses is accurate, relevant, complete and up to date for the purposes for which it is intended to be used.
- **Security.** Travelers understands that cybersecurity is essential for protecting personal information and employs appropriate physical, technical and administrative measures to safeguard and secure personal information. In the event the security of certain personal information has been compromised, Travelers has a formal process to manage and mitigate any associated risks and notify individuals when required or appropriate.
- **Training and Awareness.** Travelers provides appropriate training to all individuals with access to personal information.

For additional information regarding how we collect, use, share and protect personal information, see the [Privacy & Security](#) section of our corporate website.

Cyber Product Offerings

Our [2022 Travelers Risk Index](#) report found that cyber threats are the No. 1 concern across all businesses. Despite heightened cyber concerns and increased cyber threats, many businesses remain unprepared and have not implemented basic prevention measures, such as multifactor authentication or incident response planning. According to the survey, one-fourth of participants said that their company has been a cyber victim, with nearly half reporting that the event happened within the past 12 months.

Now more than ever, businesses and organizations of all sizes need to prepare with both cyber insurance and an effective cybersecurity plan to manage and mitigate cyber risk. Travelers understands the complexity of cyber threats and continues to proactively address cyber concerns. We provide policyholders with cyber protection – before, during and after a cyber breach or incident.

The cost of dealing with a cyber event goes beyond repairing databases, strengthening security procedures or replacing lost laptops. Companies may face liability if their customers' personally identifiable information or protected health information are compromised. Regulations requiring notification of affected customers also drive costs for companies that have experienced a data breach compromising personal or confidential data. There is also a cost involved with the efforts needed to defend the company's reputation, as well as with the retention of skilled computer forensics teams to determine the extent of the breach. We have a number of different coverages available and work with our customers and our agent and broker partners to tailor the coverages to the specific risks our customers face.

Our cyber offerings go beyond just insurance coverage. By partnering with leading global providers, Travelers is able to offer both agents and policyholders educational tools, risk management resources and pre- and post-breach services. Our cyber risk professionals can help identify the best cyber liability insurance solution to provide business customers with access to endpoint detection and response monitoring services, pre-breach services from HCL Technologies and a robust collection of specialized risk management resources. These tools help our agents and policyholders become more knowledgeable and informed about cyber threats and how to prepare for and respond to them.

Differentiators of our cyber insurance program include the following:

- Travelers has provided cyber-related insurance coverage with robust risk management services for more than 30 years.
- Travelers understands the importance of helping organizations work through an incident, from recovering after a breach to managing expenses associated with a cyber event.
- Our Chief Information Security Officer meets regularly with the Cyber Insurance team to promote sharing and collaboration within our business.
- From 2013 to 2022, our gross written premium from cyber coverage has seen an over 25% compound annual growth rate.
- In the most recent National Association of Insurance Commissioners Report on the Cybersecurity Insurance Market, Travelers was listed as a top cybersecurity insurance carrier based on direct premiums written.^[1]

Visit the [Cyber Insurance](#) page on our corporate website for more information on our cyber products and services.

[1] [Report on the Cybersecurity Insurance Market, October 2022.](#)

Illustrative Initiatives



2022 TRAVELERS RISK INDEX

Understanding Cyber Risks



CYBERSECURITY

National Cybersecurity Awareness Month



TRAVELERS INSTITUTE®

Cyber: Prepare, Prevent, Mitigate, Restore®



Disaster Preparedness & Response

Severe weather events and other disasters are part of our business. Travelers takes a holistic approach to managing our company's exposure to disasters, helping our customers prepare for, respond to and recover from catastrophic events. In addition, we play an active role in trying to influence the public policy agenda with regard to resiliency, sustainability and adaptation.

HIGHLIGHT

>100,000

Catastrophe notices of loss responded to in 2022

Approach

While our Risk Control department focuses on helping our customers understand and mitigate their risks, our Claim Catastrophe Response team takes the lead on customer interactions should a disaster or severe weather event occur. Our Claim Catastrophe Response team coordinates closely with multiple business units and functions across the organization, including Underwriting, Legal and Communications, to respond to our customers' needs in a quick, efficient and compassionate manner. That is a core part of the Travelers Promise to take care of the people we are privileged to serve.

Our promise to help customers in the face of disasters begins well before a catastrophe hits. We partner with our customers and communities to help ensure they are prepared for a disaster, and we employ leading-edge data and analytics capabilities to help predict extreme events. In the event of a catastrophe, we leverage innovative technologies, the power of our data and analytics, and our more than 30,000 dedicated, in-house employees, to provide the best possible outcomes for our affected customers.

Partner in Preparedness

Travelers offers a range of resources that help our customers and the public prepare for disasters:

- **Business Continuity Planning.** Our network of more than 500 [Risk Control](#) consultants and our self-service website for Business Insurance customers provide a comprehensive set of [business continuity planning resources](#) to help customers understand their unique risks. We work to help businesses of all types prepare for disasters and other disruptions to their operations and [supply chains](#).
- **Prepare & Prevent Resources.** Through the [Prepare & Prevent](#) page of our corporate website, we provide customers, agents and brokers, and the general public with extensive educational resources to help them plan for, stay safe during and recover from natural disasters of all types.
- **Education and Advocacy.** The [Travelers Institute](#), our public policy division, helps further educate the public and advocate with policymakers on the benefits of [disaster preparedness](#) and [resilient communities](#).
- **Building Resilient Communities.** Through charitable partnerships, Travelers and the Travelers Foundation support building strong communities, including through a partnership with [Habitat for Humanity](#)®.
- **Wildfire Defense.** In 2019, we launched a [Wildfire Defense Services Endorsement](#) for California home and landlord policies with fire coverage. From 2020 to 2022, we extended this offering to all Small Commercial customers in California, home and landlord customers in Colorado and farm and ranch customers in 17 Western states. This endorsement is included at no additional cost to the policyholder. Travelers works with Wildfire Defense Systems, a private firm that specializes in wildfire mitigation, which uses proprietary forecasting and threat analysis to identify which Travelers customers are likely to be impacted by a wildfire. For at-risk properties, Wildfire Defense Systems provides loss prevention services, such as reducing potential fuel sources, taping vents and applying fire retardants.
- **Catastrophe Communications.** The Travelers Risk Control department partners with Personal Insurance, Business Insurance and the Claim department to develop and distribute catastrophe communications via email and social media before and after disaster events. Once again, in 2022, we provided our customers and agents with actionable guidance before an event and/or informed them of steps they can take after an event to help mitigate damage, file a claim and begin the process of recovery.

Leading Analytical Capabilities in Disaster Response

As part of our efforts to respond to our customers' needs in a quick, efficient and compassionate manner after a disaster or extreme weather event, we seek to further develop and leverage our leading analytical capabilities. We have built a proprietary approach to assembling data that lets us assess severe storms, such as the precise size of hail forming in a storm cell, to understand the footprint of an event, how many customers may be affected and the probable severity of the losses. In addition to catastrophe (CAT) modeling, our approach uses geospatial capabilities, which integrate event overlays that aggregate millions of data points from weather services, our weather models and ultra-high-resolution aerial imagery on policy and claim locations. Our sophisticated workforce management platform leverages our geospatial insights to inform workforce deployment and Claim response decisions before, during and after a catastrophe event in order to engage the right resources and technical expertise and begin deployment efforts before claims are even reported. All of that helps us to get the right people to the right place faster than ever before.

We continue to innovate and enhance our analytical capabilities, enabling us to fulfill our promise to take care of our customers in the event of a natural disaster. Our recent innovations include:

- **Combining Aerial Imaging and Artificial Intelligence Learning to Detect Wildfire and Wind Losses.** Our geospatial platforms use photographic images taken from aircraft equipped with market-leading aerial capture systems. Pre-loss imagery is collected continually for virtually all of our insured locations. This "blue-sky" imagery can be compared to post-event ("gray-sky") imagery to assist us in detecting and evaluating loss. In 2022, we collected post-event imagery covering more than 13,000 square miles in connection with 14 separate events. Leveraging the post-event imagery of damaged and undamaged homes, we use industry-leading artificial intelligence and machine learning to immediately assess the damage sustained. The Travelers Wildfire Loss Detector model helps us assess which properties are total losses after a wildfire event, while the Travelers Wind Damage Detector

model allows us to evaluate the severity of damage sustained in wind events. With these powerful tools, we can more quickly identify customers with the most significant damage and begin the claim process immediately – even before we have access to the area – thereby allowing our customers to begin recovering and rebuilding their properties sooner. These capabilities also allow us to quickly identify key insights about CAT events, which in turn help inform our operational response and risk selection strategies going forward. Our Wildfire Loss Detector tool won the 2019 Gartner Eye on Innovation Award and a CIO 100 Award. [This video](#) provides more detail on our geospatial capabilities.

- **Using Smartphones for Quicker, Safer Claim Inspections.** Thanks to innovative virtual inspection and measurement technology, we are able to transform smartphone photos of a property into a precise 3D model so that our Claim professionals can more quickly and accurately inspect and estimate property damage. We are often able to evaluate the damage with information our policyholders provide to us, without having to schedule an on-site inspection. We use similar technology to virtually handle auto losses after large CAT events where thousands of cars may be damaged. With the help of these cutting-edge technologies, we are creating a faster and easier claim process for our customers and a safer environment for our employees.

Where possible, we also gather data from controlled tests to improve prevention and preparation. For example, Travelers supports the Insurance Institute for Business & Home Safety (IBHS), which has a one-of-a-kind controlled research facility that can generate hurricane-force winds, hail, and wind-driven rain and embers. The studies conducted in this facility allow IBHS and supporting members such as Travelers to study the impacts of weather events in real-world scenarios; they also allow us to analyze the results to better respond to events and protect our customers and their assets. For more information on IBHS and the ongoing work Travelers supports, see our illustrative initiative regarding [IBHS](#).

Dedicated Catastrophe Response Resources

Our sustained investment in innovative catastrophe response strategies sets Travelers apart from our peers. We handle customer claims, including all catastrophe (CAT) claims, with specially trained Travelers employees; we do not generally contract CAT claims to third-party adjusters. We employ more than 400 response specialists across North America, prepared to deploy on 24 hours' notice. [This short video](#) illustrates the work of our CAT Response professionals. Operational and logistical support specialists at the National Catastrophe Center support this CAT team, which also partners closely with our nearly 2,000 property Claim professionals to respond to losses promptly, efficiently and compassionately.

In 2022, there were 18 weather disasters, which each resulted in total economic impact that exceeded \$1 billion,^[1] in addition to the many smaller events that impacted our customers. In total, we responded to 64 CAT events and adjusted virtually all of the related claims with our own employees (i.e., without the need for outside adjusters). Our in-house claim capability allowed us to quickly implement procedures to handle claims virtually when possible, and safely in person when needed, with a consistently high standard of customer service. This capability is a competitive advantage that results in a better outcome for our customers and a more efficient outcome for us.

We leverage our Loss Consultation team – the first such team in the industry – in support of customers impacted by the largest catastrophe events. Our Loss Consultation team consists of Property and Auto coverage experts, who are available seven days a week to give our customers and agents the information they need to make an informed decision regarding whether to file a claim. In some cases, they can also immediately process the claim after confirming coverage.

Our sophisticated workforce management programs help us quickly organize, triage and deploy Claim professionals with the right expertise to the affected area. We leverage the power of our more than 30,000 employees to support our response efforts in the event of a large catastrophe. We continue to make significant investments in [training our Claim staff](#) and cross-train thousands of employees to handle lower-severity catastrophe claims. This allows our catastrophe and claim experts to focus on high-severity claims without sacrificing quality. In 2022, our Claim professionals completed more than 215,000 hours of property claim training.

[1] Based on 2022 data from the National Oceanic and Atmospheric Administration.

Our team follows a catastrophe playbook that includes resource deployment and communication to our customers throughout our process. Our Claim department regularly conducts tabletop exercises to test our readiness to respond to different disaster scenarios, including storms, wildfires, earthquakes, cyberattacks and man-made events. The purpose of these exercises is to evaluate and improve our response to events, identify any gaps in resources and implement a coordinated recovery strategy that prioritizes resources required for the response.

Our [National Catastrophe Center](#), staffed by full-time catastrophe management professionals, allows us to plan and coordinate response activities in a secure environment away from the disaster area – before, during and after an event. Our technical experts monitor weather 24/7 and overlay patterns with claim trends and our customers’ locations. This approach enables us to identify potential events early and to transform information quickly into action. Additionally, our “command center” is equipped with state-of-the-art data management, visualization and teleconferencing tools and is linked to hundreds of data sources, including the Global Forecast System, the National Weather Service Doppler radar network, Travelers Customer Service Centers and our internal systems that track claim metrics and staff resource availability. These capabilities provide us with the ability to deploy resources effectively and on a timely basis, which, in turn, allows us to better assist our customers and to respond to and resolve claims more quickly.

For more information about how we help our customers and agents manage catastrophic weather events, see our [Travelers Emergency Response video](#).

Customer Outcomes

Overall, our catastrophe (CAT) response approach enables Travelers to respond quickly, effectively and compassionately – and with integrity – when our customers need us most. Despite the added logistical difficulties inherent in CAT response, our CAT claim performance consistently meets or exceeds our internal benchmarks for claim handling. In 2022, approximately:

- 90% of property claims arising out of CAT events were resolved within 30 days of receipt of the claim notice.
- 85% of CAT claims were paid within a week of inspection.
- 53% of CAT claims were paid the same day as inspection.^[1]

These results were particularly remarkable given that we responded to 64 CAT events and over 100,000 CAT notices of loss in 2022. In addition to benefiting our [customers](#), our ability to quickly adjust claims plays an important role in helping our communities in their recovery efforts. Responding to CAT events is core to our business, and we are committed to [delivering on the promise](#) that we make with every policy we write. This short [video](#) shows the spirit and dedication our employees bring to helping our customers after CAT events occur.

[1] Based on Travelers catastrophe claim data, 2022.

Illustrative Initiatives



NATIONAL CATASTROPHE CENTER

Catastrophe Planning and Response



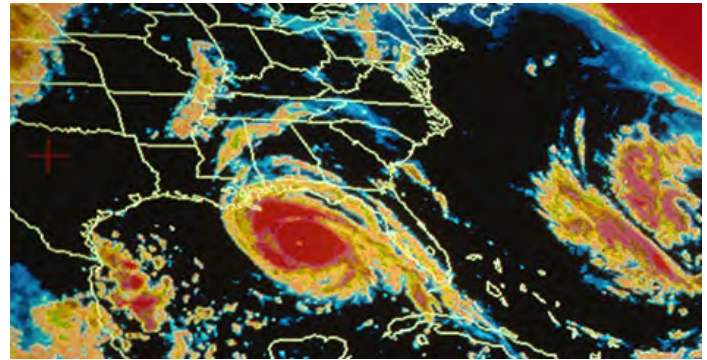
TRAVELERS FORTIFIES COMMUNITIES

Building Strong, Resilient Communities



WILDFIRE DEFENSE SERVICES

Protecting Our Customers from Increased
Wildfire Risk



IBHS SPONSORSHIP

Supporting Research in Severe Weather
Readiness and Response



TRAVELERS INSTITUTE®

Thought Leadership on Disaster
Preparedness



Diversity & Inclusion

By creating a welcoming environment that brings together people with different backgrounds and perspectives, we enable new ideas, spark innovation and reinforce a culture in which employees feel valued, respected and supported. Diverse experiences and viewpoints yield greater insights and better outcomes, raise the bar on individual and team performance and sharpen our focus on our customers. That's why, for us, diversity and inclusion is a business imperative.

HIGHLIGHT

54% & 27%

Women and people of color, respectively, in our U.S. workforce

Approach

Travelers values the unique abilities and talents each individual brings to our organization and recognizes that we benefit in numerous ways from our differences. We benefit from our differences in culture, ethnicity, national origin, race, color, religion, gender, gender identity, age, veteran status, disability, genetic information and sexual orientation. In that regard, as regularly reinforced by our Chairman and CEO and other senior leaders, diversity and inclusion is a business imperative for us.

As part of our commitment to [diversity and inclusion](#), we aim to:

- Foster an inclusive environment where all employees can reach their full potential.
- Provide learning and development opportunities to advance diverse leaders.
- Employ a diverse workforce to maintain our talent advantage.
- Explore diverse markets today to tap into tomorrow's opportunities.

“Diverse experiences and viewpoints yield greater insights and better outcomes, raising the bar on individual and team performance, sparking further innovation and sharpening our customer focus.”

—Alan Schnitzer, CEO

Our Chief Diversity & Inclusion Officer leads our diversity and inclusion efforts. We also have a Diversity Council that is chaired by our Chairman and CEO and composed of the most senior members of the company's leadership team. The council directs diversity initiatives such as:

- Raising awareness about the value of a diverse workforce.
- Partnering with business units to drive diversity strategies, develop business unit-specific tactics, report outcomes and celebrate successes.
- Promoting key internal and external diversity programs and determining accountability for recruiting, training, developing and retaining diverse talent.
- Raising awareness about the importance of community outreach and the inclusion of diverse suppliers in our procurement process.

We have three additional working councils that focus more extensively on implementing diversity and inclusion priorities: the Business Heads Working Council, the Diversity Networks Senior Advisor Working Council and the Field Leadership Working Council. These working councils support our efforts to enhance our leaders' cultural competence.

- The **Business Heads Working Council** is focused on identifying emerging trends impacting the diversity and inclusion agenda and partners with our Chief Diversity & Inclusion Officer and Chief Human Resources Officer to identify, agree upon and implement initiatives designed to encourage inclusive leadership.
- The **Diversity Networks Senior Advisor Working Council** provides strategic direction and coaching to the leaders of our employee-led Diversity Networks.
- The **Field Leadership Working Council** aims to ensure our diversity and inclusion strategy is successfully executed in our field office locations, where approximately 70% of our employees are based.

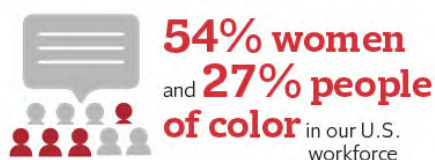
In 2020, we created a first-of-its-kind Workforce Solutions team that partners with Human Resources and business partners to help reinforce fairness and equity and to ensure that our employees have the opportunity to be heard and to feel heard when it comes to decisions impacting their employment. This standalone department augments our existing channels for addressing employees' concerns and serves as our organization's "equity ambassador" for Travelers employees. The Workforce Solutions team provides another avenue for our employees to share candid, real-time feedback about their experiences and to receive practical guidance – all with an eye toward improving the employee experience.

Since the Workforce Solutions team's inception, members of the team have spoken with more than 3,000 employees on a variety of topics, and nearly 80% of employees who used the team's services reported a positive experience. The team has also undertaken dozens of initiatives, many of which are aimed specifically at assessing the company's human resources practices and ensuring that they are equitable. For example, the team has gathered insights from more than 1,500 employees during nearly 200 confidential "sensing sessions," the results of which helped several groups across the enterprise make improvements to better foster a culture of equity and fairness. The Workforce Solutions team has also partnered with senior leaders across Travelers, along with Human Resources professionals, to create opportunities for "Courageous Conversations," where employees can have open and honest discussions about various topics related to diversity and inclusion.

In addition to the numerous programs and initiatives we describe in further detail in this section, we have policies that encourage an inclusive culture and protect all employees from workplace harassment and discrimination. We use the results of our periodic "pulse" surveys and focus groups to inform our diversity and inclusion strategy and evaluate our progress. We also use metrics and analytics to measure, evaluate and act upon programs that impact the success of our people, our most important asset.

We collect data – including data aligned with [EEO-1](#) gender and race categories – to evaluate the progress of our diversity and inclusion initiatives. This data includes employee census data regarding women and people of color, promotions, voluntary terminations and employee turnover. Our data demonstrates that we have made significant progress over the past decade. In each of the last 10 years, we have increased the percentage of people of color (as defined by the U.S. Equal Employment Opportunity Commission's EEO-1 race and ethnicity categories for the United States) in our workforce. As of December 31, 2022, women and people of color represent approximately 54% and 27% of our U.S. workforce, respectively. We also continue to make year-over-year progress in promoting women and people of color. In each of the last 10 years, we have increased the percentage of women and people of color in U.S. management level positions.

Diversity & Inclusion



Board Oversight

Our Board of Directors encourages diversity and inclusion within Travelers – including within the Board itself – and oversees our diversity and inclusion efforts. Pursuant to its charter, the Nominating and Governance Committee of the Board meets regularly with senior management, including our Chief Diversity & Inclusion Officer, to review and discuss our strategies to encourage diversity and inclusion within our company. In addition, the Board receives regular updates from senior management regarding the data we collect and oversees our progress. For information about the diversity of our Board of Directors, see the [Governance Practices](#) section of this site.

Inclusive Leadership & Training

Starting with our Chairman and CEO, we expect our leaders to actively demonstrate their commitment to diversity and inclusion through their actions. Inclusive leadership goals are included in all managers' annual performance objectives. This Inclusive Leadership performance objective drives leader accountability, recognition and reward. On an annual basis, managers are assessed and held accountable for meeting this objective to reinforce the business relevance of diversity and inclusion and foster a work environment where all employees are included and appreciated. This further helps us attract, retain, engage and develop employees from all cultures and backgrounds.

We provide training, development and cultural events to encourage an inclusive culture among all of our employees, including the company's leadership. For example, managers and leaders of all levels attend our leadership workshop, where they receive a 360-degree assessment from supervisors, co-workers and direct reports on how successful they are at fostering an inclusive culture within their teams. All employees are expected to complete the "Conscious Inclusion Workshop," our inclusion education program, which explores biases and their impact in the workplace and how we can influence behaviors. The course also demonstrates how to be more intentionally inclusive in our day-to-day interactions.

To make clear that harassment and discrimination have no place at Travelers, we require harassment awareness training. This training not only covers legal definitions and our [company policy](#) but also takes a broader approach that explores ways to ensure a respectful work environment and sustain an "if you see something, say something" culture. To learn more about our overall approach to business conduct, see the [Ethics & Responsible Business Practices](#) section of this site.

The Travelers Diversity Speaks speaker series underscores our commitment to cultivating a culture that embraces the power of difference – a culture where individuality is honored and that recognizes that diverse perspectives benefit our employees, customers, agents and communities. Open to all employees, our Diversity Speaks events feature guest speakers who share personal stories and provide different experiences and viewpoints. The series marked its 15th year in 2022.

In addition to internal programming, the Travelers Institute hosts webinars that are open to the public and provide a platform to discuss diversity and inclusion efforts. For example, the Institute partnered with the U.S. Chamber of Commerce's Women Taking the Lead and hosted a webinar discussing midcareer professional reentry into the workforce with co-authors Ginny Brzezinski and Mika Brzezinski.

[View the replay here.](#)

In 2019, our Community Relations and Enterprise Diversity and Inclusion groups partnered to create Art Speaks – an ongoing series of cultural and art experiences followed by discussions that help strengthen an inclusive work environment. For example, through a partnership with the Amistad Center for Art & Culture, employees explored the complex history of Juneteenth, a national holiday that commemorates the emancipation of enslaved people in the United States. For more information on [Art Speaks](#), see our illustrative initiative.

Diverse Talent Development & Pipeline

As part of our efforts to foster a fair and equitable workplace, we continue to enhance our diverse talent pipeline. We provide learning and development opportunities, including career planning and mentoring assistance, to help employees with career development and preparation for potential advancement. We regularly monitor diverse representation in these programs. Additionally, we have established deliberate recruiting, retention and development practices that are tailored to deepen diverse talent pools and broaden advancement opportunities. These practices include:

- Matching upcoming leaders with mentors within the organization and offering workshops to advance their careers within Travelers.
- An ongoing process to identify and develop top talent, including women and people of color, who may be ready for internal promotion opportunities.
- Travelers' [SHE Travels®](#) initiative, which we launched in 2018 to help women advance and grow in all phases of their insurance careers. This is one of many efforts at Travelers to lead the industry in advocating for women in all parts of the insurance industry.
- The use of talent acquisition strategies, including sourcing strategies and diverse slate requirements for management-level positions, to help us create a pipeline of diverse candidates.

We also sponsor a number of external opportunities to support the professional development of all of our employees, including opportunities specific to nurturing diversity. Conferences attended by Travelers employees include the Hispanic IT Executive Council Summit; the Management Leadership for Tomorrow Career Advancement Program; the Mid-Level Managers' Symposium; the Out & Equal Workplace Summit; Linkage, Inc.'s Women in Leadership Institute™; Black Enterprise Black Men XCEL; and the [Black Enterprise Women of Power Summit](#).

We have numerous initiatives and partner with many college diversity groups and other organizations to cultivate our pipeline of talent.

- Our signature career pipeline program, Travelers EDGE®, provides a unique, holistic approach to education and career development for underrepresented students. Through partnerships with colleges, universities, high schools and community-based organizations, *Travelers EDGE* increases access to higher education and provides students with opportunities to excel, which helps broaden the diverse pool of talent seeking careers at Travelers or in the insurance industry.
- We regularly participate in diversity and inclusion-focused industry forums and career fairs such as the Howard University FIRM Symposium, the Grace Hopper Celebration and the Out & Equal Workplace Summit.
- The military community is important to Travelers, and we're proud of [our partnerships](#) with organizations that assist veterans in transitioning to [civilian life](#), including Syracuse University's D'Aniello Institute for Veterans & Military Families, American Corporate Partners, Hiring Our Heroes Military Fellowship Program, the Military Spouse Employment Partnership and AcademyWomen.
- We have a [unique partnership](#) with several organizations that provide opportunities for people with disabilities, including

Rochester Institute of Technology's Spectrum Support Program, the University of Connecticut Werth Institute's Center for Neurodiversity & Employment Innovation, VIABILITY, Lifeworks and Disability:IN.

- We also foster partnerships with and sponsor diverse professional organizations such as the National African American Insurance Association (NAAIA), Black Insurance Industry Collective (BIIC), International Association of Black Actuaries (IABA), Young Risk Professionals, Girls Who Code, Hartford Youth Scholars, Prospanica, the Grace Hopper Celebration, Hartford Promise, the Page Education Foundation and Dive In.

To learn more about our overall approach to talent development, see the [Human Capital Management](#) section of this site.

We have received various awards and recognition for our diversity efforts, including:

- Best Place to Work for LGBTQ Equality, Human Rights Campaign Foundation, 2016–2022, and scored 100% on the Corporate Equality Index, Human Rights Campaign Foundation, 2016–2022.
- Military Friendly® Company, VIQTORY, 2018–2023.
- Military Friendly® Employer, VIQTORY, 2007–2023.
- Military Friendly® Spouse Employer, VIQTORY, 2023.
- Military Friendly® Supplier Diversity Program, VIQTORY, 2018–2023.
- Military Friendly® Brand, VIQTORY, 2017–2023.
- Best for Vets, Military Times, 2014–2022.
- Best Place to Work for Disability Inclusion, Disability: IN and American Association of People with Disabilities, 2018–2022, and scored 100% on the Disability Equality Index, 2018–2022.
- Autism Services & Resources Connecticut, Award of Excellence, 2021.
- Disability: IN Connecticut Employer of the Year, 2020.
- Employer of the Year, Lifeworks, 2019.
- Top 100 Intern Programs, WayUp, 2017–2022.

See our [Awards and Recognition](#) page for a full listing.

Diversity & Professional Networks

In 2008, we created Diversity Networks, which are voluntary groups led by employees dedicated to fostering a diverse and inclusive work environment. The networks help foster the retention, development, engagement and success of our employees through networking, mentorship and community volunteer opportunities. In addition, these groups are a resource for our business leaders, providing them with important insights and perspectives. Currently, we have eight Diversity Networks; more than 12,000 employees – nearly 40% of our employees – are members of one or more of these Diversity Networks. Each Diversity Network has a sponsor from our executive leadership team, who is responsible for the alignment of that Diversity Network's vision, mission and objectives with our business goals and strategies. Executive sponsors serve two- to three-year terms as change champions and active advocates for the Diversity Network, making connections to people, resources and support across Travelers.

In addition to our eight Diversity Networks, we have professional business groups that provide career development opportunities and support for women; these groups support women in their career goals, while also helping to drive positive business outcomes for the company. These groups include Women in Analytics & Allies, which has fostered individual development and helped increase the representation of women in actuarial and analytics positions at Travelers for more than 10 years; SHE Adds, which supports women in Finance at Travelers; SHE Rises, for those in Marketing, Communications, Research and Customer Experience; and EmpowHER+, for those in Technology and Operations. EmpowHER+ partners with nonprofit organizations to mentor and attract the next generation of talent to Travelers, including [Girls Who Code](#), AnitaB.org and UMass Amherst's Hack(H)er413.

Supplier Diversity

By doing business with diverse suppliers, Travelers promotes the development of these enterprises, supports the growth of the communities in which we do business and aligns contractor diversity to our workforce and customer base. For these reasons, we remain committed to providing opportunities for qualified businesses owned by people of diverse backgrounds to participate in our bidding and procurement processes.

Our Procurement team tracks both Tier 1 Travelers spend with certified diverse suppliers and Tier 2 spend with diverse suppliers doing business with our prime suppliers, including subcontractors. These diverse suppliers are businesses owned by individuals from historically disadvantaged populations, such as women, racial and ethnic minorities, LGBTQ+, people with disabilities and veterans. We also maintain a database of diverse prospective bidders to feed our request-for-proposal processes. In 2022, Travelers attributable spend was over \$150 million with our Tier 1 and Tier 2 diverse suppliers. To learn more about the structure and goals of this program, visit the [Supplier Diversity](#) page on our corporate website.

In addition, we cultivate partnerships designed to encourage the development of diverse businesses, including partnerships with [Resource](#), a joint initiative with Village Capital and the Black Innovation Alliance; the [Minority Business Development Institute \(MBDI\)](#); and the [Metropolitan Economic Development Association \(Meda\)](#). Since 2021, Travelers has also participated in the Ascend Twin Cities initiative as an anchor corporation. The program uses the three-M model – markets, management and money – to provide a tailored approach to drive diverse-owned small business growth and job opportunities within the community.

Illustrative Initiatives



BLACK ENTERPRISE WOMEN

The Power That Makes the Difference



THE POWER OF TRAVELERS IS US

Exploring the Power of 30,000 People



SHE TRAVELS®

Advancing Women's Careers in Insurance



ENHANCING OUR COMMITMENT TO PEOPLE WITH DISABILITIES

Fostering a More Inclusive Workforce and Changing Lives



FOSTERING INCLUSION

Supporting Transitioning Employees and Gender Inclusivity



COMMITTED TO MILITARY VETERANS

Supporting Those Who Serve

Illustrative Initiatives



SMALL BUSINESS SUPPORT

Empowering Small Business Owners to Succeed



TRAVELERS EDGE®

Transforming Tomorrow's Workforce



DEVELOPING A MORE DIVERSE PIPELINE OF ACTUARIAL TALENT

Our Work with the International Association of Black Actuaries



SUPPORTING OUR ENTREPRENEURS

Our Partnership with Village Capital



SUPPORTING FUTURE LEADERS IN INSURANCE

Travelers Investing in the Next Generation of Talent



TRAVELERS ART SPEAKS®

Advancing Inclusion Through the Arts

Illustrative Initiatives



GIRLS LEADERSHIP SUMMITS

Inspiring Girls to Be Strong, Smart and Bold



GIRLS WHO CODE

Growing Tech Talent



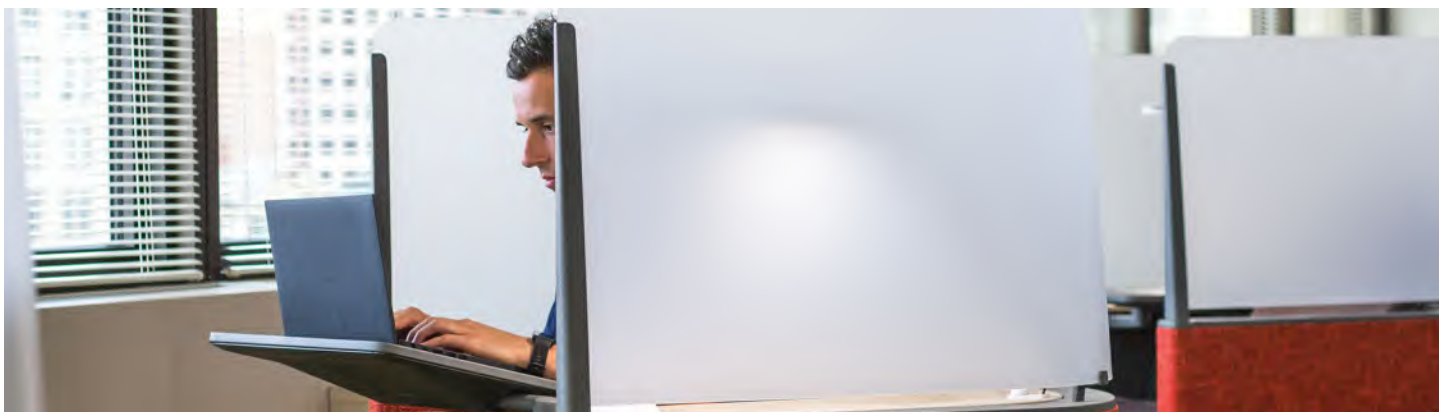
METROPOLITAN ECONOMIC DEVELOPMENT ASSOCIATION PARTNERSHIP

Helping Minority Entrepreneurs Succeed



MINORITY BUSINESS DEVELOPMENT INSTITUTE PARTNERSHIP

Helping Minority- and Women-Owned Contractors



Eco-Efficient Operations

Travelers is committed to a long-term sustainable approach to protecting the environment, recognizing that being responsible stewards of our shareholders' capital requires a commitment to take care of all our stakeholders, including our planet. We continually look for cost-effective ways to minimize our impact on the environment, which can also reduce our operating expenses, without compromising on our promise to customers and employees.

HIGHLIGHT

55%

Reduction in the company's Scope 1 and 2 emissions since 2011

Approach

Most of our greenhouse gas (GHG) emissions are from office activity, mobile combustion (e.g., claim vehicles, commuting) and business travel. While we strive to reduce our emissions, our primary climate-related risks and opportunities relate to our property insurance business and claim service, which we cover in the [Climate Strategy](#), [Disaster Preparedness & Response](#) and [Public Policy](#) sections of this site.

Our Chief Administrative Officer – a member of the company's Management and Operating Committees – oversees the Corporate Real Estate and Procurement teams, which regularly monitor and analyze our operations and facilities to identify ways for us to operate more efficiently, reduce our environmental impact and lower our operating expenses. We prioritize projects based on their expected financial impact; as a result, our efforts to reduce our energy consumption and waste are intended not only to reduce our environmental impact but also to lower our operating expenses. Our [GHG Inventory & Goals](#) page summarizes our progress to reduce direct and indirect GHG emissions and references our new goal of becoming carbon neutral across our owned operations by 2030.

While the pandemic has resulted in decreased in-office activity, mobile combustion and business travel, we continue to work actively on reducing our environmental impact. Our [new open workspace environment](#) reduces our footprint and incorporates enhanced technology, including remote collaboration tools and video-enabled conference rooms, to reduce nonessential business travel. In addition, we provide [incentives to our employees](#) to use mass transit alternatives and offer parking incentives for carpoolers.

In 2019, we also began to reduce our environmental impact by encouraging our personal insurance customers to convert to paperless billing. We committed to fund the planting of a tree for every paperless billing conversion in Personal Insurance. As of Earth Day 2023, we have funded the planting or conservation of over 4 million trees through our [partnership with American Forests](#) and the U.S. chapter of 1t.org. As a result, we are now planting or conserving more trees than we are consuming. This initiative is just one example of our commitment to aggressively seek ways to create shared value – in other words, ways to simultaneously protect our environment, create a streamlined experience for our customers and increase shareholder value.

Environmental Policy & Management System

As outlined in our [Code of Business Conduct and Ethics](#), it is the company's policy to comply with all applicable laws, rules and regulations; this includes all relevant environmental regulations. The [Travelers Environmental Policy](#), approved by senior management, outlines some of the steps we take to operate more efficiently and in an environmentally conscious manner, including:

- Reviewing our equipment and technology and installing more efficient versions when appropriate.
- Conducting assessments with utility providers to better understand and manage our energy usage.
- Monitoring waste output to ensure we recycle as much as possible.

In addition, all Travelers-owned campuses are ENERGY STAR® certified, which means that we are in the top quartile in terms of energy performance standards and undergo an annual recertification process.

Travelers continues to analyze the company's operational impacts on the environment and works to minimize negative impacts. We utilize an environmental management system that regularly reviews our operations to measure our impacts and to identify opportunities that increase efficiency and reduce costs. Some of the key elements of our environmental management system include:

- Periodic recommissioning of facilities.
- Evaluating emerging technologies, such as alternative energy, and their potential use in our facilities.
- Partnering with power and other utility providers to review our operations and, when available, leveraging their incentive programs to help fund our improvements.
- Evaluating potential changes to energy regulations that may impact our costs and operations.
- Using technology to fine-tune operational parameters.
- Minimizing and recycling as much waste as possible.
- Evaluating how to be more efficient in space utilization, which has led to the introduction of a [new open workspace environment](#) that is designed to increase operational efficiency and decrease our need for office space, which will further minimize our impact on the environment.

Our Corporate Real Estate team conducts ongoing facilities assessments at all our owned locations. We also take these assessments into account when developing our capital expenditure plan. For example, in 2022, we completed an upgrade of all lighting in our Travelers-owned Hartford campus to LED fixtures to reduce our utility consumption, extend the asset life of our lights and provide an enhanced environment for Travelers employees. As stated in our [Supplier Code of Conduct](#), we expect our suppliers to comply with applicable environmental laws and to work to minimize any negative environmental impact from their operations, including by reducing or mitigating emissions, increasing sustainable use of natural resources and reducing or eliminating waste. Our Procurement team also oversees our comprehensive supplier selection and supply chain management processes, including the review of climate and environmental considerations, where appropriate. In our supplier selection process, Procurement evaluates potential suppliers using the following information, as appropriate:

- Details about the supplier's sustainability programs.
- Sustainability attributes specific to the supplier's products or services.
- Results achieved from the supplier's sustainability programs.

- Independent audit and/or certification of the supplier's sustainability practices.

After selection, Travelers uses a risk-based approach to monitor news alerts for certain suppliers, which includes monitoring for negative news relating to the supplier's environmental issues and ethical practices.

GHG Inventory & Goals

Travelers set a goal to reduce the company's absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 40% by 2020, based on a 2011 base year. As of the end of 2020, we exceeded this goal, and in April 2021, we announced our commitment to become carbon neutral across our owned operations by 2030.

In recent years, we have implemented various emissions reduction initiatives, including:

- **Lighting.** We have spent several millions of dollars on interior renovations at our Travelers-owned Hartford campus to upgrade our lights to LED and continue to work with local utility companies to understand the incentives available to Travelers.
- **Information Technology (IT) Equipment Upgrades.** We implement ongoing upgrades to more energy-efficient IT equipment in our data centers. We typically upgrade this equipment every three years.
- **Building Fabric Maintenance Program.** We have a comprehensive preventive maintenance and repair program (which includes a focus on windows and roof systems) to ensure building integrity and reduce energy loss. This program for building fabric will be ongoing for the life of each building.
- **Cloud Migration.** We are working toward using more cloud services and storage solutions to reduce our dependence on data centers, and thereby reduce our carbon footprint, over time.
- **Efficient Fleet Vehicles.** We partner with car manufacturing companies to continue transitioning our fleet to more environmentally efficient vehicles/engines.

Travelers set a goal to reduce the company's absolute Scope 1 and 2 emissions by 40% by 2020, based on a 2011 base year. By year 2020, we exceeded this goal. By year-end 2022, we reduced the company's absolute Scope 1 and 2 emissions by 55%. The Scope 1, 2 and 3 emissions data in the table below have been [verified by an independent third party](#).

Metric	2022	2021	2020	2019	2011
Scope 1 GHG Emissions (metric tons CO₂e)	17,828	12,794	13,500	23,746	37,436
Emissions from Mobile Combustion (metric tons CO₂e)	16,686	11,655	12,414	22,525	36,574
Emissions from Office Activity (metric tons CO₂e)	1,142	1,139	1,086	1,221	862
Scope 2 GHG Emissions (metric tons CO₂e)^[1]	20,322	20,683	21,908	27,970	47,167
Total Scope 1 and Scope 2 GHG Emissions (metric tons CO₂e)^[1]	38,150	33,477	35,408	51,716	84,603
GHG Emissions per Revenue (metric tons CO₂e per million USD)	1.03	0.96	1.11	1.63	3.32
GHG Emissions per Employee (metric tons CO₂e per person)^[2]	1.17	1.09	1.16	1.68	2.77
Scope 3 Emissions from Travel	10,094	4,479	5,666	17,819	Not Tracked
Percentage of Electricity from Renewable Sources	23%	22%	22%	19%	Not Tracked
Percentage of Total Energy from Renewable Sources	7%	8%	8%	6%	Not Tracked

[1] Location-based method.

[2] Travelers' past Sustainability and TCFD Reports calculated the GHG emissions per employee based on the Company having 30,000 employees, which was an approximation. In this report, we used the actual number of employees per year to calculate the GHG emissions per employee for all years included in the chart, which resulted in minor and insignificant discrepancies in the resulting numbers for the historical years.

Water & Waste

As with energy usage and greenhouse gas (GHG) emissions, we see many opportunities to align our long-term financial interests with responsible water use and waste disposal, creating shared value for our shareholders and the environment. Travelers monitors waste disposal efforts and water usage across the company's operations and has implemented certain practices to help ensure proper waste handling and water use. Specifically, we:

- Employ a third-party vendor to properly recycle and dispose of obsolete IT equipment.
- Shred and recycle paper at all locations.
- Have automatic shutoffs on most faucets.
- Have water bottle filling stations in the majority of [new workspaces](#) to reduce the use and disposal of single-use water bottles.
- Maintain bottle and can recycling programs at all owned locations.
- Compost food waste from kitchens in the Travelers-owned Hartford campus.
- Introduced 100% biodegradable/compostable utensils and food containers in Travelers-owned food service locations.

We measure and track all waste at our owned facilities, including single-stream recycling, municipal solid waste and construction/demolition waste. Furthermore, we now track all water and sewer use, including general water use for restrooms, kitchens and landscape-related irrigation. With these tracking capabilities, we are able to monitor our waste/water consumption trends over time and quantify impacts of building improvements as they relate to creating more environmentally sustainable workplaces.

Illustrative Initiatives



GREENING CLAIMS

Monitoring the Environmental Impact of Our Vehicle Usage



OFFICE RENOVATIONS

Boost Engagement and Save Energy



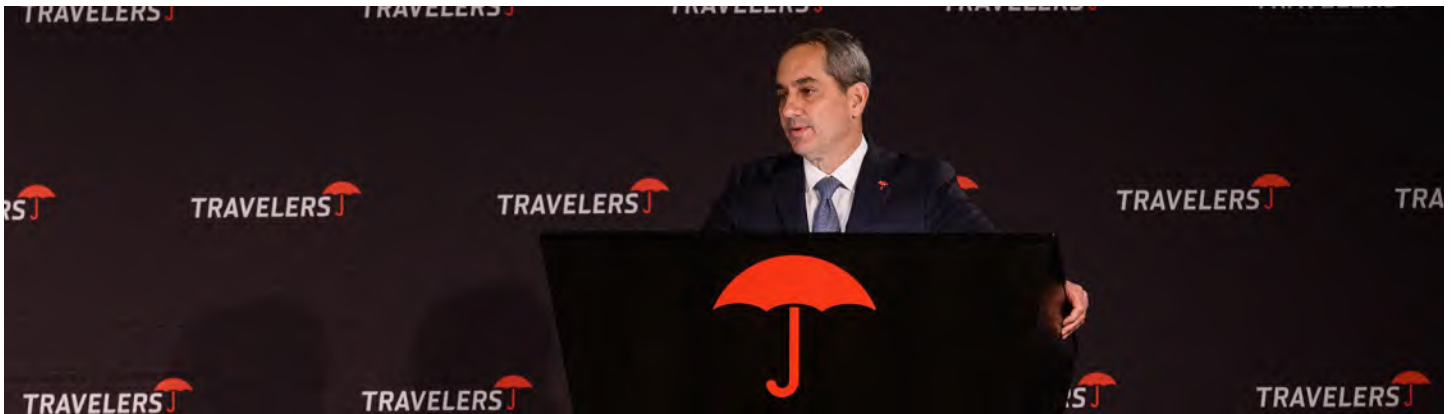
REDUCING NONESSENTIAL TRAVEL

Encouraging Eco-Friendly Commuting and Video Collaboration



AMERICAN FOREST PARTNERSHIP

Partnering for a Purpose – Helping to Reforest America



Ethics & Responsible Business Practices

At Travelers, so much of our culture is built on trust – the trust we earn from our customers in challenging times and the trust we place in each other every day. That trust is built upon honesty, integrity and accountability – values that serve as the foundation for all that we do. The commitment of our directors, officers and employees to our Code of Business Conduct and Ethics, applicable laws and regulations, and company policies helps to ensure the long-term success of our organization.

HIGHLIGHT

24/7

Ethics Helpline availability for employees to report issues or seek guidance

Approach

Travelers established and maintains a [Code of Business Conduct and Ethics](#), which applies to all of our employees, officers and directors and provides a comprehensive framework for sound ethical business decisions. The Code, which is also available in French for our employees located in Canada, provides principles for each employee to follow when acting on behalf of Travelers and sets forth our expectations on a number of topics, including conflicts of interest, compliance with laws, business ethics and use of corporate assets. Our Chief Ethics and Compliance Officer oversees communication, education and compliance with the Code. We also employ and train Legal, Compliance and Human Resources professionals to help our employees reach the right decision, regardless of the circumstances.

Our ability to achieve our goals of being *the undeniable choice for the customer and an indispensable partner for our agents and brokers* depends on our culture of honesty, integrity and accountability. Our commitment to transparency and integrity starts with our senior leadership. Our Chairman and CEO, Alan Schnitzer, sets the tone, including through regular companywide communications. Here's an excerpt from one of his messages:

“[L]et me take this opportunity to restate a few important things:

- **First, our reputation is our most valuable asset, and each of us has a role to play in protecting our good name. No gain is worth sacrificing our reputation.**
- **Second, we can never let our drive to deliver industry-leading results cloud our ethical judgment. No outcome is worth unethical behavior.**
- **Third, the only long-term, sustainable success in business is achieved in partnership with our employees, agents, brokers and customers – never at their expense.**
- **Fourth, we have the skill and creativity to solve any problem and meet any challenge. But we can only solve problems and meet challenges if we're honest with ourselves and each other about what those problems and challenges are.”**

—Alan Schnitzer, CEO

This approach remains critical to maintaining our culture of candor and continuing to deliver sustained value to our stakeholders.

Our focus on ethics includes a commitment to employing responsible business practices. Travelers maintains thoughtful and comprehensive underwriting and pricing policies and practices, including robust governance and controls designed to ensure that the company's pricing is actuarially sound and that its underwriting and pricing practices comply with all applicable laws.

We also expect our suppliers to conduct themselves with honesty and integrity. The Travelers [Supplier Code of Conduct](#) documents our expectation that all contractors, consultants, suppliers and vendors demonstrate their commitment to ethical, humane, socially responsible and legally compliant business practices, including by maintaining a harassment-free and respectful workplace. We also proudly commit to the protection of human rights everywhere we do business, as described in our [Human Rights Statement](#).

To learn how our ethical culture drives our ability to attract and retain talented, diverse and qualified employees, see our [Human Capital Management](#) and [Diversity & Inclusion](#) sections.

Board Oversight

The Nominating and Governance Committee of the Board of Directors periodically reviews the Code of Business Conduct and Ethics and recommends changes to the Board, as appropriate. The Audit Committee, which has oversight responsibility for regulatory and compliance matters, receives a quarterly report on compliance matters, including Ethics Helpline activity. In addition, the Audit Committee meets in executive session with the Chief Ethics and Compliance Officer each quarter.

Ethics & Compliance Training & Awareness

Upholding a culture of honesty, integrity and accountability is critical to the long-term success of our organization. To support this culture, we promote ethics and compliance awareness across our operations. On an annual basis, our employees are required to complete our Ethics and Compliance Training and Certification program, which includes:

- **Code of Business Conduct and Ethics Training and Certification.** We require our employees to complete annual ethics training, which includes training modules on a variety of important topics, such as anti-bribery and anti-corruption. Additionally, our employees and directors must certify annually that they have reviewed, understand and agree to comply with the principles set forth in the Code.

- **Policy Certification.** We expect all employees to familiarize themselves with, and confirm their compliance with, applicable company policies. These policies include:
 - Anti-Bribery and Anti-Corruption
 - Information and System Use
 - [Equal Employment Opportunity](#)
 - Fair Access to Insurance Products
 - Gifts to Government Officials
 - [Harassment-Free Workplace](#)
 - Internal Dispute Resolution
 - Nepotism, Favoritism and Personal Conflict of Interest
 - [Respectful Workplace](#)
 - Security Trading for Employees
 - Security Trading for Executives
 - Social Media
 - Supplier Management
 - [Whistleblowing and Non-Retaliation](#)

Bribery and corruption are wholly inconsistent with our company's core values of honesty, integrity and accountability, and we have instituted policies, procedures and internal controls for complying with anti-bribery and anti-corruption laws. Travelers strictly prohibits any promise, any offer or the provision of anything of value to any government official or any other person for the purpose of improperly obtaining or retaining business, influencing action or obtaining any form of improper benefit; this includes prohibiting the offering or giving of anything of value to expedite routine government actions – commonly referred to as facilitation payments. We provide our employees with additional information regarding our expectations in our internal Anti-Bribery and Anti-Corruption Policy.

Additionally, we are committed to providing a fair and inclusive workplace where all employees are treated with dignity and feel valued, respected and supported. Among other things, we require our employees to complete harassment awareness training, and our Internal Dispute Resolution Policy allows employees to seek review of employment-related issues, concerns, actions and decisions. To learn more about our employee practices and programs, see our [Human Capital Management](#) and [Diversity & Inclusion](#) sections.

In our continuing efforts to raise awareness and educate employees regarding compliance and ethics issues, Travelers publishes a periodic "Dear Ethics" column on the company's intranet site. We base the topics of the "Dear Ethics" column on real situations that the Travelers Ethics and Compliance Office has addressed and anonymize them for publication. The column's goal is to address situations in a relatable fashion and offer concrete suggestions for how employees should act in various circumstances.

Ethics Helpline

We provide employees with multiple channels to raise concerns, including the Human Resources, Employee Relations and Compliance functions and the Travelers [Ethics Helpline](#). Our independently administered Ethics Helpline is available to employees and others 24/7 to report issues or seek guidance confidentially and anonymously. Trained professionals investigate each concern and, where appropriate, escalate it internally.

Once an Ethics Helpline report is filed, a review is conducted, if appropriate. Any ethics- or compliance-related issues are addressed by the Ethics and Compliance Office. Our Chief Ethics and Compliance Officer provides the Audit Committee with quarterly summaries of matters reported through the Ethics Helpline and more frequent compliance updates, as appropriate. Additionally, the Audit Committee receives reports on matters reported to the Chief Ethics and Compliance Officer that involve accounting, internal control or audit matters or that relate to any fraud involving persons with a significant role in our internal controls.

We also maintain a formal [Whistleblowing and Non-Retaliation Policy](#) that prohibits retaliation against an employee who raises a concern in good faith.

Responsible Business Practices

The business of insurance involves a contractual arrangement in which the insurer agrees to bear a policyholder's expected risk of future financial loss, subject to agreed limits, terms and conditions in exchange for a premium. This requires insurers, such as Travelers, to design and price their insurance products based on expected risk of future loss. Under longstanding law and insurance industry practice, Travelers identifies risk factors and establishes rates based on sound actuarial principles that do not – and may not – take factors such as race or other prohibited characteristics into account. Established principles of risk-based insurance underwriting and pricing allow insurance markets to function properly, fairly and competitively. Ultimately, this approach benefits customers by increasing the availability of insurance at fair prices that appropriately reflect the related risks and ensures the financial solvency of insurers to pay covered claims decades into the future.

To estimate the risk of future loss, actuaries apply mathematics, statistics and economic methods to estimate the probability and financial impact of various risk factors. The procedures through which rates are set are complex, but the theory behind the process is straightforward – insurance actuaries and underwriters seek (and are required by law) to determine risk factors that correlate with losses. This assessment of risk is designed to accurately identify the expected value of all future costs associated with risk transfer. Ultimately, the grouping of risks with similar characteristics is fundamental to any insurance system. Importantly, there are certain characteristics, including race, that insurers are legally prohibited from considering and that are not part of the process used by actuaries to establish rates.

Regulated domestically through state Departments of Insurance in all 50 states and the District of Columbia, the company's operating subsidiaries, like other insurance companies, are subject to extensive state laws and regulations touching on all aspects of its business, including pricing and underwriting. Through its insurance subsidiaries, the company offers hundreds of insurance products across many lines of business, each of which is subject to detailed legal and regulatory filings and state laws. Notably, rates are generally filed with, and reviewed and approved by, state insurance regulators, which uniformly require insurers to establish that their filed rates are "adequate," not "excessive" and not "unfairly discriminatory," as those terms are defined under each jurisdiction's laws. To ensure compliance with these well-established standards, these insurance regulatory authorities also perform periodic market conduct and financial examinations, in part to ensure that customers are charged premiums that are adequate and not excessive or unfairly discriminatory under the law.

In light of the heavily regulated environment in which it operates, Travelers has **developed thoughtful and comprehensive underwriting and pricing policies and practices, including robust governance and controls** designed to ensure that its pricing is actuarially sound and that its underwriting and pricing practices comply with all applicable laws and do not consider race or other prohibited characteristics. Key components of Travelers' comprehensive governance and controls include:

- Underwriting and Pricing Policies, Practices & Governance.
- Travelers Responsible Artificial Intelligence Framework.
- Data Governance, including the use of Third-Party Data.
- Awareness, Education and Training.
- Internal Audit and Regulatory Oversight.
- Enterprise Risk Management, Senior Leadership Accountability, and Board Oversight.

Robust Underwriting & Pricing Policies, Practices & Governance

Risk-based underwriting and pricing practices and fair access to our insurance products are at the core of the insurance industry and the company's business. To that end, and to ensure that the underwriting and pricing factors the company considers are predictive of risk and appropriate to use, underwriting decisions are made within a collaborative, structured and cross-disciplinary approach. This approach includes: (i) extensive underwriting guidelines; (ii) a structured underwriting authority framework; and (iii) a quality assurance audit process. The extensive underwriting guidelines provide each underwriter with clear and established direction on how to properly evaluate risks. The highly structured underwriting authority framework, which ensures the appropriate underwriting rigor and discipline are applied, requires collaboration at both the transactional and portfolio level. The company's underwriting audit process confirms compliance with our policies and underwriting framework and includes both quality assurance audits and targeted reviews to verify, among other things, appropriate risk selection, underwriting quality and compliance with best practices and controls. Among these controls are the company's policies establishing that it will comply with all applicable laws, including laws prohibiting discrimination based on any legally protected characteristic, including race.

With respect to pricing, the company's credentialed actuaries are professionally certified and, in the United States, must be members in good standing of the Casualty Actuarial Society. Among other things, this requires adherence to the applicable code of professional conduct, adherence to the applicable jurisdiction's qualification standards and participation in the applicable actuarial boards for counseling and discipline. The qualifications and standards are important because the Actuarial Standards of Practice, for example, provide that when U.S. actuaries are performing professional services such as designing, reviewing or changing risk classification systems, actuaries must comply with applicable laws, including those laws prohibiting the consideration of protected characteristics, including race.

As the company's business practices have evolved, Travelers has also developed and employed advanced statistical processes – more commonly referred to as “models” – to assist it in the underwriting and pricing of its insurance products. Similar to the underwriting and pricing controls described above, the company also has robust governance and controls in place to ensure the integrity of its modeling practices, including verification that all risk factors used are actuarially justified as predictive of risk and comply with state laws.

As part of its practices, the company conducts comprehensive reviews of its models, running them through a multidisciplinary process that includes, as appropriate, peer, legal, actuarial and data science assessments that span the entire model life cycle. This well-established governance, which has been reviewed by the company's lead regulator, is embodied in the **Travelers Model Risk Management Framework**. Critical elements of this framework include: (i) Travelers Modeling Guidelines, which provide overall guidance on the creation and life cycle of models; (ii) a risk assessment tool, which is used to evaluate the risk level of each model; (iii) model checklists, which specify required risk mitigation controls based on the risk level of each model; and (iv) an inventory of models.

The Model Risk Management Framework addresses:

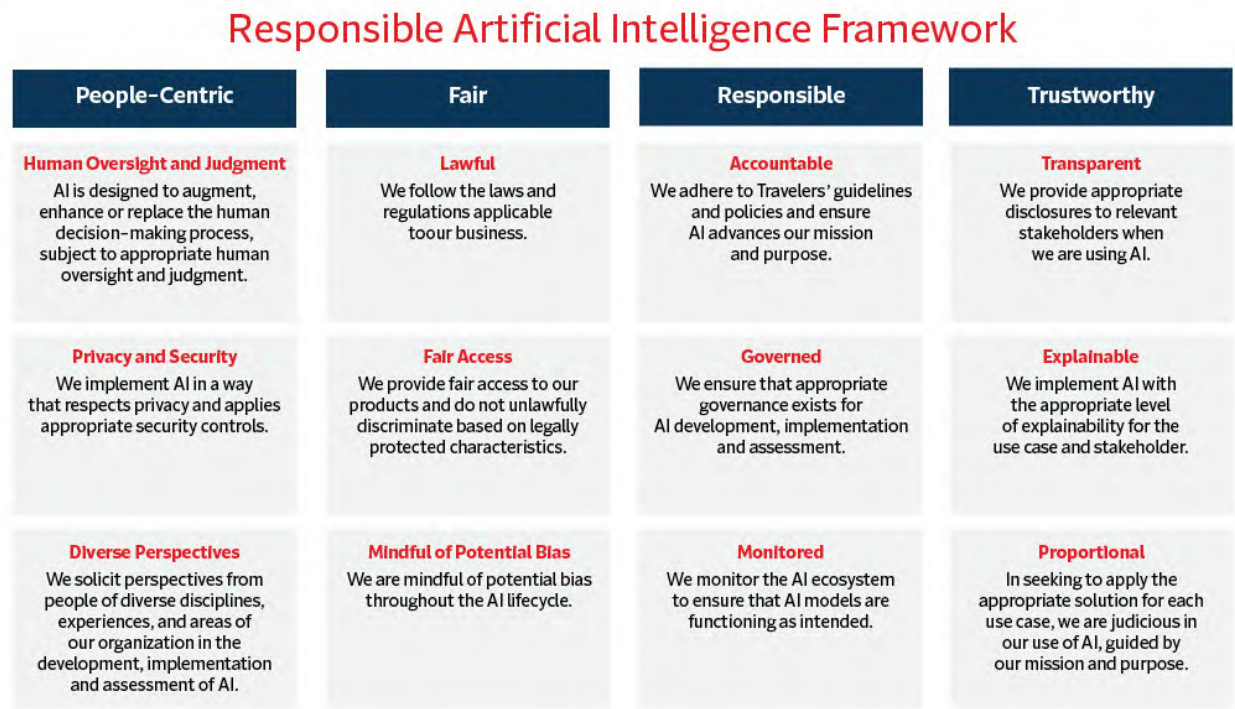
- Data quality;
- Compliance with all applicable laws and regulations;
- Model explanation and documentation;
- Appropriate peer and legal reviews of the model; and,
- Model implementation and post-model implementation monitoring.

To help ensure legal and regulatory compliance, Travelers reinforces and confirms that those involved in the modeling life cycle follow the guidance and requirements of the Model Risk Management Framework. Through this process, model owners are expected to confirm that the model complies with the Travelers Modeling Guidelines, has been reviewed with the appropriate subject matter experts and has been signed off by peer and legal reviewers. Peer reviewers – within and across business lines – consider, among other factors, the data utilized, the data sources, the variables utilized and the methodology utilized to select those variables to ensure they are appropriate and consistent with the Modeling Guidelines. Legal reviews are similarly designed to ensure compliance with applicable laws (including antidiscrimination laws) and regulations, as well as internal Travelers policies. These peer and legal reviews evaluate model use cases, data sources, risk assessment and the variables used in the models.

Responsible Artificial Intelligence Framework

As part of the constant evolution and maturation of Travelers’ governance framework, the company has also established a Responsible Artificial Intelligence (AI) Framework that sets forth foundational principles to guide our development and use of AI, advanced analytics and modeling. The goal of this framework is to help ensure that we act responsibly and ethically – consistent with the responsible business values at the heart of our business and culture.

As depicted below, the framework consists of our core principles that describe how we use AI: People-centric; Fair; Responsible; and Trustworthy.



Thoughtful Data Governance

The Travelers Enterprise Data & Analytics team, working with the company’s business segments and support functions, including Legal and Corporate Ethics and Compliance, strives to ensure that we appropriately manage our data, utilize accurate and reliable data, and implement thoughtful data governance across the organization. As discussed in further detail in the [Harnessing the Power of Data](#) section of this report, we have cultivated a data culture throughout the enterprise that emphasizes, through training and education, the importance of all employees taking ownership of data, understanding and protecting data, capturing and using data appropriately, and making sure the data we use is accurate and timely. We also have established – and monitor adherence to – enterprise- and business line-specific data governance policies and standards.

We have additional governance in place relating specifically to the third-party data we use to augment and/or enrich our own data. These processes and controls are designed to ensure the accuracy, completeness, consistency, timeliness and relevance of the third-party data and compliance with all applicable legal requirements, among other critical factors.

Targeted Education & Training with Respect to Responsible Business Practices

We require our employees who are involved in underwriting and pricing to attend training on a regular basis with respect to the company's underwriting and pricing policies. Moreover, we provide relevant employees with training regarding Travelers' model governance requirements. For example:

- **Model Governance.** We employ a multifaceted approach to ensure that modelers are appropriately aware of, educated and trained on our Model Risk Management Framework. Awareness and training start at the beginning of an employee's tenure on a modeling team and continues throughout. We further reinforce this training and education by requiring all data scientists to complete a training knowledge check regarding the Model Risk Management Framework, and we obtain written confirmation that they have read and understood the various governance requirements.
- **Data Governance.** We create and support a data culture by raising awareness and providing training regarding the appropriate uses and management of data. Travelers' data culture is focused on ensuring that we take ownership of data, understand data, protect data, capture data completely and make sure all data is accurate and timely.

Ongoing Internal Audit and Regulatory Oversight

Our Corporate Audit department performs ongoing testing and monitoring of the company's internal control environment. This ongoing testing and monitoring includes reviewing controls related to underwriting, pricing, and model governance as well as data governance. On a quarterly basis, the company's Chief Auditor reports to the Audit Committee of the Board with respect to the results of Corporate Audit's work and its overall conclusions regarding the internal control environment.

In addition to our own internal audits, we are also subject to comprehensive supervision and regulation by insurance regulatory authorities in the jurisdictions in which the company operates. For example, rates are generally filed with, and reviewed and approved by, state insurance regulators, which uniformly require insurers to establish that their filed rates are "adequate," not "excessive" and not "unfairly discriminatory" as those terms are defined under each state's laws. In addition to these rate filings, these insurance regulatory authorities also conduct periodic financial examinations and market conduct examinations, in part to ensure that regulatory requirements are satisfied and that customers are charged premiums that are adequate and not excessive or unfairly discriminatory under the law.

Numerous state legislators and regulators have also been actively evaluating the issue of race in insurance, as this is a topic that must be addressed on an industrywide basis. For example, in July 2020, the National Association of Insurance Commissioners (NAIC) established the Special Committee on Race and Insurance to study whether current practices in the insurance sector may potentially disadvantage minorities and, if so, to make recommendations to address those practices. In addition, in 2023, the NAIC plans to provide recommendations to applicable regulators and the insurance industry as to how to address race in insurance. In her statement to the U.S. Senate in September 2022, the Chair of the NAIC committee leading this work testified that "there is considerable activity by state insurance regulators" and specifically outlined numerous initiatives actively being undertaken by the NAIC on the intersection of insurance and race.^[1] The company continues to monitor and track these developments as well as communicate with regulators to ensure that Travelers is not only complying with all applicable laws but also partnering on this important work.

Effective Enterprise Risk Management, Senior Leadership Accountability & Board Oversight

As part of the Enterprise Risk Management framework, risks are assigned to senior leadership risk owners who have accountability for establishing appropriate processes and monitoring. Additionally, pursuant to its charter, the Risk Committee of the Board of Directors is responsible for overseeing "the strategies, processes and controls pertaining to the underwriting of insurable risks and the pricing of such risks," including the processes and controls that are designed by management to ensure that pricing is actuarially justified as predictive of risk and complies with applicable state laws. For more detailed information about the Board's oversight process, see the [Capital & Risk Management](#) section of this report.

[1] Testimony of Kathleen A. Birrane, Maryland Insurance Commissioner, on behalf of the National Association of Insurance Commissioners (September 8, 2022).



Human Capital Management

Consistent with the long-term perspective we bring to managing our business, we view our human capital management through a long-term lens. The talent and expertise of our more than 30,000 employees are critical to maintaining our competitive advantages in a rapidly evolving business landscape. And it is our employees who collectively drive our performance and fuel our ambitious innovation agenda. We recognize that maintaining our talent advantage requires a sustained investment in our people. When we deliver on our promise to our employees and their families, promoting an inclusive workplace and committing to their wellness and success, we are able to deliver on our promise to our customers and drive shareholder value.

HIGHLIGHT

~9%

Average global voluntary turnover rate over the past three years

Approach

We owe our success to our extraordinary talent. Our future success requires that we continue to attract, develop and retain top talent and maintain our unique culture – a culture that embodies our foundational values of honesty, integrity and accountability and is built on four components: putting the Place first, long-term thinking, collaboration and a commitment to everyone else's success. Our approach to human capital management starts with our innovative talent acquisition strategies, which are designed to help us attract the best people from a broad pool of talent. When an employee joins Travelers, we seek to provide them with opportunities that foster personal and professional growth and an inclusive environment in which our employees feel valued and engaged, allowing them to maximize their potential. And throughout their careers with us, we seek to provide our employees with comprehensive benefits and equitable and competitive compensation plans.

Board Oversight

Our Board takes an active role in overseeing our human capital management strategy, including our initiatives to shape our workforce and workplace to drive business performance and ensure that we are well positioned for the future. Our Chief Human Resources Officer – a member of our Management and Operating Committees – and other senior executives regularly present to the Board on these matters,

including on the progress the company has made over time. Additionally, consistent with its charter, the Nominating and Governance Committee meets with the company's CEO to review and discuss succession matters at least annually. The Nominating and Governance Committee of the Board also meets regularly with senior management, including our Chief Diversity & Inclusion Officer, to review and discuss our strategies to encourage diversity and inclusion within our company. In addition, pursuant to its charter, the Compensation Committee of the Board, which is advised by an independent compensation consultant, reviews and approves the company's general compensation philosophy and objectives. The Compensation Committee also meets with senior management on a regular basis to discuss the company's practices designed to help ensure equitable pay across the organization.

Culture

At Travelers, our culture is the foundation of our business and has driven our success for decades. And as stewards of a thriving 160-year-old business, we have a responsibility to pass on our unique culture to the next generation of Travelers employees stronger than ever. We've identified at least four components of our culture – the essential elements that make us who we are and power all that we do.

- **Putting the Place First.** When we come to work focused on satisfying our mission of creating shareholder value and fulfilling our purpose of taking care of our customers, communities and each other, we achieve an outcome that is greater than the sum of its parts.
- **Long-Term Thinking.** As much as we're focused on our results for the next quarter, we manage for success over the next quarter century.
- **Collaboration.** True collaboration allows us to take risks, challenge assumptions and – ultimately – make our best business decisions.
- **Commitment to Everyone Else's Success.** It's powerful to walk in the door each morning and know that more than 30,000 colleagues are rooting for you.

By maintaining and strengthening our foundational cultural values with the same long-term perspective that we bring to everything we do, we will continue to leverage the expertise developed over years of experience while, at the same time, capitalizing on the fresh ideas of new talent. In short, we recognize that preserving our culture is mission critical to maintaining our competitive advantages and delivering shareholder value over time.

Employee Experience

More than ever before, employees want and expect a workplace that aligns with their needs, wants and values. When employees feel supported and engaged, they in turn drive better business results and shareholder value. Therefore, we strive to deliver an employee experience that engages our teams and strengthens our organization.

Our employee experience program centers on gaining an understanding of what drives performance and supports business priorities. We review external market data and conduct internal focus groups and surveys to drive deeper understanding across business groups and teams. This evolving program helps us understand why employees leave and, more importantly, what encourages them to stay and grow their careers with Travelers. Our CEO and senior leaders across the organization review the recommendations that are designed to improve our processes and ultimately shape and refine our culture.

Our average tenure and voluntary turnover rates demonstrate the power of our culture and the attachment our employees have to the organization. The average tenure at Travelers is 11 years, and over 20 years for the company's approximately 700 most senior leaders. In a competitive labor market, our two-year average global voluntary turnover rate is consistent with our turnover rate prior to the pandemic. During the so-called Great Resignation, we, like other companies, have had an elevated level of attrition, but since the Great Resignation started, we have hired more people than we have lost. In other words, on a net basis, people are choosing Travelers. Importantly, while our recent level of attrition is above our pre-pandemic average, our recent and more elevated attrition is still lower than our peer group's pre-pandemic average.

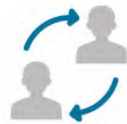
TENURE & TURNOVER



11 years
average tenure



20+ years
average tenure for our
approximately
700 most senior
leaders



approximately **9%** average voluntary
employee turnover rate
over the past three years

Our average tenure and voluntary turnover rates demonstrate the power of our culture and the attachment our employees have to the organization.

We are confident that our employee experience and inclusion efforts will continue to have a strong impact – by shaping a workforce and workplace that drives exceptional business performance.

Learning & Development

Our commitment to learning and development is rooted in our belief that for us to be successful, we must provide our employees with the skills and capabilities to enable them to be successful. Our learning experience platform (LXP) is a centralized hub for all learning resources at the company, where content is both curated and aggregated on a regular basis for a personalized learning experience. This platform houses videos, articles and courses – both Travelers-created resources and content from third-party providers. It provides an immersive and customized experience to meet our employees' learning needs. Employees can use the platform to assess their skills, rate and comment on courses and lessons, and learn from subject matter experts across Travelers. During 2022, more than 90% of Travelers employees engaged with the platform and accessed more than 1.4 million learning resources, including articles, videos and courses. On average, Travelers employees logged in to the learning platform every six days.

Because we believe that the best learners are the best leaders, we offer a variety of programs, experiences and tools that support our managers in their leadership journey. All Travelers managers receive a monthly Leader's Digest email, which provides information and tools to improve the employee experience at Travelers, helping our managers and their teams succeed.

We offer a number of learning programs to help develop our leaders at Travelers: Leadership Principles, Coaching for Performance Excellence, Leading World-Class Teams and The Leadership Challenge®.

- **Leadership Principles** is a program designed for leaders in the first few months of their roles and helps them build the capabilities necessary to lead their teams and drive desired business outcomes.
- **Coaching for Performance Excellence** provides leaders with an understanding of the principles of good coaching in the day-to-day leadership of individuals on their teams.
- **Leading World-Class Teams** helps those who lead people or projects learn how to more effectively facilitate and engage teams.
- **The Leadership Challenge** equips leaders, through five key leadership practices, to increase engagement and inclusion, lead change, drive innovation, tie business goals to a greater purpose and coach teams to higher levels of performance.

As part of our commitment to fostering a more inclusive workplace, employees are expected to complete the Conscious Inclusion Virtual Workshop. This program explores biases and their impact in the workplace and how we can change our behaviors to be more intentionally inclusive in our day-to-day interactions.

We encourage and support employee development through our Educational Assistance Program. Through the program, Travelers helps eligible employees – salaried employees who work at least 20 hours per week – pay for eligible education classes and professional designation and certification programs, including for Chartered Property Casualty Underwriter (CPCU), Associate in Risk Management (ARM) and Associate in Claims (AIC). In 2022, more than 450 employees received educational reimbursement. To reinforce the importance of underwriting as a core discipline, Travelers recognizes employees who successfully pass all eight CPCU exams and earn the professional designation by paying for eligible employees to attend their conferment ceremony, which is held each year for new CPCU graduates.

Additionally, Travelers offers various career mentorship and development programs for both entry-level and experienced professionals. For example, our multiyear [Leadership Development Programs](#) provide entry-level employees with an opportunity to progress through a steady career path in a specific discipline, such as Actuarial, Business Insights & Analytics, Data Science, Finance, Human Resources, Operations or Technology. Participants complete assignments and rotations designed to help them build upon their technical, strategic thinking and leadership skills and strengthen their business acumen. These programs also include mentorship and networking opportunities, including with senior leaders, as well as speaker forums designed to keep participants up to date on industry trends and company initiatives.

In addition, our one- to two-year Development Programs – in Underwriting, Investments and Product Management – provide the foundational knowledge and technical skills necessary for success at Travelers and include on-the-job training, classroom instruction, self-study materials and independent work in an assigned business area. Like our Leadership Development Programs, these programs provide mentorship opportunities and exposure to Travelers leaders. Participants in both our Leadership Development Programs and Development Programs are invited to compete in the company's annual hackathon-style Innovation Jam. These programs have been a part of our talent strategy for many years. Many participants have gone on to hold senior roles at Travelers.

Leadership Development Programs

Actuarial	<ul style="list-style-type: none"> • Five-year rotational program. • Challenging assignments in core actuarial and analytic functions, including Predictive Modeling, Pricing and Rate Making, Product Management, Reserving, Risk Analysis and Risk Segmentation. • Reserved study time for actuarial exams and opportunities to participate in or lead enterprise-wide councils.
Business Insights & Analytics	<ul style="list-style-type: none"> • Three-year program. • Tailored curriculum, with optional rotations, providing unique professional experiences with Business Intelligence, Geospatial and similar roles. • Opportunity to work with diagnostic and descriptive analytics, leveraging data to drive business insights.
Data Science	<ul style="list-style-type: none"> • Three-year program. • Optional rotations within the data science areas, using a plethora of modeling techniques – from linear regressions to image and speech recognition – to solve some of the business areas' most complex problems.
Finance	<ul style="list-style-type: none"> • Three-year rotational program. • Wide-ranging assignments across the enterprise, including Accounting & Reporting, Internal Audit, and Financial Planning & Analysis.
Human Resources	<ul style="list-style-type: none"> • Three-year rotational program. • Nine-month assignments providing experience in different facets of Human Resources, such as Compensation, Talent Acquisition, Employee Relations, HR Business Partners, People Analytics, and Employee Experience.
Operations	<ul style="list-style-type: none"> • Three-year rotational program. • Six- to 12-month assignments, with the ability to choose from among Operational Effectiveness, Field Management, Data & Analytics, Digital Enablement, Technology & Operations, Customer Experience, Workforce Optimization, Organizational Development, and Product & Underwriting Support.
Technology	<ul style="list-style-type: none"> • One- to two-year program. • Assignments providing experience in Software Engineering, Infrastructure/Cloud Engineering and Cybersecurity. • Hands-on technical assignments are complemented by an Immersive Learning Journey designed to ramp up time to productivity and accelerate technical knowledge.

Development Programs

Investment Analyst

- Two-year program.
 - Training and skill strengthening for credit and quantitative research associates to analyze issuers, industries and securities, as well as the return and risk characteristics of our portfolio.
-

Product Management

- One-year program.
 - Rotations throughout Personal Insurance and Business Insurance, focused on developing the future leaders of enterprise-wide Product Management departments.
-

Underwriting Professional

- One-year program.
 - Opportunities to develop a comprehensive understanding of the exposures and coverage needs of insureds in Business Insurance or Bond & Specialty Insurance, to hone technical and sales skills, and to build relationships with agents.
-

In addition, we monitor the development of talented employees to support them in developing the skills necessary to advance their careers and help them expand their relationships to facilitate their success.

Performance & Succession

Our performance management strategy is designed to develop the company's talent and equip employees with the skills and resources necessary to ensure the company's continued success. Through our annual performance management process, managers assist their direct reports with setting and monitoring goals, developing a plan to achieve those goals, evaluating progress against those goals and discussing opportunities for improvement throughout the year. Managers are expected to complete a mid-year and year-end progress update for each of their direct reports. This includes a meaningful conversation with each employee to discuss what went well and what can be improved.

We also conduct a comprehensive annual talent review, which includes succession planning, to identify and prepare talented employees for future leadership positions. Each line of business identifies talented employees and succession candidates for targeted development and advancement opportunities with individualized action plans. This talent review process culminates with the CEO and his direct reports meeting to review succession plans for key positions. In addition, the CEO meets with the Board's Nominating and Governance Committee and the full Board of Directors to discuss succession-related matters at least once a year.

Talent Acquisition

Travelers is focused on building a pipeline of talent to position the company for future success and is committed to hiring and developing a diverse and sustainable workforce across race, color, religion, gender, gender identity, age, national origin, disability, veteran status, marital status, genetic information and sexual orientation. Our recruiting efforts are designed to help us attract and retain top talent from a broad pool of candidates and continue to increase diversity in our hiring.

To maintain our competitive advantages, we increasingly need industry-agnostic talent. Historically, running an insurance company required actuaries, underwriters and finance professionals, among others; in addition to those types of professionals, we now also need roboticists, data scientists, artificial intelligence experts and behavioral scientists. This compels us to continually reimagine our talent acquisition strategies. In an effort to ensure Travelers' long-term talent advantage, we recruit candidates with emerging skills from outside the insurance industry, in addition to candidates with traditional insurance skill sets and backgrounds. We deploy talent acquisition strategies, including advanced sourcing tools, employment branding advertising, social channels and diverse slate requirements, to help us create a pipeline of strong candidates.

We are focused on inspiring the next generation of insurance professionals and actively encourage students and graduates to explore career opportunities in the insurance industry and, in particular, at Travelers. To help us attract new talent to the industry, we have long-standing affiliations and partnerships with a number of organizations that share that mission, including [InVEST](#) and Gamma Iota Sigma. In addition, our signature career pipeline program, [Travelers EDGE®](#), provides a unique, holistic approach to education for underrepresented students. Through partnerships with colleges, universities and community-based organizations, Travelers EDGE increases access to higher education and provides students with opportunities to excel. We also have strategic partnerships with [Girls Who Code](#) and AnitaB.org to help us mentor and attract the next generation of women in technology.

To learn more about our efforts to bolster our diverse talent pipeline, see the [Diversity & Inclusion](#) section of this site.

Total Rewards

Our compensation and benefits programs are designed to attract, motivate and retain high-performing employees and to help employees be healthy and productive in all aspects of their lives. Our long-standing pay-for-performance philosophy differentiates awards based on individual and company performance, regardless of gender, race or any other protected classification. In addition, our comprehensive, flexible benefit options are designed to meet the physical, mental and financial needs of employees and their families.

Compensation

Paying our employees equitably is the foundation of our performance-based culture. Our equitable [pay statement](#) outlines our approach. Our compensation processes and controls are designed with the goal of ensuring that we compensate our employees without influence from bias. With the assistance of independent, outside experts, we annually review our compensation practices to help ensure equitable pay across the company. Based in part on these measures, we believe that we pay our employees equitably, regardless of gender, race or any other protected classification.

Our minimum hourly wage in the United States is \$18. As calculated and reported in our [Proxy Statement](#), in 2022, excluding our Chairman and CEO, the median annual total compensation of all our employees was approximately \$109,000. The median annual total compensation of our full-time U.S. employees who worked for Travelers for the entire year was \$117,000, putting us in the top quartile for employee pay in the S&P 500.

Travelers' compensation mix includes base salary, performance-based cash awards and equity grants. The mix of these rewards varies depending on the employee's role at the company.

- Many employees receive most of their total rewards in the form of base salary and medical and retirement benefits. Travelers pays a higher percentage of health care costs for employees with lower salaries.
- Variable compensation (annual bonus and equity) becomes a larger portion of the total rewards mix for employees at higher levels in the organization. Furthermore, the senior-most executives, who are responsible for the development and execution of our strategic and financial plans, have the largest portion of their compensation tied to performance-based incentives.

Health & Wellness

Because our employees are our most valuable asset, we are committed to helping them be healthy and productive in all aspects of their lives. We know that when employees and their families are well – physically, emotionally, mentally and financially – they can be more fully engaged both personally and professionally. That's why we offer [comprehensive, flexible benefit options](#) that, for our U.S. employees, include medical, dental, vision and prescription drug coverage; health savings; and flexible spending accounts.

In the United States, our medical plans cover more than 52,000 individuals, including employees, their children and their spouses/domestic partners. In 2022, we paid nearly \$225 million in medical-related costs on behalf of our U.S. employees and their dependents. In our international operations, we provide medical coverage that supplements government-provided plans to our 2,200 employees and their families, subsidizing between 86% and 100% of total employee health benefit costs.

Employees and their eligible family members, including spouses, domestic partners and children, are generally eligible for coverage from the first day of employment. To keep rates affordable, Travelers subsidizes premiums on its health care plans through a cost-sharing model. We subsidize health benefits more heavily for less-compensated employees than for higher-paid employees, such as the company's named executive officers. Accordingly, our higher-paid employees pay a significantly higher percentage of the cost of their health benefits as compared with our lower-paid employees.

We have a forward-thinking approach to our benefits plan design. We deliver new, innovative ways to support employee health and well-being, including financial incentives for some employees to choose high-quality, low-cost providers and safeguards for the use of opioids to help ensure that doctors, pharmacists and patients work closely together on treatment plans for pain management.

Our wellness program provides easy-to-use tools and resources that empower employees with the information and support they need to achieve their wellness goals. Our offerings for U.S. employees include, but are not limited to, the following:

- **Caregiving Support from Wellthy** is a program that helps employees navigate the challenges faced as caregivers for children, aging family members, or loved ones with special needs or who are chronically ill.
- Our **myWellness** platform is a mobile-friendly, easy-to-use application that serves as a repository of wellness tools and resources to help employees achieve their physical, mental and wellness goals. Using the platform, employees can set physical and mental wellness goals, track healthy habits, find top-rated doctors in their area, review information about a new diagnosis or treatment, challenge friends to health competitions and more.
- **Life Balance**, our employee assistance program, provides employees with access to professional in-person, digital and text-based counseling services; life coaching; personalized mentoring; and support resources for daily life needs. All Life Balance services are free, confidential and available 24/7 to employees and their household family members.
- **Included Health** is a free service for employees and dependents enrolled in a Travelers medical plan that matches members with top-ranked doctors, helps employees obtain second opinions from leading specialists and assists in navigating the health care system. Beginning in 2023, Included Health introduced LGBTQ+ and Black-led care teams to provide inclusive advocacy and care coordination in an effort to ensure that community members feel safe and supported and are able to get the care they need.
- In recognition that every path to parenthood is unique, **Maven** provides holistic and personalized fertility and family-building support. This resource is available to employees and their family members enrolled in a Travelers medical plan.
- **MSK Direct** is a free service for Travelers employees and their family members facing a cancer diagnosis. It provides guided access to expert cancer treatment and care at Memorial Sloan Kettering Cancer Center facilities.
- Our **diabetes management** program is a no-cost service that combines the latest technology with real-time support, facilitating the handling of diabetes for employees and their adult family members enrolled in a Travelers medical plan.
- **Wellness champions** in more than 50 local offices help cultivate a culture of wellness at Travelers by leveraging employees' interests and ideas to implement healthy initiatives at local offices.

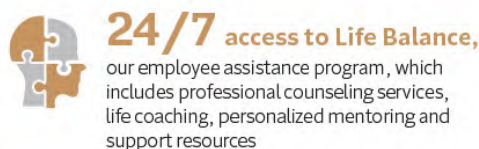
We also offer:

- Fitness center discounts for employees.
- On-site chiropractors and physical therapists for employees at our Hartford campus.
- Free on-site wellness screenings at our Hartford and St. Paul campuses.
- On-site counseling services for employees at our Hartford campus.
- Free seasonal flu shots for employees through on-site clinics and various retail pharmacies.
- Mobile mammography for eligible employees in certain locations.
- Free tobacco cessation programs for employees and family members enrolled in Travelers medical plans.

- Weight management programs with personalized coaching support, resources to help employees make positive changes and digital tools for users to track progress over time.
- Health insurance benefits for transitioning employees and family members to cover professional counseling, hormone therapy and, if clinically appropriate, gender reassignment surgery.

Additionally, recognizing that working parents and caregivers face unique challenges, our Working Parents & Caregiver Resource Group is a forum where Travelers parents and caregivers can come together to share tips, exchange resources and offer support to colleagues in similar situations.

HEALTH & WELLNESS



For more information on how we have protected the safety and health of our employees, see the [Safety & Health](#) section of this website.

Savings & Retirement

Our 401(k) Savings Plan provides employees with a vehicle to save for their retirement and the opportunity to receive a company match on those contributions. Employees can contribute from 1% to 75% (in whole percentage increments) of their eligible pay as pre-tax 401(k) or after-tax Roth 401(k) contributions, up to the maximum allowed under IRS limits. Travelers annually matches employee 401(k) contributions dollar for dollar, up to 5% of eligible pay. In 2022, the company matched contributions up to \$7,000. Employees become 100% vested in company matching contributions after three years of service. Currently, 97% of our employees participate in the Travelers 401(k) Savings Plan. Outside of the United States, we provide defined contribution retirement plans for more than 2,000 employees, with an average company contribution rate of over 8%.

Travelers recognizes that the high cost of education and the obligation of repaying student loans prevent many people from saving for their retirement. The Travelers Paying It Forward Savings Program, our innovative retirement savings benefit, addresses this issue for employees facing student loan debt. When an eligible employee makes a payment toward their student loans, Travelers makes an annual contribution of that amount into that employee's 401(k) Savings Plan account, dollar for dollar up to the first 5% of eligible pay, to a maximum of \$7,000. For the year ending on December 31, 2022, Travelers spent \$1.5 million to match student loan payments for more than 650 employees who had enrolled in this benefit. Since the program began in 2020, we've contributed nearly \$6.5 million to the financial security of these employees.

Travelers also assists employees with meeting their retirement needs through the Travelers Pension Plan, an active defined benefit pension plan. Travelers pays the full cost of the employee's plan benefits; we do not require employees to contribute personally. The plan determines the benefits under a cash balance formula, which provides pay and interest credits to a hypothetical account maintained for the employee with an annual pension credit of approximately 4% of the employee's pay. In 2022, \$623 million went to providing our employees with security in their retirement through pension payments and credits and 401(k) matching contributions.

We also support our employees' financial success through financial planning services. Thousands of our employees have taken advantage of this offering. Among other things, we offer our U.S. employees:

- A financial wellness assessment that allows employees to get a financial wellness score and personalized checklist to help meet their financial goals.
- Online and text-based retirement planning services, including complimentary consultations and workshops to assist in savings and retirement planning.

FINANCIAL SECURITY



\$117,000*
median pay for full-time
U.S. employees, who comprise over
90% of our U.S. workforce, putting us in the top
quartile for employee pay in the S&P 500



\$623 million spent
in 2022 to provide our employees with
security in their retirement through an
active defined benefit pension plan and
401(k) savings plan



\$18/hr
minimum wage in
the U.S.



\$1.5 million spent
in 2022 to match student loan payments with
401(k) contributions for 650+ employees
through The Travelers Paying It Forward
Savings Program

*Based on the median of the annual total compensation of full-time employee (other than the CEO) in the United States as reported in our 2023 Proxy Statement.

Work-Life

Additional benefits we offer our U.S. employees include:

- Life insurance.
- Short-term and long-term disability coverages.
- Paid time off, starting at 20 days per year, up to a maximum of 30 days per year based on years of service, plus the ability to purchase up to six additional days per year.
- Paid parental and adoption leave.
- Childcare discounts.
- A corporate discount program.
- Paid time off for volunteering.

Illustrative Initiatives



MAKING MENTAL HEALTH A PRIORITY

A Focus on Life Balance and Mental Health



SUPPORTING FUTURE LEADERS IN INSURANCE

Travelers Investing in the Next Generation of Talent



DEVELOPING A MORE DIVERSE PIPELINE OF ACTUARIAL TALENT

Our Work with the International Association of Black Actuaries



TRAVELERS INSTITUTE®

Travelers Institute University Tours



THE POWER OF TRAVELERS IS US

Exploring the Power of 30,000 People



COMMITTED TO MILITARY VETERANS

Supporting Those Who Serve

Illustrative Initiatives



GIRLS WHO CODE

Growing Tech Talent



SHE TRAVELS®

Advancing Women's Careers in Insurance



Innovation

We recognize that the world is evolving quickly. While our long-term financial strategy is not changing, the competitive advantages that have fueled our success over the last decade will not necessarily be the same as those we will need to continue to lead for the next decade. That is the focus of our ambitious innovation agenda: making sure that our competitive advantages are as relevant and differentiating tomorrow as they are today. Ultimately, the vision for our innovation agenda is to be the undeniable choice for the customer and an indispensable partner for our agents and brokers.

HIGHLIGHT

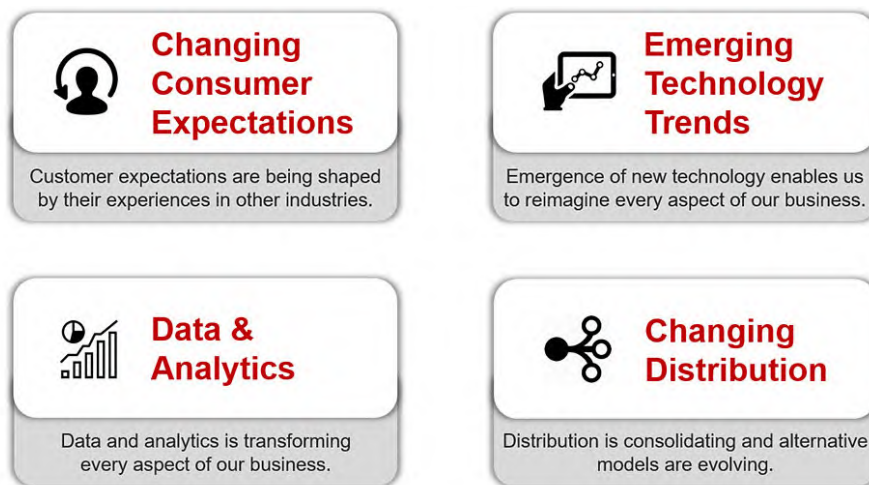
>100,000

Customer locations scanned by aerial imagery after catastrophe events in 2022

Approach

As one of the United States' largest multiline insurers, we continually invest in data, analytics, technology and operations to make our processes more efficient and effective to better serve our customers and maintain our competitive edge. Our [competitive advantages](#) set Travelers apart; they are foundational to the success of our long-term financial strategy. Nonetheless, we understand clearly that the world is changing, and changing quickly. Broadly speaking, we see four significant forces of change impacting our industry:

Forces of Change



We are pursuing an ambitious innovation agenda that is focused intently on these forces of change and is designed to ensure that our competitive advantages remain relevant and differentiating to drive our long-term success.

We believe the winners in our industry will be those with deep domain expertise who can continue to deliver industry-leading results while innovating successfully on top of a foundation of excellence. To ensure that we keep pace with the accelerating rate of demographic, economic, technological and cultural change in today's consumer and business environment, we have adopted a focused approach to innovation as a business discipline. Our Chief Innovation Officer leads a dedicated team of innovation specialists who focus on championing and supporting experimentation across the enterprise and enable connections to new capabilities in external ecosystems. The Travelers iCouncil, composed of senior leaders, oversees our innovation initiatives across the enterprise, helping to ensure consistency and streamline our innovation efforts.

At the same time, our Technology & Operations teams, led by our Chief Technology & Operations Officer, are also actively engaged in our ambitious innovation agenda by driving our digital transformation and advanced data and analytics initiatives. As we scale our agile practices across the organization, including through cross-functional groups, we continue to reinforce our leading position in the industry. We are also deeply committed to modernizing our technology architecture to enable us to continue delivering new business capabilities – driving our performance today and positioning us for success in the future.

Our “*perform and transform*” call to action, discussed in our Chairman and [CEO's message](#), and our culture of innovation have become important parts of our DNA. Our collaborative approach to innovation helps us “focus on the future” by bringing an innovative mindset to everything we do, forging strategic internal and external partnerships and accelerating new ideas with speed and direction – or, as we refer to it internally, “innovating with velocity.”

We are pursuing innovation in service of our vision to be the *undeniable choice for the customer and an indispensable partner for our agents and brokers*. In support of that vision, we have three innovation priorities:

- **Extend our advantage in risk expertise.** We seek to extend our advantage in risk expertise. We have been a leading property casualty insurer over many years by being excellent at understanding risk and the products and services our customers need to manage their risk. Core to that is our ability to balance the science and art of risk-based decision-making based on data and analytics. That skill set requires a combination of deep expertise and a special culture that values collaboration and long-term success. It is an important competitive advantage developed over a long period of time and one we believe is very difficult to replicate. We seek to extend our advantage by investing in areas such as predictive modeling, advanced analytics, robotic process automation, machine learning, artificial intelligence and new products.

- **Provide great experiences for our customers, agents and brokers.** We are laser-focused on providing great experiences for our customers, distribution partners and employees. We are investing in technologies, capabilities, and talent to become faster, nimbler, more digital, more mobile and more personalized. When we think there is a proprietary advantage, we invest in building these capabilities ourselves. In other cases, we partner with, invest in or acquire organizations – both established businesses and startups – to bring these great experiences to market more efficiently. Both approaches have resulted in new and enhanced capabilities, such as on-demand certificates of insurance for Small Commercial accounts, ongoing improvement to our self-service web experience, a completely redesigned mobile app, virtual home and auto inspections, nurses making virtual visits, loss consultation and digital claim payments, to name a few.
- **Optimize productivity and efficiency.** We are continually working to optimize our productivity and efficiency to enhance our operating leverage. This is not just about tightening the belt; it is about bringing a real strategic lens to the way we think about how we do what we do in an effort to do more with less. Enhanced operating leverage provides us with the flexibility to let the savings fall to the bottom line, reinvest the savings and/or compete on price without compromising our return objectives.

Discovering Emerging & Future Opportunities

As a leading property and casualty insurer with deep industry expertise and a long-standing commitment to learning, we believe that our employees, and the knowledge and insight they bring to serving our customers, underlie all of our key competitive advantages. We combine our talent and expertise with data, analytic tools and research capabilities to identify emerging and future opportunities to provide our customers with the products and services they need to protect what's important to them.

We track key trends that offer clues to how the future may evolve so that we are better positioned as customer preferences and expectations continue to evolve with time. We have in-house teams dedicated to researching and formulating educated viewpoints about the future of society, technology and the insurance industry, driving our long-term strategic priorities. From autonomous vehicles to artificial intelligence (AI), we systematically assess new technologies, plan for their potential impact and identify the business opportunities that may arise as a result.

In addition to watching industry trends, we continually evaluate evolving risks to our customers and help them with mitigation opportunities. We can test real-life scenarios at our research and training facilities – [Claim University](#), the [National Catastrophe Center](#) and the Risk Control [Digital Forensics Laboratory](#). Sharing what we learn with our underwriters helps them better select and price risks and develop products and services that address emerging risks to meet customer needs. These insights also give our Risk Control professionals a competitive edge, allowing them to work effectively with customers to help them identify occupational risks and mitigate and manage exposures to loss. In addition, our learnings allow our customers to help improve their employees' safety and wellness, as well as their own business results. Finally, these insights enable our Claim professionals to help our customers recover from losses quickly and efficiently. We also share our insights with our customers and the public through our agent and broker partners, our [Prepare & Prevent](#) website, [Travelers Institute](#) and [MyTravelers® for Business](#).

Fostering External Partnerships

With emerging trends and future scenarios in mind, our dedicated innovation scouts help us forge new partnerships and alliances outside of Travelers to broaden our perspective, gain early access to new ideas and develop solutions to some of the most compelling challenges impacting the industry. We position ourselves in the flow of innovation around the globe by collaborating with incubators, startups, venture capital and private equity firms, and others that are developing exciting new technologies and capabilities. We partner with incubators like Plug and Play and FinTech Innovation Lab New York, and global accelerators like SOSA, based in Tel Aviv. These innovation programs bring together startups from across the globe and some of the world's largest corporations. Through these partnerships, we participate in initiatives such as the Hartford InsurTech Hub, a collaboration of insurance carriers, representatives of the City of Hartford and community stakeholders, all focused on industry evolution through collaboration and innovation. The goal of this group is to develop a local innovation ecosystem supported by local resources, capabilities and talent, in which insurance technology startups can grow and flourish. We view our involvement in this Hartford-based initiative as an investment in both our communities and our business.

To engage future talent and address industry challenges, we are partnering with academic institutions such as the University of Connecticut (UConn) and Kennesaw State University (KSU) in Georgia. In joint projects with UConn, the Travelers Data & Analytics team is focused on artificial intelligence, machine learning techniques and statistical modeling. Together with KSU, we applied theoretical concepts to real-world AI problems and co-authored four research papers on using AI in a responsible manner while reducing potential classification errors. The first research paper^[1] won the Best Student Paper award at the 2022 Institute of Electrical and Electronics Engineers' International Conference on Semantic Computing for proposing innovative and practical approaches to mitigating classification errors when building language models. In addition, as part of our partnership with KSU, we formed the Travelers Responsible AI Lab (TRAIL) at KSU, with a continued focus on leading-edge AI research.

Our external partnerships help advance our data and AI capabilities. We continue to assemble new third-party data sets while refining our existing data to unlock new sources of insights and drive automation and productivity. For example, we set out to find new ways to expedite the process used to detect total losses from wildfires, specifically in the most prevalent fire loss areas of the western United States. Using third-party imagery collected from previous California wildfires, we tapped into our property boundary data to isolate home locations in the pictures. We then crowdsourced the tagging of 40,000 images, enabling a deep learning model to analyze the data and immediately assess which properties were total losses. The identification of total losses from imagery enables us to initiate the claim process faster, which, in turn, allows our customers to begin recovering and rebuilding their properties more quickly.

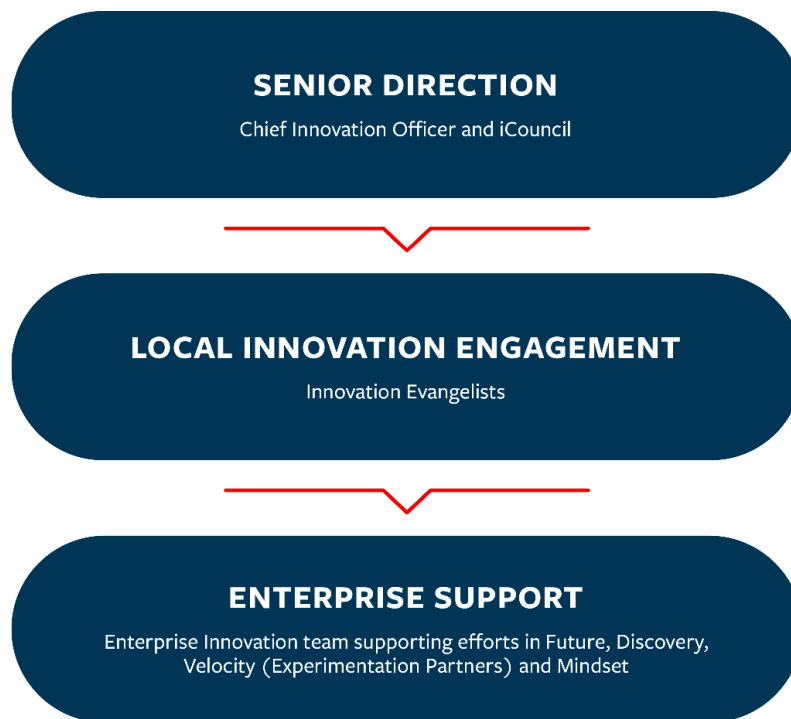
Driving an Innovation Mindset & Velocity

We built our internal innovation ecosystem to develop the key capabilities needed for the future by leveraging the best talent and ideas from both inside and outside our company. In collaboration with our dedicated Innovation team, our network of Travelers leaders spanning our businesses and functions – our Innovation Evangelist Network – take ownership of crafting the innovation objectives for their respective business lines. This network is supported by hundreds of subject matter experts, software engineers, design specialists and data and analytics professionals. These teams deploy their unique insights, perspectives and skills to bring innovative products and services to market and optimize productivity and efficiency to better serve our customers and agent and broker partners.

Supporting our evangelists and business leaders are our Experimentation Partners, who enable innovation within the business through mentoring, coaching, facilitation, tools and testing platforms. They provide:

- A best-in-class innovation methodology to rapidly bring ideas to life, supported by tools, training classes and online resources.
- Innovation designers to facilitate problem definition, information gathering, experiment design and, ultimately, the building of robust business cases for new ideas.
- A platform for rapid test-and-learn, with technology and engineers available to enable experimentation at scale, leveraging the latest software tools and emerging technologies inside and outside the company.
- Help solving critical business problems and driving velocity within our innovation agenda.

[1] "Directional Pairwise Class Confusion Bias and Its Migration," Statistics and Analytical Sciences article, Spring 3–2022, Institute of Electrical and Electronics Engineers, 16th International Conference on Semantic Computing.



We developed tools, training, communications and events to foster an innovation mindset throughout Travelers. Notably, to elicit new ideas, we regularly host hackathons, which we refer to as “Innovation Jams.” Participants collaborate and compete over the course of 24 hours to develop prototypes that address business challenges. Innovation Jam participants include Travelers employees from the United States, Canada and Europe and span all of our business functions. The events bring together employees’ knowledge and expertise in insurance, technology, design, customer experience, marketing and communications, among other disciplines, to solve critical business problems in new and creative ways. Now in its eighth year, our annual Innovation Jam has engaged thousands of employees, inspired a number of practical solutions and led to over 60 patent applications by Travelers. The 2022 Innovation Jam, which was conducted both virtually and in person, drew over 1,000 employees and involved more than 150 teams.

Harnessing the Power of Data

Data and analytics can help us explain events from the past or anticipate what may happen in the future. At Travelers, we believe data and analytics are transformative, strategic assets that provide us with a competitive advantage, help create great customer experiences and improve the overall productivity and efficiency of our business.

Our Data and Analytics team, led by our Chief Data and Analytics Officer, has strong partnerships across the enterprise and is responsible for executing our strategic data and analytics priorities. Through our data and analytics capabilities, we are providing solutions to challenges in our business and our industry, with the explicit goal of further extending our data and analytics advantage to drive industry-leading performance for years to come.

Travelers has been using data and analytics for more than 160 years, but the world is constantly evolving. Our Data and Analytics team continually incorporates new sources of data to further enhance our risk insights and optimize our operational decisions.

Each year, we:

- Process more than 1 million loss notices.
- Respond to roughly 20 million quotes.
- Answer more than 10 million calls from customers and agents.

That equates to more than 30 million “events” per year, or roughly 100,000 different business interactions a day, that can be optimized through the innovative use of technology, data and analytics – the three ingredients that are at the core of our digital journey and that we believe will help us reimagine those business interactions over time.

We are accelerating our transformation by expanding omnichannel customer engagement and leveraging advanced analytics and artificial intelligence to drive better risk segmentation, boost productivity, improve operational efficiencies and create great experiences for our customers, agents and brokers.

Responding to the needs of our customers and business teams, we have prioritized design-thinking tools and have shifted from a project management focus to a product-led mindset. This means that small teams composed of individuals from a mix of disciplines and functions are responsible for specific products and are empowered to make decisions that help drive business outcomes and speed to market.

We have also shifted to an engineering mindset throughout the Technology & Operations teams, such that instead of simply translating business requirements into code, our engineers are more directly integrated into the business and are thus better able to understand and appreciate the digital business drivers in today’s market. These mindset shifts help inform how we interact with our customers, agents, brokers and employees to create frictionless digital experiences.

Cultivating Our Data Culture

Our Data Culture program was launched in 2020 to reinforce the strategic value of data and how it impacts our business. The program is intended to ensure that all employees take ownership of data, understand and protect data, capture data appropriately and make sure the data they are using is accurate and timely. Program highlights include:

- **Engagement.** Creating awareness and understanding of the importance and impact of data.
- **Learning and Development.** Offering programs to support a community of continual learning and growth.
- **Enablement.** Providing tools and resources to aid in maturing a data-driven culture.

As part of this program, our new Leadership Series prepares our operational leaders to become even better consumers of data and analytics capabilities, extending beyond traditional uses in product risk segmentation and enabling them to reimagine work across the value chain. Through this series, we seek to enable better decision-making, enhance productivity and build improved experiences for our agents, brokers, customers and employees – all of which help us maintain and advance our industry-leading performance.

Innovative Products & Services

The forces of change in our industry present not only risk but also significant opportunities. We continually leverage our innovation ecosystem and data-centric culture to provide new products and services to the insurance market that align with our three [strategic innovation priorities](#). Here are some examples of those innovative products and services and how we are using technology to deliver them.

Innovative Products & Services

BUSINESS INSURANCE

Connected Protection

- Our Connected Protection program helps our customers reduce risk by introducing them to Internet of Things (IoT) solutions, such as smart devices, and a network of preferred suppliers who can provide them.
- The smart devices provide customers with real-time feedback and alerts through a smart phone or computer dashboard. The devices can address a range of risks, such as water leaks and broken manufacturing equipment, while the suppliers can offer potential discounts and smart device guidance.

Using AI to Streamline Submission and Quoting Processes

- Insurance quote requests often require significant manual effort to extract information from submitted documents before an underwriter can fully evaluate and price the risk. By organizing valuable unstructured data from submission documents, artificial intelligence (AI) augments our underwriting capabilities, enhancing risk selection and increasing efficiency while also enabling agents and brokers to write more business more quickly.

Travelers' Third-Party Claims Administration Services

- Through its subsidiary Constitution State Services (CSS), Travelers has provided claim management services for over 40 years. CSS acts as a third-party administrator for larger commercial customers for workers compensation claims, general liability claims, commercial auto claims and property claims.
- CSS provides a prompt, focused response to claims, working collaboratively with our clients to efficiently pay what is owed, manage expenses and provide excellent customer service. CSS is able to deliver superior results by leveraging its national scale and technical expertise.

BrokerTech Ventures

- We continue to partner with BrokerTech Ventures – an entity that convenes broker-centric innovation, ideation, investment and communication – to identify new ways to collaborate on technology solutions for agents and brokers. BrokerTech Ventures continues to provide Travelers with early access to startups focused on developing technology solutions for the insurance industry.

Digital Delivery of Policy Documents

- By enabling agents and customers to correspond and transact business with us digitally, including by e-signing documents, we're able to provide quicker service while reducing our paper usage and mail costs.
-

Innovative Products & Services

BUSINESS INSURANCE

Risk Management Information Services (e-CARMA®)

- Travelers Risk Management Information Services uses advanced technology to gather and analyze many elements that can have a significant impact on loss experience.
 - For our larger Business Insurance customers with more sophisticated or complex operations, we offer e-CARMA, a comprehensive and customizable analysis tool that makes accessing loss information faster and easier so our customers can make timely and informed decisions to help keep their businesses running smoothly.
-

MyTravelers® for Business

- In 2022, we continued to experience increased adoption of our digital business assets. *MyTravelers* for Business provides online, on-demand self-service capabilities for our customers so they can manage their business insurance accounts on their own schedules.
 - Once logged in, customers can view their Travelers policies and billing accounts and access an extensive inventory of capabilities. These include reporting a claim or checking the status of a claim; obtaining copies of policy documents or certificates of insurance; accessing historical claim or loss run information; printing auto ID cards; and viewing limits and deductibles.
-

Global CompanionSM Plus+

- *Global Companion Plus+* is a product that builds on the company's broad property and casualty offerings for U.S. firms with foreign exposures. Features of *Global Companion Plus+* include:
 - **Primary Foreign Voluntary Workers Compensation.** Protects employees who are working outside their home countries.
 - **Financial Interest.** Provides a separate \$1 million limit for U.S.-based companies as an extra layer of protection when an eligible foreign subsidiary suffers a covered loss.
 - **Global Panel Counsel Service.** Helps businesses in need of legal assistance abroad find reputable in-country representation experienced in local regulations and languages.
 - **Emergency Evacuation Coverage.** Offsets the cost of employees who must evacuate while abroad. This now includes coverage for natural disasters, political unrest and endemic disease.

[Learn more.](#)

Groundspeed Analytics

- Travelers has a strategic partnership with Groundspeed Analytics, Inc. to simplify the company's new business and policy renewal processes through the use of artificial intelligence (AI). We plan to continue to collaborate with Groundspeed on the design of additional AI capabilities to improve operational efficiencies through the automation of commercial insurance analytics.
-

Innovative Products & Services

BUSINESS INSURANCE

Travelers BOP 2.0

- Our BOP (Business Owner's Policy) 2.0 product, launched in 2019 with input from our agents and brokers, makes the quoting experience faster and easier with simplified screens, fewer questions, more customer information prefilled and modernized business classifications.
- We also adjusted our pricing, introduced new discounts and provided flexible offerings that allow agents and brokers to package coverages in a way that best meets the needs of our customers.
- Countrywide rollout is in progress.

Certified Data Products

- We created a series of certified data products that leverage both Travelers and third-party data. These products are operationally integrated, mastered, standardized, curated and quality controlled.
- For example, our new Certified Business database contains details on more than 30 million businesses, nonprofits and municipalities, providing a 360-degree view of each entity. Certified Business currently enables employees to share customer information across all lines of business – improving our ability to generate new business leads, cross-sell our products and make more informed business decisions during the sales and underwriting process.

PERSONAL INSURANCE

easyfix®

- *easyfix* is a unique service that connects homeowners with a professional to identify, diagnose and troubleshoot home repair and maintenance issues so they can repair problems quickly and effectively.
- *easyfix* helps homeowners assess home repair issues so they can know what to expect, and evaluate whether to undertake the repairs on their own or to hire a contractor to assist.

Move Easy

- In late 2022, Travelers made a strategic investment in Move Easy, a fully integrated concierge moving and homeowner service.
- Delivered through realtors, Move Easy connects homeowners to services like utilities, home security and moving companies and insurance. Travelers is an exclusive partner for the insurance shopping and buying experience on the Move Easy site.

[Learn more.](#)

Premium Compare Tool	<ul style="list-style-type: none"> • The Premium Compare Tool is a fast, convenient, easily accessible way for our customer-facing employees and agents to clearly understand why a customer's premium has changed. • This tool has created efficiencies to better equip our employees, agents and partners to meet our customers' needs.
Trov	<ul style="list-style-type: none"> • In February 2022, our Personal Insurance business acquired sophisticated technology from Trov, a provider of digital insurance solutions. The technology builds upon existing capabilities to embed our products into partners' digital ecosystems to reach more customers where they are. • In addition to acquiring the technology, Personal Insurance welcomed several new team members from Trov. With deep expertise in the acquired technology, a proven track record of innovation and an entrepreneurial spirit, they are a strong complement to our existing team.
BOND & SPECIALTY INSURANCE	
Project Loss Insurance	<ul style="list-style-type: none"> • As construction projects continue to reach new heights, so do the exposures faced by construction companies. Bigger projects mean greater bottom-line risk. One poor estimate or delinquent subcontractor could cause construction companies to face significant business impairment or worse – complete failure. Only Travelers offers this innovative product designed to help protect construction companies from a potential catastrophic loss.
Cyber Risk Management Expertise and Services	<ul style="list-style-type: none"> • When it comes to cybersecurity, the right insurance policy is essential, but that is only one part of what we have to offer. Through both public and private partnerships, we are improving the knowledge and risk management capabilities we bring to agents and customers. Travelers provides its CyberRisk policyholders with innovative pre- and post-breach risk management resources, such as access to the Travelers eRiskHub® powered by NetDiligence®, cyber coaches who can offer actionable advice and answers, and pre-breach services provided by HCL Technologies.
Management Liability Offerings via Travis	<ul style="list-style-type: none"> • Through the Small Commercial Travis platform, in a few easy clicks, agents can cross-sell, quote and bind certain Management Liability coverages with speed and simplicity alongside the Business Owner's Policy (BOP). This enhanced digital connectivity and integration of products drives efficiencies for our distribution partners and provides value to our Small Commercial customers.
Travelers Click®	<ul style="list-style-type: none"> • This modern and sophisticated online system leverages our data to place smaller transactional bonds, such as notary and license and permit bonds, through a no-touch process. With over 5,000 bond types available and new features continually being added to this robust underwriting engine, we help agents and brokers process bonds more easily.

DISTRIBUTION

TRV Marketplace

- TRV Marketplace provides embedded commerce solutions for insurance-adjacent brands like Zillow.com and Realtor.com, where insurance is a secondary but necessary consideration.
- Customers of these digital brands can receive quotes from various carriers and the ability to purchase a policy if they are interested through InsuraMatch, a Travelers-owned national insurance agency.

InsuraMatch

- Acquired by Travelers in 2021, InsuraMatch is a national property casualty insurance agency that writes business for 50+ carriers across the United States.
- InsuraMatch currently focuses on personal insurance products and offers coverage for auto, home, boat, motorcycle, renters, umbrella, flood and other lines.
- InsuraMatch uses a series of digital platforms to provide its partners' clients with an easy online comparison-shopping experience backed by a licensed staff of insurance advisors to help consumers make the best decisions for themselves and their families.

[Learn more.](#)

Simply Business®

- Simply Business is a growing technology company, owned by Travelers and operated as a standalone business, which offers products online on behalf of a broad panel of carriers.
- Its proven business model enhances the insurance buying experience for microbusiness owners and aligns with Travelers' efforts to simplify the small commercial insurance transaction.
- Simply Business has more than 915,000 microbusiness and landlord customers, representing more than 1,000 classes of business.
- Simply Business has been named a Best Place to Work in Insurance by Business Insurance.

[Learn more.](#)

Zensurance Investment

- Zensurance, our wholly owned subsidiary, is a Toronto-based digital provider of online insurance solutions for small businesses, offering business insurance online on behalf of a broad panel of carriers in Canada.
- Zensurance uses data and analytics to identify the most common risks that small businesses face and designs insurance packages that are best suited for their respective industries.
- Zensurance is a natural fit with our Simply Business team, further adding to our digital capabilities and medium-term strategic positioning to serve small businesses and microbusinesses.

[Learn more.](#)

CLAIM

MyTravelers® Repair Network for Auto

- We expedite the processing of auto damage claims through predictive models that quickly categorize types of vehicle damage and assist in the damage assessment process. Through partnerships with trusted repair shops, we offer our customers an efficient one-stop repair solution.

Catastrophe Event Analytics

- We continually leverage data, analytics and artificial intelligence to track storms, policies in force and pre-storm damage to understand the impact of a catastrophe event and proactively deploy resources to help our customers restore what matters most to them.

QuantumSubroSM

- Launched in 2022, [QuantumSubro](#) utilizes the scale and expertise of Travelers' subrogation capabilities to provide a cost-effective recovery solution for carriers or entities impacted by mass claim events.

Drones in Property Inspection

- Widespread use of unmanned aerial systems (drones) in property damage inspections speeds claim inspection and resolution times; approximately 96% of all Personal Insurance claims were closed within 30 days when a drone was used during the inspection process, as compared with 89% when a drone was not used.
- Widespread use of drones enhances customer experience and increases employee safety, including by more easily enabling social distancing.
- More than 700 of our certified pilots conducted more than 150,000 drone flights for property claims in 48 states since the inception of the program.
- Travelers was the first insurer to develop a drone training program and assisted with developing FAA regulations for commercial use of unmanned aircraft systems.
- Hover, a leading provider of drone operations software, reinforces our leadership role in the commercial application of drone technology.

Preferred Contractor Network

- Introduced in 2022, our preferred contractor network for home repairs helps connect homeowners with qualified contractors quickly and easily.

Mental Health App

- In Workers Compensation, we offer new tools focused on the biopsychosocial wellness of the injured employee, including the new [Wysa Return to Work app](#) designed to promote injured employees' mental health.

Virtual Inspection Tools

- We partner with vendors to offer virtual tools that help customers share information with us about their homes or vehicles to streamline the damage inspection process. With our virtual inspection tools, we can quickly assess coverage and damages and often resolve a property or auto claim in hours.

Operational "Bots"

- In 2022, we saved more than 70,000 hours of routine work with 23 different "bots" that automate routine processing tasks.

Settle My Claim

- We launched efforts in our General Liability business to help unrepresented claimants understand how to value their claims, creating efficiencies for all parties.
-

RISK CONTROL

Construction Vibration App

- When construction work is occurring, the impacts may be felt beyond the worksite. The smartphone-based app [ZoneCheck®](#) helps construction companies understand how site activities can impact ground vibration and identify related risks to nearby structures.

Forensics and Digital Forensics Laboratory

- We have a Forensics Laboratory staffed by a team of scientists and engineers with backgrounds in chemistry, metallurgy, [materials science](#), [fire forensics](#) and construction. This capability brings analytical rigor to identify how losses occur and who or what is responsible.
- Our Digital Forensics Laboratory, staffed by specialists, enables Travelers to ingest, preserve and analyze digital data from any source, including the web, social media and smart devices. This capability considerably advances forensic investigations and contributes to our understanding of how losses occur.

Ergonomics Specialist Expertise and Technology

- The combination of Travelers' ergonomics expertise and video capabilities enhanced by artificial intelligence (AI) allows us to help customers measurably reduce the risk of musculoskeletal disorders.
- This virtual safety consulting platform enables customers to access our network of safety specialists in real time. Customers can upload digital media and collaborate with consultants around the globe to evaluate occupational hazards and design and implement safety improvements.
- Using digital video and screen-sharing technology, ergonomics specialists collaborate with our customers, including through the use of our AI-Assisted Ergonomic Assessment, to identify job hazards and design improvements to help reduce the risk of developing musculoskeletal disorders.

Personalized Risk Control Advice

- We help customers protect their businesses and employees through one-on-one consultations with Risk Control professionals and personalized web-based systems to get them the right resource at the right time.

Risk Control On-Demand®

- *Risk Control On-Demand* capabilities allow us to virtually interact with our customers to assess their operations and collaborate with their management teams across multiple locations.
- We develop consultative reports to provide actionable solutions that can help our customers reduce risk.

Fire Protection System Impairment Management Tool

- Available on our secure Risk Control website on MyTravelers® for Business, this tool is designed to help customers record and communicate to Travelers when a sprinkler system, fire pump, special extinguishing systems or other fire protection system component is out of service.
- Customers can track impairments at multiple properties and get reminder emails to help return a system back to service in a timely manner, helping to protect their business and employees.

[Learn more.](#)

Helping Contractors Manage the Cost of Risk

- Travelers has an exclusive agreement with Procore, a leading provider of construction management software, to help contractors manage the total cost of risk through improved operations and job-site safety.
- Procore's construction platform connects entire project teams, from the office to the field and across companies. This provides key stakeholders – owners, general contractors, specialty contractors, architects and engineers – with the ability to collaborate across locations and devices.
- Procore's platform can help contractors avoid many costly losses and delays through effective risk management and cross-team collaboration.

[Learn more.](#)

Pump Loan Plus®

- Our *Pump Loan Plus* (PLP) program is a virtual consulting program to help customers assess their occupational health exposures. The program also includes options to use remote sensing technologies for indoor air quality.
 - Travelers loans customers the necessary equipment to complete various sampling. Customers conduct sampling and send the data and samples back for analysis. Risk Control staff provides technical assistance under the direction of a Certified Industrial Hygienist.
 - Following analysis by the Travelers Industrial Hygiene Laboratory, the customer receives a letter of interpretation from our consultants to assist in risk mitigation.
 - This flexible approach promotes self-sufficiency for customers to better understand occupational exposures in a timely and cost-effective manner.
-

Right Touch

- Right Touch is an engagement strategy used by our Underwriting and Risk Control groups that leverages data, technology and our collective field experience to effectively identify changes in an account between the previous risk assessment to the current renewal period.
 - The Right Touch tool analyzes data related to changes in exposure, changes in claim trends, observations and recommendations to help prioritize on-site surveys or follow-up consultations.
 - The Right Touch analytics and conclusions are expected to guide faster, more consistent decisions regarding whether and when to engage Risk Control and to enable us to provide customers with the right products at a competitive price.
-

To learn about how our innovative products and services incentivize health, safety and/or environmentally responsible actions and behaviors, see our [SASB Report](#).

Illustrative Initiatives



GIRLS WHO CODE

Growing Tech Talent



CONNECTED PROTECTION

Travelers Preferred Vendor Program



INTELLIDRIVE®

Leveraging Telematics to Encourage Safe Driving



INNOVATION IN WORKERS COMPENSATION RECOVER

Finding Innovative Ways to Manage Workers Compensation-Related Injuries



CLAIM UNIVERSITY

Training World-Class Claim Professionals



INNOVATION FOR SAFETY

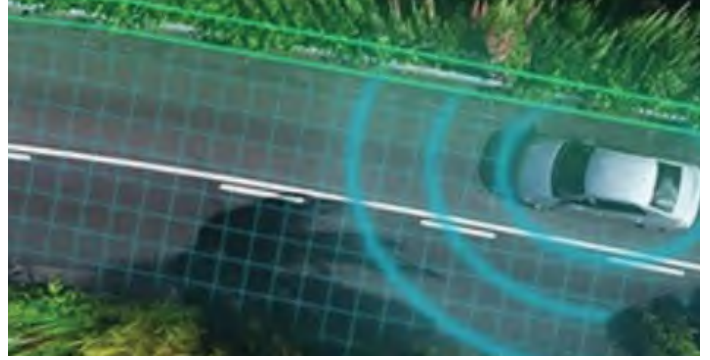
Leveraging Technology to Improve Worker Safety

Illustrative Initiatives



CUSTOMCARESM AND WORKERS COMPENSATION INJURY RECOVERY

Enhancing the Experience of Injured Employees



TRAVELERS INSTITUTE[®]

Insuring Autonomy – Autonomous Vehicles



NATIONAL CATASTROPHE CENTER

Catastrophe Planning and Response



Public Policy

Travelers commits to constructive participation in the public policy dialogue around issues core to our business and on behalf of our customers, our agents and brokers and the communities we serve. Through the Travelers Institute, our public policy division, we engage with policymakers and thought leaders to help address today's challenges and tomorrow's needs.

HIGHLIGHT

>700

Events hosted by the Travelers Institute educating thousands of consumers and business leaders on cybersecurity, distracted driving and natural disasters

Approach

Travelers established the Travelers Institute in 2009 as a means of participating in the public policy dialogue on matters of interest to the property casualty insurance sector, as well as the financial services industry more broadly. The Travelers Institute draws upon the industry expertise of Travelers senior management and the technical expertise of its risk professionals, as well as other experts, to provide information, analysis and recommendations to public policymakers and regulators. The Executive Vice President of Public Policy is the President of the Travelers Institute and a member of our Management and Operating Committees.

Our senior business leaders set the Travelers Institute's public policy priorities. They ensure that the Institute's initiatives align with the company's business strategy and drivers of sustained value and have the greatest possible impact in the communities in which we live and work. Our current priorities are presented in detail on the [Travelers Institute](#) website and include:

- [Thought leadership programming.](#)
- [Distracted driving.](#)
- [Autonomous vehicles.](#)
- [Enhancing cybersecurity.](#)
- [Small business advocacy.](#)
- [Insurance education.](#)
- [Disaster preparedness and coastal challenges.](#)

In addition to bringing value to our communities and agent and broker partners, Travelers Institute® programming helps educate the company's employees, senior leaders and Board members, who regularly attend Travelers Institute events, about issues and trends affecting our industry. In addition, the President of the Travelers Institute reports to the Board on an annual basis.

Stakeholder Engagement & Strategic Relationships

The Travelers Institute regularly engages with policymakers, business leaders, researchers, students, civic organizations, advocacy groups and others to examine solutions to the challenges facing communities and businesses today. Through educational symposia, strategic coalitions, conferences, webinars, publications and other activities, the Travelers Institute helps further dialogue on a variety of important public policy issues, including those outlined under our [Approach](#). These cross-sector collaborations help drive informed discussion and demonstrate our willingness and ability to thoughtfully provide industry leadership.

Collaboration across federal, state and local government is core to the Travelers Institute mission. Travelers Institute programming has featured representatives from various state Departments of Insurance, the U.S. Department of Homeland Security, the Federal Bureau of Investigation, several Federal Reserve Banks, the Federal Trade Commission, the National Highway Traffic Safety Administration, the U.S. Small Business Administration, and the Cybersecurity and Infrastructure Security Agency, among others. The programs offer critical education about selected public policy topics and provide a platform for government agencies to share and promote resources.

Travelers Institute programming not only fills an important role in the public policy dialogue but also enhances our relationships with our customers, independent insurance agents, state regulators and the public. In particular, Travelers Institute educational programming offers unique value to our network of 13,500 agent and broker partners, providing a distinguished thought leadership platform. Over the past 14 years, the Travelers Institute has hosted hundreds of events in collaboration with agents and brokers, enhancing these relationships while providing education and risk mitigation strategies to thousands of consumers. Programming leverages agents' knowledge of how issues such as cybersecurity, distracted driving and natural disasters directly affect families, businesses and communities. Agencies and agent associations regularly co-host programs, invite customers and provide expert speakers, leveraging their risk management expertise and reinforcing their value as trusted advisors for critical insurance decisions. In addition, the Travelers Institute offers presentations on the economic outlook and political landscape at agent conferences and events and provides educational content, including publications, social media campaigns and videos, for agents and brokers to share with clients. These programs are a great example of how our efforts to strengthen our communities also enhance our relationships with our agent and broker partnerships and contribute to our bottom line.

Notably, in light of the pandemic, the Travelers Institute enhanced its convening power and connected with important stakeholders virtually through the [Wednesdays with Woodward®](#) webinar series. The series launched in June 2020 and explores personal and professional issues impacting our agents, our brokers, our customers, our employees and the communities we serve. Topics discussed have included cross-sector efforts to prevent and reduce cybercrime, the changing landscape of insurance distribution, the future of autonomous vehicles, and leading and managing teams during the pandemic, among many others. Through the end of 2022, the Travelers Institute hosted 77 webinars, which had approximately 158,000 viewings in total.

Political Process Commitments & Contributions

In addition to [Travelers Institute](#) activities, Travelers directly engages in the public policymaking process through the Travelers Government Relations team. Given that Travelers operates in a highly regulated and competitive industry, it is important for the company to evaluate and appropriately engage at both the state and federal levels. We believe our active participation in the political process is in the best interest of our shareholders, our employees and the communities in which we conduct business.

Our Government Relations staff gather input from various business lines, senior management and our Legal staff when analyzing public policy issues and lobbying priorities. Many of the issues we focus on – such as insurance regulation, regulatory modernization, catastrophe and terrorism risk insurance, and tort and class action reform – have a direct impact on the availability and pricing of the products and services we provide to our customers and on the performance of our businesses.

Travelers is committed to participating in the political process in a transparent, thoughtful and responsible manner, consistent with the company's [Code of Business Conduct and Ethics](#) and in compliance with all applicable legal requirements. Our policy titled [Commitment to Participation in the Political Process](#), which has been approved by our senior management, outlines our approach to participation in the political process and discusses Board and management oversight of such participation. We annually review and, as appropriate, update our political activity policy.

Highlights of our current policies and practices with regard to political campaign contributions and expenditures and lobbying activity include the following:

Board Oversight and Governance around Political Activities

Travelers conducts its political activities, including lobbying, under the oversight of the Nominating and Governance Committee of the Board, which is composed solely of independent directors. Our Head of Government Relations and General Counsel review all corporate political campaign contributions and expenditures, as well as all dues and other payments made to relevant trade associations and other organizations. Lobbying activities on behalf of Travelers require prior approval of the company's Government Relations professionals. Further, the Head of Government Relations reports semiannually to the Nominating and Governance Committee of the Board regarding political contributions and expenditures made by Travelers, including dues and other payments made to relevant trade associations and other organizations, lobbying activities, and public policy issues of priority to Travelers. In addition, the Nominating and Governance Committee oversees our policy regarding political activities and any changes to that policy. The Nominating and Governance Committee provides the full Board with a report on the company's political activities at least twice per year.

As noted above, the Nominating and Governance Committee's oversight of political activities includes the company's membership in, and other support of, trade associations and other organizations. Our Government Relations staff and trade association colleagues promote and advance our position on issues having a direct or indirect impact on our business. Our membership in a particular trade association does not suggest that we agree with such association's position on every issue, nor does it suggest that Travelers joined such association primarily due to its lobbying activities.

No Corporate Contributions to Federal Candidates or Political Party Committees

In accordance with current applicable law, political contributions to federal candidates and federal political party committees may not be, and are not, made by Travelers. Such contributions may be made by our political action committee, The Travelers Companies, Inc. Political Action Committee (T-PAC), which is not funded by corporate funds, but rather by the personal funds given voluntarily by our employees. T-PAC's Contributions Committee, whose objective is to advance the best interests of Travelers and its shareholders, makes decisions concerning the use of those funds. T-PAC reports this spending in filings with the Federal Election Commission, which are publicly available.

Disclosure of Political Contributions

Our participation in the political process is governed by law, in addition to internal policy. Travelers complies with all applicable laws and regulations pertaining to political campaign contributions at the federal, state and local levels, including those requiring specific disclosures.

These extensive disclosures required by applicable laws and regulations provide further transparency and public access to information regarding the scope of our political involvement.

Pursuant to our current political activity policy and based in part on shareholder input, Travelers discloses, semiannually in [political contributions reports](#) on our website, corporate contributions to state and local candidates, candidate campaign committees and other political entities organized under 26 USC § 527. In our political contributions reports, we also provide a link to the Federal Election Commission website containing reports filed on behalf of T-PAC.

We also file [federal](#) lobbying reports under the Lobbying Disclosure Act and periodic (e.g., monthly, quarterly, semiannual) [state](#) lobbying reports under the relevant state lobbying laws. Such filings not only disclose lobbying costs but also specifically identify the issues and government entities lobbied.

No Direct Independent Expenditures

Travelers has not made any direct independent expenditures, at either the federal or state level, and does not have any plans to do so during the current election cycle. Direct independent expenditures, if any, would consist of funds spent by Travelers itself on communications in support of, or in opposition to, a candidate's campaign, without coordination with the candidate. Our political activity policy provides that Travelers may not make direct independent expenditures in a candidate campaign unless, and only if, it believes that an exception to that policy is justified by business need and it obtains the prior approval of the Nominating and Governance Committee or its Chair. If any such direct independent expenditures are made, Travelers would disclose them on its website in the same manner and at the same time as it discloses campaign contributions.

No Grassroots Lobbying or Payments to Tax-Exempt Organizations That Endorse Model Legislation

Travelers currently does not engage in grassroots lobbying and did not make any payments in 2022 to influence the outcome of ballot measures. Travelers is currently not a member in, nor does it make payments^[1] to, any tax-exempt organization that writes and endorses model legislation.

Participation in Trade Associations

Travelers joins trade associations and similar organizations to further its commercial interests, educate its employees or enhance its ability to serve customers. Travelers' membership in a particular trade association does not suggest that it agrees with such association's position on every issue, nor does it suggest that Travelers joined such association primarily due to its lobbying activities. Importantly, trade associations operate on an independent basis. Disclosure of Travelers' membership in, or other support of, trade associations may not – and often does not – represent Travelers' lobbying activity or policy positions.

On an annual basis, Travelers [discloses](#) on its website the lobbying allocation for trade associations and/or social welfare organizations to which it pays dues of \$25,000 or more.

[1] Travelers pays registration fees for employees to attend meetings of the National Association of Insurance Commissioners and the National Council of Insurance Legislators.

Illustrative Initiatives



TRAVELERS INSTITUTE®

Travelers Institute University Tours



TRAVELERS INSTITUTE®

Distracted Driving – Every Second Matters®



TRAVELERS INSTITUTE®

Cyber: Prepare, Prevent, Mitigate, Restore®



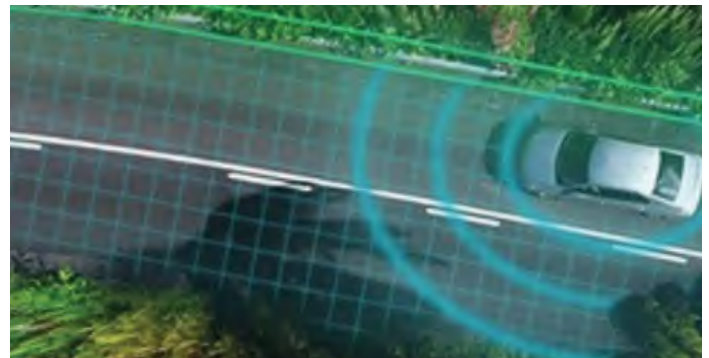
WEDNESDAYS WITH WOODWARD® WEBINAR SERIES

Thought Leadership Programming



TRAVELERS INSTITUTE®

Thought Leadership on Disaster Preparedness



TRAVELERS INSTITUTE®

Insuring Autonomy – Autonomous Vehicles

Illustrative Initiatives



SMALL BUSINESS - BIG OPPORTUNITY®

Small Business Advocacy



TRAVELERS INSTITUTE®

Insurance Essentials: Your Questions Answered



Safety & Health

As an employer, we’re committed to the safety, health and well-being of our more than 30,000 employees – our most valuable asset. And as an insurer, we are in the business of improving the safety, health and well-being of our customers and our communities, from helping to reduce distracted driving to working with business customers to prevent and minimize the severity of workplace injuries.

HIGHLIGHT

>30,000

Analyses on ~20,000 samples performed by the Travelers Industrial Hygiene Laboratory

Approach

At Travelers, our success relies on the safety, health and well-being of our employees. Our workers compensation customers also trust us to help protect their most precious resource – their employees. This combined responsibility makes safety and health both a key driver of our sustained value creation and an opportunity to positively impact our communities more broadly.

Protecting the Safety and Health of Our Employees

At Travelers, our employees are our most valuable asset, and we are committed to helping them be safe, healthy and productive in their lives and at work. To nurture a culture of safety, we outline our expectations in safety policies, regularly evaluate health risks, conduct incident root cause analyses and develop programs to mitigate safety risks for our employees. We provide onboarding training, which includes general office safety and driver safety. We also provide targeted training for our employees who drive regularly for work or visit potentially hazardous environments, such as construction sites or disaster areas.

We regularly survey our owned and leased facilities to check for and mitigate potential hazards. In addition, our company fleet vehicles are equipped with advanced safety features, including forward-collision warning systems and autonomous braking, to help keep our employees safe on the road. Our investments in drones also help keep our employees safe by reducing the need for them to engage in potentially hazardous activities, such as climbing onto ladders and roofs. We also offer our employees office workstation ergonomics consultation services and self-help ergonomic tools and training.

As discussed in further detail under [Business Resiliency](#), Travelers' Crisis Management Operating Model includes two teams: the Operational Response Team (ORT) and the Enterprise Event Response Team (EERT), which are tasked with overseeing and responding to crisis events and emergency situations consistent with our event-specific playbooks. Our corporate pandemic plan, for example, outlines our strategy for maintaining a safe and healthy workplace while continuing to deliver uninterrupted service to our customers, agents and brokers. Our corporate pandemic plan was put into action during COVID-19, where, despite the extraordinarily challenging circumstances, we were able to continue to serve our customers and our agent and broker partners seamlessly and safely.

Beyond working to ensure the work-related health and safety of our employees, we offer comprehensive benefit programs to help our employees be healthy and productive in all aspects of their lives. In 2022, in keeping with our culture of wellness, we promoted our extensive mental, physical and financial wellness resources, including those focused on reducing stress, remaining active and planning for financial security. To learn more about the comprehensive benefit programs we offer to our employees, see [Total Rewards](#) on the Human Capital Management section of this site.

Protecting the Safety and Health of Our Customers' Employees and Our Communities

As a leading workers compensation carrier, we share our risk control expertise, as well as our claim and medical data and analytic insights, with our customers, agents and broker partners. Our Underwriting and Risk Control departments provide information to customers to help promote a safe workplace and identify and mitigate hazards. When claims do happen, our Claim and medical professionals quickly deliver appropriate resources to help the injured employee achieve optimal claim and medical outcomes and return to work as soon as medically appropriate. These resources include, among others, our interactive workers compensation claim portal, [MyTravelers® for Injured Employees](#).

Our team of more than 500 Risk Control professionals helps our Business Insurance customers address exposures to loss and prevent injuries through our resources regarding employee safety, ergonomics, industrial hygiene, driving safety and property preservation, among others. We conduct more than 120,000 customer engagements per year through on-site surveys, on-demand risk evaluations, virtual risk assessments, jurisdictional inspections, trainings and online self-help resources. With one of the largest Risk Control departments in the industry, we have the experience and scale to provide our customers with the right resource at the right time.

We believe the insurance industry should also play an active role in promoting safety in our communities. That's why we provide extensive safety resources to customers and the public through the [Prepare & Prevent](#) section of our website, which we amplify with outreach through traditional and social media strategies. In addition, the [Travelers Institute](#), our public policy division, promotes safe behaviors. For example, the Travelers Institute helps combat distracted driving through its [Every Second Matters®](#) education campaign, and in 2022, it hosted webinars focused on employee health and safety through the [Wednesdays with Woodward®](#) series. These webinars included:

- [Mental Well-Being in the Workplace](#)
- [How's My Driving? Telematics and the Insurance Experience](#)
- [Former U.S. Surgeon General Jerome Adams on Lessons Learned from the Front Lines of the Pandemic](#)

Safety Awareness & Culture



Travelers Workforce Advantage®

Travelers Workforce Advantage is our comprehensive approach to helping our Business Insurance customers manage employee safety. Given our broad and deep experience in understanding risk, we are well positioned to help our customers understand and address their key exposures and assist them in developing risk mitigation strategies so they can better protect their employees and their businesses. *Travelers Workforce Advantage* contains three main components:

- **Attracting and hiring.** Having a process for attracting and hiring qualified job candidates is an important step in building a culture of safety and engaging employees in workplace safety.
- **Onboarding and training.** An effective onboarding program helps orient employees not only to the functional details of employment, such as appropriate safety procedures, but also to the safety culture of the organization.
- **Supporting and engaging employees.** Promoting safety and encouraging a healthy lifestyle, both inside and outside of the workplace, are important to fostering an engaged workforce.

Here are some examples of how we assist our customers through *Travelers Workforce Advantage*:

- **Injury and illness prevention programs.** Our Risk Control consultants help our customers identify common occupational injuries and illnesses and recommend preventive measures to help reduce the risk of employee injuries and illnesses. In particular, our consultants assist our customers through services such as industrial hygiene monitoring; ergonomic evaluations; and slip, trip and fall assessments.
- **Safety culture and leadership training.** It is important for an organization's leadership to lead by example, demonstrating the importance of a [culture of safety](#) across all of its operations. Our training consultants help our customers' leaders understand the fundamentals and best practices with regard to employee safety so they can lead by example.
- **General safety training.** Our Risk Control consultants provide a broad range of safety training, covering topics such as construction fall protection, ergonomics, industrial hygiene exposure monitoring, best practices in auto safety, key factors in post-injury management, and fire protection and life safety systems.
- **Travelers [Corridor of Care](#)®.** This is a post-injury management process designed to assist employers in supporting injured employees from the moment they are injured through their return to work. This process can help employees receive prompt, quality medical care; facilitate collaboration among the employee, the employee's medical provider, the employer and the insurance professional; and with an effective transitional-duty program, help build employee morale, keep injured workers connected to the workforce and help them transition back to work as soon as medically appropriate.

- [Workforce Pressure Test](#). This tool helps employers understand how engaged, safe and resilient their workforce is through a brief online questionnaire.
- **Functional Job Analysis (FJA) and Job Safety Analysis (JSA)**. An FJA is a structured process that helps identify and quantify the physical components and environmental conditions of job-related functions. A JSA is a process that breaks down each step in a job, describes the hazards associated with each step and defines the work method that helps minimize or eliminate each hazard. Conducting a JSA can help our customers understand the hazards and the procedures necessary to address the exposure. By training our customers on how to complete both an FJA and a JSA, our Risk Control consultants can help customers develop safer work methods.

Industrial Hygiene Laboratory

Our [Industrial Hygiene Laboratory](#) provides specialized services to our business customers to assess their employees' exposures and help prevent occupational illnesses. Our laboratory has been nationally accredited by the American Industrial Hygiene Association since 1976. In 2022, our laboratory was relocated to a new world-class facility within the [Claim University](#) Campus in Connecticut. The new laboratory is equipped with state-of-the-art analytical instrumentation, sampling equipment and methods for analyzing more than 500 chemicals, and a dedicated staff of certified industrial hygienists, chemists and technicians. The laboratory offers our customers a wide array of sampling and analysis protocols based on Occupational Safety and Health Administration and National Institute for Occupational Safety and Health methodologies.

The Industrial Hygiene Laboratory provides critical data to our customers, underwriters and Workers Compensation specialists to help them make informed decisions that keep employees safe and produce long-term value. In 2022, the Industrial Hygiene Laboratory performed more than 30,000 analyses on approximately 20,000 samples for chemical exposures, helping customers better protect their employees. The experienced staff develops innovative analytical methods and recommends products and services to monitor workplace environments to help customers improve the health and safety of their employees. Our ability to adapt and leverage virtual consulting tools enables us to provide our customers with timely support and guidance when on-site visits are unavailable.

Ergonomics Consulting Services

Our ergonomics specialists focus on helping customers [identify and reduce ergonomic risk factors](#) in the workplace. Ergonomic risk factors are prevalent in many industries and can result in musculoskeletal disorders that affect employee health and well-being. Our staff of dedicated certified ergonomists have specialized knowledge and experience working with businesses in the manufacturing, logistics, financial services, health care and service industries. Our core consulting services include:

- Ergonomic assessments, which leverage AI-enhanced video capabilities, to help identify the “vital few” tasks with the highest potential for reducing employee injuries.
- The Ergonomic Job Improvement Process, our four-phase process to help customers self-identify and address key ergonomic issues using a team approach.
- Ergonomic task force development assistance to empower teams to make workplace ergonomic improvements through employee engagement.

In addition to our on-site services, our ergonomics specialists provide on-demand virtual consulting to customers to help them assess their risks and offer effective solutions.

Transportation Safety

Recognizing the need for drivers to operate in an environment that prioritizes and fosters safety, Travelers Risk Control transportation specialists provide effective fleet risk management solutions to businesses with commercial auto fleets – from passenger vehicles to tractor-trailers. Our specialists conduct on-site and virtual visits and meet with managers responsible for vehicle safety to help our customers minimize risk exposures.

Our specialists have experience in “for-hire” trucking fleets, as well as private auto fleets. They can evaluate fleet operation and exposure to help customers determine which controls to implement. After conducting a fleet assessment, our specialists can compare the customer’s controls with industry best practices. With this information, our specialists propose recommendations to help customers build or modify a vehicle safety program designed to reduce the risk of transportation-related accidents.

Our consultants work to develop what we refer to as a “[total fleet safety approach](#),” which helps our customers better mitigate loss exposures in their fleet operations. Our comprehensive approach addresses key components of a successful fleet safety program, such as hiring qualified drivers, managing driver performance, providing effective training and operating well-maintained equipment.

Since driver safety is important not only to our customers but also to the general public, we offer driver safety information to the public through our [online content](#) and community activities. For example, the Travelers Institute leverages the expertise of Travelers Risk Control specialists in its [Every Second Matters®](#) initiative to combat distracted driving. This public-facing campaign brings together advocates from the medical, technology and insurance communities, as well as members of the public sector, to explore innovative approaches to prevent distracted driving and help make our roadways safer for everyone.

Fire & Life Safety

Travelers Risk Control fire protection specialists have broad experience in many industries, such as manufacturing involving metal, wood, plastic, paper and textiles; wholesale and retail business; educational organizations; and various service organizations. Our fire protection specialists and consultants evaluate fire hazards and assess facilities and operations relative to property protection and business continuity. We conduct more than 20,000 on-site and virtual property surveys each year. In addition to property surveys, we may offer our customers a range of services, including customized consulting, employee training programs, evaluation of fire protection equipment and fire protection specifications, and plan reviews for new construction. Our [Fire Protection System Impairment Management Tool](#), available on our secure [MyTravelers® for Business](#) website and mobile platform, is designed to help customers record and communicate with Travelers when a sprinkler system, fire pump, special extinguishing system or other fire protection system component is out of service. The tool allows customers to track impairments at multiple properties and sends automatic reminder emails to help them ensure their systems are restored and back in service in a timely manner, protecting their business and employees.

Our specialists have deep expertise in fire and life safety standards. They maintain memberships with various National Fire Protection Association standards committees, the Underwriters Laboratories (UL) Fire Council, various UL committees and the Insurance Institute for Business & Home Safety. They are also active in the nonprofit Property Insurance Research Group, which is part of the Fire Protection Research Foundation.

Preventing Chronic Pain & Potential Opioid Use

According to the Centers for Disease Control and Prevention, 136 people die in the United States every day from an opioid overdose. In addition to opioids’ devastating effects on society, the costs associated with opioid addiction are taking an increasing financial toll on businesses and the U.S. economy. It is estimated that between 2015 and 2018, the total economic burden of the opioid crisis in the United States was at least \$631 billion; of that amount, nearly one-third – or \$205 billion – is said to be attributable to increased health care spending, and an estimated 15% – or \$96 billion – is related to lost productivity costs.^[1]

[1] Society of Actuaries, Economic Impact of Non-Medical Opioid Use in the United States (October 2019).

Using Our Data and Analytics to Help Reduce Addiction

By analyzing workers compensation claim data, Travelers created the [Early Severity Predictor®](#) model, which can help identify an injured employee's likelihood of experiencing chronic pain using weighted predictors at key points during the life of a claim. By adjusting medical care and resources, the *Early Severity Predictor* model can help address potential drivers of chronic pain – a condition that is largely treated with opioids or other painkillers – and reduce the risk of opioid addiction.

This program has benefited more than 100,000 injured employees since its inception in 2015. In addition to improving the recovery experience for tens of thousands of injured employees, the program has resulted in loss-cost savings of more than \$150 million by helping reduce surgeries performed and opioids prescribed. We apply [this model](#) to all of the lost-time workers compensation claims we receive.

Opioid Addiction and the Construction Industry

Construction sites present health and safety risks that can lead to worker injuries, such as strains, sprains, broken bones and head traumas, which can result in chronic pain and opioid treatment. Many workers compensation claims submitted to Travelers from the construction industry involve opioid prescriptions. To help curb prescription opioid abuse, we use our *Early Severity Predictor* alongside our comprehensive pharmacy management program, which monitors drug interactions, excessive dosing and abuse patterns to reduce the risk of opioid dependency. With these two efforts combined, we have seen a nearly 50% reduction in the use of opioids among the injured construction workers we have helped since 2015.

Furthermore, our nurses and Claim professionals create specific action plans for injuries that often include physical therapy and other interventions to prevent acute pain from becoming chronic. This approach is particularly important for the construction industry, where Travelers claim data show that injured employees who suffer from chronic pain can be out of work for significantly longer periods of time than those in other industries.

Engaging Injured Employees in Recovery

Employers can also help injured employees return to work by implementing a post-injury management strategy. This is a key part of the Travelers [Corridor of Care®](#) process, which takes a systematic and positive approach to handling employee injuries. Responding promptly to injuries and providing attentive medical case management can help with an injured employee's recovery. This type of active management can help an injured employee return to work as soon as medically appropriate. Helping employees recover from their injuries can also have a positive ripple effect within an organization, helping to prevent disruptions in production, quality and morale. In addition, Travelers continues to support research initiatives and make investments in new solutions to help injured [employees through the claim process](#) and enhance engagement through [CustomCareSM](#).

These programs deliver on the Travelers Promise and illustrate the shared value we create for our customers, their employees, our communities and our shareholders.

To read more about how we help prevent chronic pain and potential opioid use for our customers and their employees, please visit the Employee Wellness page of our corporate website.

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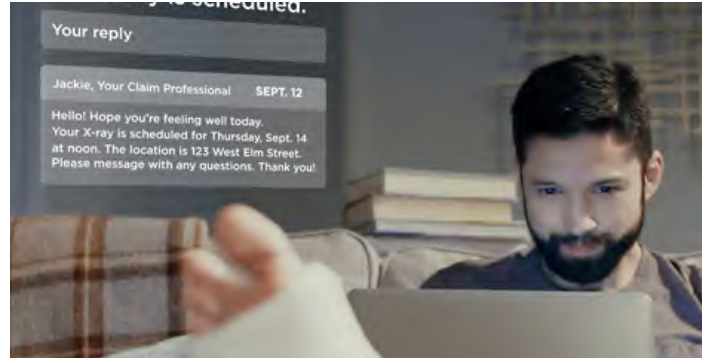
To read more about how we help prevent chronic pain and potential opioid use for our customers and their employees, please visit the Employee Wellness page of our [corporate website](#).

Illustrative Initiatives



TRAVELERS MEDIAL ADVANTAGE®

ConciergeCLAIM® Nurse: Helping Injured Employees Return to Work



TRAVELERS MEDICAL ADVANTAGE®

MyTravelers®: Secure and Convenient Access from Anywhere



CUSTOMCARESM AND WORKERS COMPENSATION INJURY RECOVERY

Enhancing the Experience of Injured Employees



INNOVATION FOR SAFETY

Leveraging Technology to Improve Worker Safety



INNOVATION IN WORKERS COMPENSATION RECOVERY

Finding Innovative Ways to Manage Workers Compensation-Related Injuries



MAKING MENTAL HEALTH A PRIORITY

A Focus on Life Balance and Mental Health

Illustrative Initiatives



TRAVELERS INSTITUTE®

Distracted Driving – Every Second Matters®



Financial Performance

At Travelers, our simple and unwavering mission for creating shareholder value is to deliver superior returns on equity by leveraging our competitive advantages; generate earnings and capital substantially in excess of our growth needs; and thoughtfully right size capital and grow book value per share over time. Executing this financial strategy has produced industry-leading returns over time, and 2022 was no exception.

HIGHLIGHT

\$35.4B

of net written premium, an increase of 11% over 2021

2022 Results

Travelers generated strong core income of \$3.0 billion, or \$12.42 of core income per diluted share, producing an industry-leading core return on equity of 11.3%, a meaningful spread above both the 10-year Treasury and our cost of equity.

We again delivered very strong underlying underwriting income of \$2.1 billion after-tax, driven by record net earned premiums and an underlying combined ratio of 92.0%. Despite the challenging environment, 2022 was the third year in a row that underlying underwriting income has exceeded \$2.0 billion. Through higher business volumes and continued strong profitability, we have driven underlying underwriting income to a new, higher level and sustained it there. This result reflects the success we have had executing on our innovation strategy, and demonstrates both the quality of our underwriting and the discipline with which we run our business.

We also improved our expense ratio to a record-low 28.5% during the year, a 90-basis-point improvement compared to the prior year and a 10% improvement over the past six years. We achieved this by leveraging our investments in cutting-edge technology and workflow enhancements, and not by depriving our business of important investments. Improving operating leverage continues to be a priority for us. It gives us the flexibility to invest the gains in our strategic priorities or let the benefit fall to the bottom line.

Our cash flow from operations remained very strong at \$6.5 billion in 2022. This primarily reflects the benefit of continued increases in premium volume and strong profitability. Our cash flow from operations has increased significantly over the last six years, with the average annual cash flow from operations for that period approximately 50% higher than the average for the prior years in the past decade. Strong cash flow enables us to make significant investments in our business, return excess capital to shareholders and grow our

investment portfolio. Over that same six years, our investment portfolio, excluding unrealized investment gains (losses), grew by \$17 billion, or 24%, to \$86.7 billion at year-end.

Turning to the top line, today's production generates tomorrow's earned premiums. In 2022, we delivered record net written premiums of \$35.4 billion, up 11% compared to the prior year. This represents the 13th consecutive year of net written premium growth. All three of our business segments contributed meaningfully to this strong top-line performance, with Business Insurance up 10%, Bond & Specialty Insurance up 11% and Personal Insurance up 12%. This premium growth has been driven by high levels of retention, higher pricing and the addition of high-quality new business.

Investment Expertise

We strive to be thoughtful underwriters on both sides of our balance sheet, and we have always managed our investment portfolio to support our insurance operations, not the reverse. Accordingly, our investment portfolio is positioned to meet our obligations to policyholders under almost every foreseeable circumstance – anything from a global pandemic to a significant natural disaster to a financial crisis. With this in mind, we are focused on risk-adjusted returns and credit quality rather than reaching for yield that is not commensurate with the underlying risk. Our well-defined and consistent investment portfolio has been a meaningful and reliable contributor to our results year in and year out.

The performance of our investment portfolio in 2022 underscores the wisdom of our thoughtful and diversified approach. Net investment income was very strong at \$2.2 billion after-tax, reflecting higher interest rates and the growth in our fixed income portfolio. While down year over year, as expected, our alternative portfolio continued to perform well, particularly in light of the significant downturn in the broader equity markets that occurred this year.

Looking forward, we expect to benefit in 2023 from higher invested assets in our fixed income portfolio and higher interest rates. As inflation has persisted and the Fed has aggressively shifted its policy in response, the yield on new investments is now meaningfully higher than the yield on our maturing investments. With rates possibly “higher for longer,” net investment income from our fixed income portfolio should continue to grow and meaningfully contribute to our results going forward.

Underwriting Expertise

Underwriting excellence is of course key to our success, and there is nothing more critical to underwriting excellence than a culture that values strong performance over time and understands how to balance the art and science of decision making based on data and analytics.

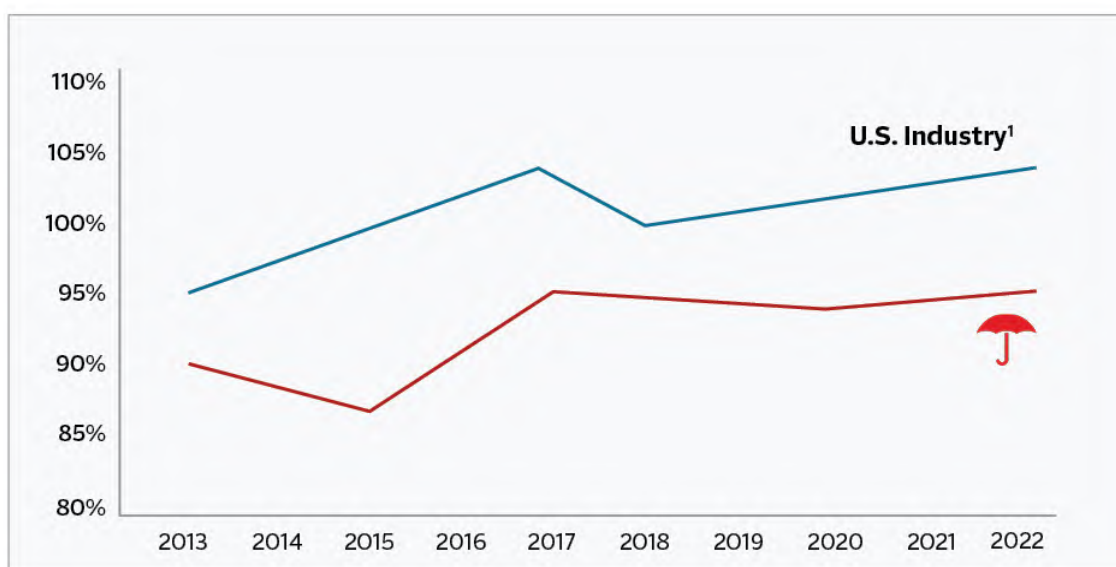
Culture alone is a significant competitive advantage, and one that we believe is very hard to replicate. A critical component of our culture is our granular approach to underwriting. In our commercial businesses, that means execution on an account-by-account or class-by-class basis. In personal lines, it means a very high degree of segmentation by risk profile, product and geography. With that and our advanced data and analytics, we thoughtfully select the risks we write and price our products deliberately with our target return in mind.

Like every aspect of our business, our focus on performance over time is core to how we manage our catastrophe exposure. Although we are unable to predict what the next event will be or where it will occur, we are taking steps every day to ensure that our portfolio of risk properly contemplates the potential for loss and that we maintain the right balance of risk and reward. While the impact of the risk-based decisions we are making today is not always evident immediately, they will continue to drive our performance over time.

Over the past six years, our share of property catastrophe losses relative to total property catastrophe losses for the domestic P&C industry has declined significantly compared to the earlier years in the past decade. Our property catastrophe losses over the past six years have also been meaningfully lower than our corresponding market share.

As just one example, we continue to actively manage our coastal underwriting, including through thoughtful risk selection, higher-than-average coastal deductibles and flood sub-limits. These efforts have enabled us to manage our exposure to hurricanes more effectively, significantly benefiting our results over time and again this year. Our performance with respect to Hurricane Ian illustrates the benefits of our thoughtful approach. We estimate that, had we not taken the actions we did to manage our exposure in Florida, our losses from Hurricane Ian would have been nearly three times the amount we actually incurred. This is another good example of why we manage with a long-term focus – wise decisions often take time to show results.

Combined Ratio^[1] – Travelers In Comparison to the U.S. Industry



Line chart displaying Travelers in comparison to the U.S. Industry. According to S&P Global Market Intelligence, Travelers' Statutory Combined Ratio has compared favorably to the U.S. industry average from 2013 to 2022. Data as of 4/11/23, 95% of companies have filed for 2022. Used with permission.

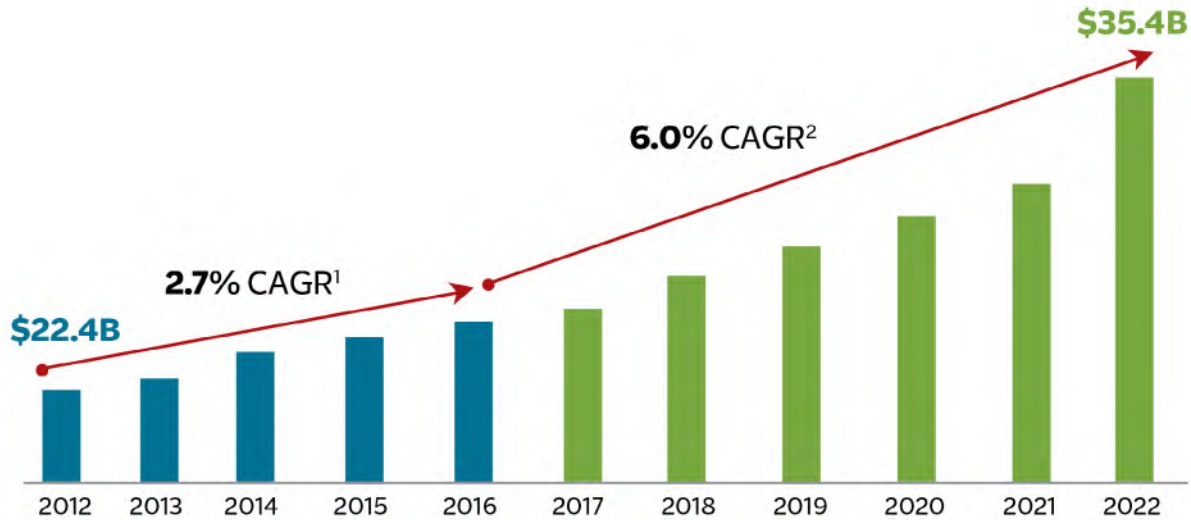
[1] Statutory Combined Ratio. Copyright © 2023, S&P Global Market Intelligence. Used with permission.

2022 Financial Results in the Context of Our Innovation Strategy

When we first articulated our innovation strategy several years ago, we made clear that it was designed in large part to position us to grow over time at leading returns. The charts below illustrate this strategy at work and its compounding, multiyear benefit. We have doubled our rate of growth, sustained strong underlying underwriting margins and lowered our expense ratio. That has resulted in higher underlying underwriting income, stronger cash flows and higher levels of invested assets.

We have not grown by underpricing the product or by changing our risk profile. We have grown by investing in franchise value and through great execution by our colleagues in the field. Importantly, the business that we are putting on the books is coming from products, geographies, classes of business and distribution partners that we know well, which gives us great confidence in the quality of the business we are writing.

Accelerating Net Written Premium Growth^{[1][2]}

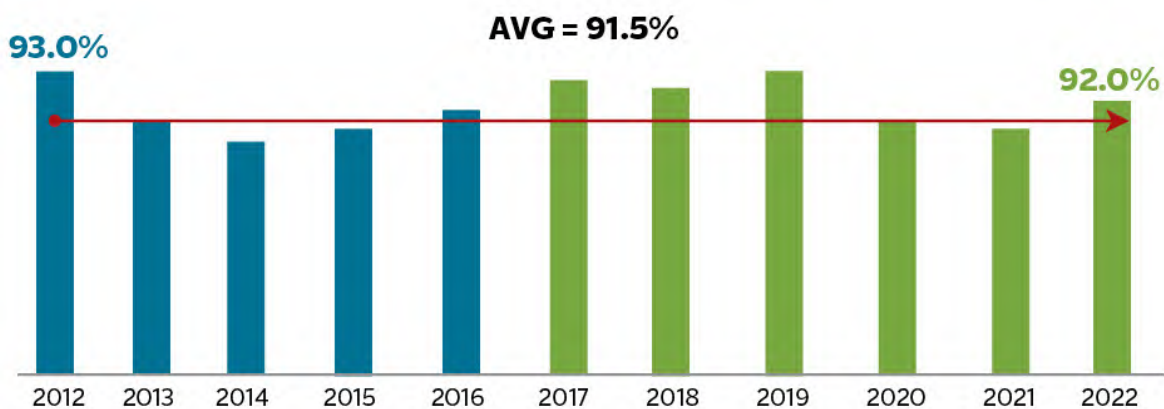


Bar chart displaying Net Written Premium Growth from 2012 through 2022, showing an increase from \$22.4 billion in 2012 to \$35.4 billion in 2022. Compound annual growth rate from 2012 through 2016 was 2.7%, and from 2016 through 2022 was 6.0%.

[1] Represents growth from 2012 through 2016.

[2] Represents growth from 2016 through 2022.

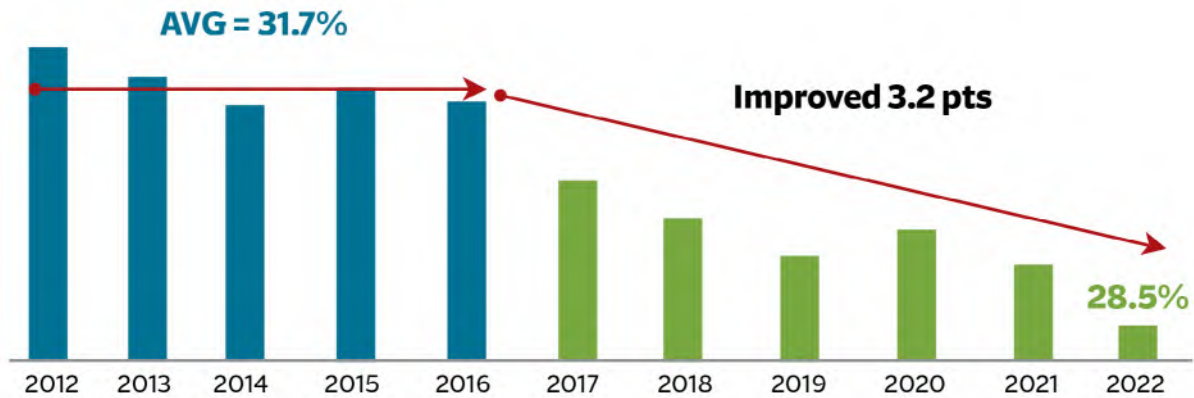
Consistently Strong Underlying Profitability^[3]



Bar chart displaying Consistently Strong Underlying Profitability from 2012 through 2022. In 2022, the underlying combined ratio was 92.0%. In 2012, the underlying combined ratio was 93.0%. The average across 2012 to 2022 is 91.5%. This data excludes the impact of catastrophes and net prior year reserve development and catastrophes.

[3] Underlying combined ratio, which excludes the impact of catastrophes and net prior year reserve development.

Improving Expense Ratio



Bar chart displaying Improving Expense Ratio from 2012 through 2022. The average between 2012 through 2016 was 31.7%. The ratio dropped between 2017 and 2019, and decreased in 2022 to 28.5%.

Higher Underlying Underwriting Income^[1] (after-tax)

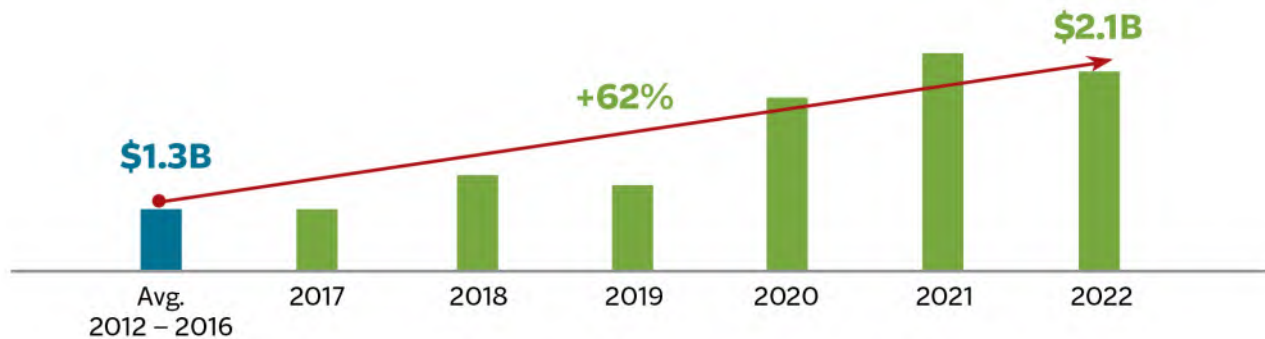
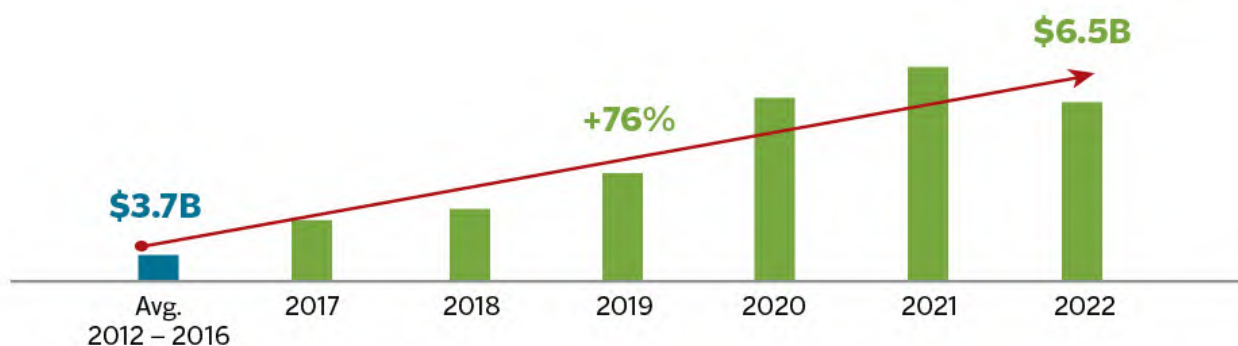


Chart displaying Higher Underlying Underwriting Income after-tax from 2012 through 2022. The increase from 2012 through 2022 was 62%, representing an increase from an average of \$1.3 billion in 2012 to 2016, to \$2.1 billion in 2022. This data excludes the impact of net prior year reserve development and catastrophes.

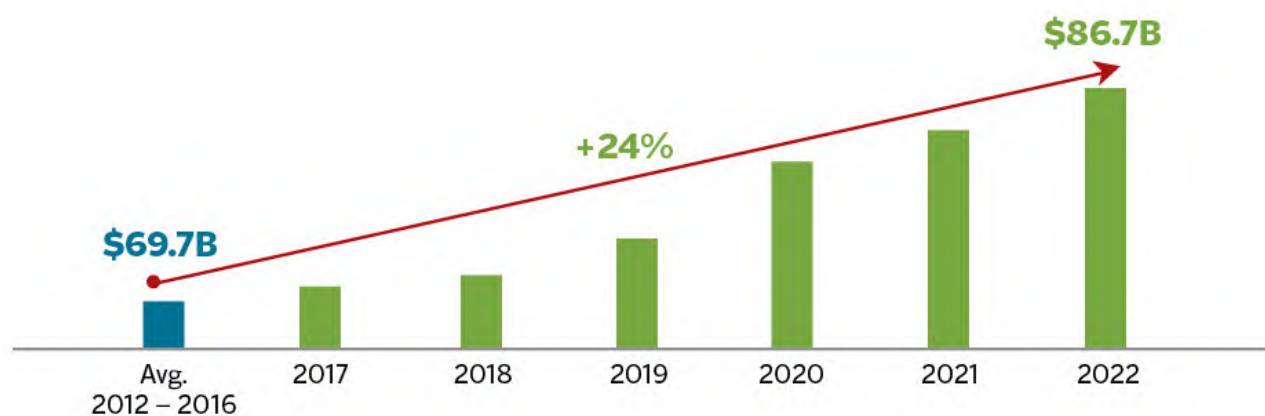
[1] Underlying underwriting income, which excludes the impact of net prior year reserve development and catastrophes.

Higher Cash Flow from Operations



Bar chart displaying Higher Cash Flow from Operations from 2012 through 2022. The increase from 2012 through 2022 was 76%, representing an increase from an average of \$3.7 billion between 2012 to 2016, to \$6.5 billion in 2022.

Growing Invested Assets^[1]



Bar chart displaying Growing Invested Assets from 2012 through 2022. The increase from 2012 through 2022 was 24%, representing an increase from an average of \$69.7 billion between 2012 to 2016, to \$86.7 billion in 2022. Invested assets excludes net unrealized investment gains (losses).

[1] Invested assets excludes net unrealized investment gains (losses).

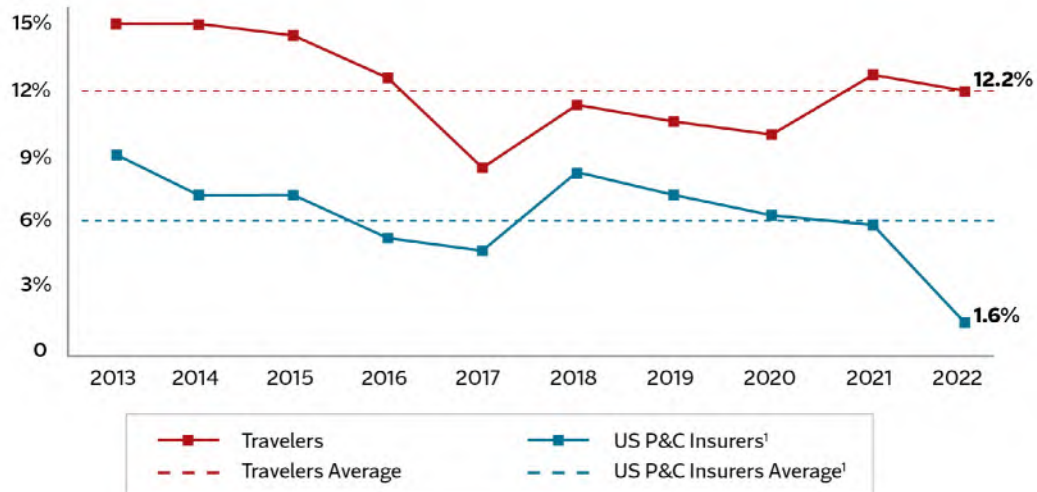
Consistent and Successful Long-Term Financial Strategy Delivers Shareholder Value

It is important to consider our strategic initiatives and financial results in the context of what we are ultimately trying to achieve. At Travelers, our simple and unwavering mission for creating shareholder value is to:

- Deliver superior returns on equity by leveraging our competitive advantages;
- Generate earnings and capital substantially in excess of our growth needs and;
- Thoughtfully rightsize capital and grow book value per share over time.

The results we deliver are due to our deliberate and consistent approach to creating shareholder value. We have been clear for many years that one of our crucial responsibilities is to produce an appropriate return on equity for our shareholders. This has meant developing and executing financial and operational plans consistent with our goal of achieving superior returns, which we defined many years ago as a mid-teens core return on equity over time. We emphasize that this objective is measured over time because we recognize that the macroeconomic environment, loss cost trends, weather, and geopolitical and other factors impact our results from year to year, and that there will be years – or longer periods – and environments in which a mid-teens return is not attainable. In that regard, we established the mid-teens goal at a time when the 10-year Treasury was yielding around 5%, and mid-teens was simply the quantification of what qualified as an industry-leading return in that environment. While the 10-year Treasury rate increased during 2022, this increase will take time to earn into our fixed income portfolio, with less than 10% of the fixed income portfolio maturing each year. Our ability to achieve a mid-teens return over time going forward will depend, in part, on the interest rate environment. In any event, we always seek to deliver industry-leading returns over time.

Return on Equity^[1]



Line graph displaying Return on Equity for Travelers compared to U.S. P&C Insurers. Travelers is at 12.2% in 2022, compared to U.S. P&C Insurers at 1.6%. Travelers' return on equity exceeds the average return on equity for the industry in each of the past 10 years. The 2022 Forecast is sourced from Conning, Inc., used with permission. S&P historical data used with permission.

[1] 2022 Forecast: © 2023 Conning, Inc., as published in Conning's Property-Casualty Forecast & Analysis by Line of Insurance, 2022 Q4 edition. Used with permission. Historical data: © 2023 S&P Global Market Intelligence LLC. Used with permission.

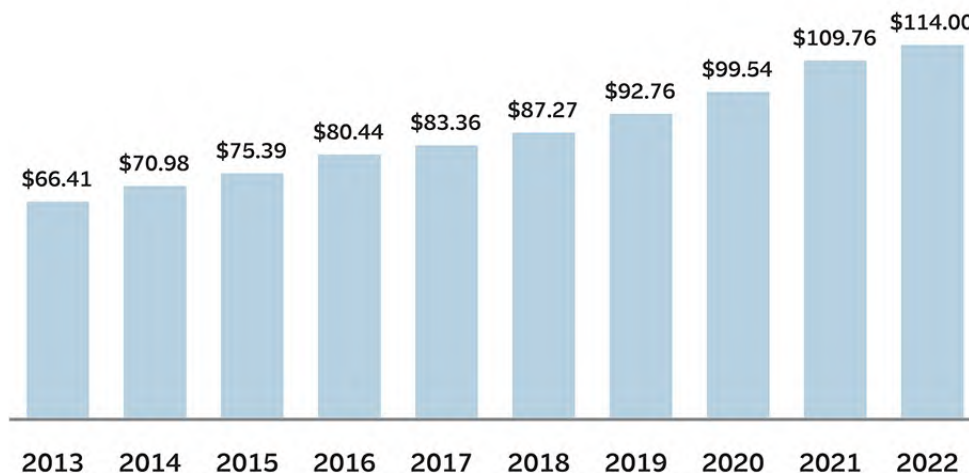
Our 2022 return on equity of 12.2% and core return on equity of 11.3% again meaningfully exceeded the average return on equity for the domestic P&C industry of 1.6%, according to estimates from Conning, Inc., a global investment management firm and insurance research provider. As shown in the chart above, our return on equity has significantly outperformed the average return on equity for the industry in each of the past 10 years.

Importantly, these industry-leading returns on an absolute basis are even more impressive on a risk-adjusted basis when you take into account our industry-low volatility. The level and consistency of our return on equity over time reflect the value of our competitive advantages and the discipline with which we run our business.

A Balanced Approach to Rightsizing Capital

Our strong and consistent returns over time, together with our fortress balance sheet, have enabled us to grow book value per share and adjusted book value per share at a compound annual growth rate of 3% and 6%, respectively, over the last 10 years.

Adjusted Book Value Per Share^[1]

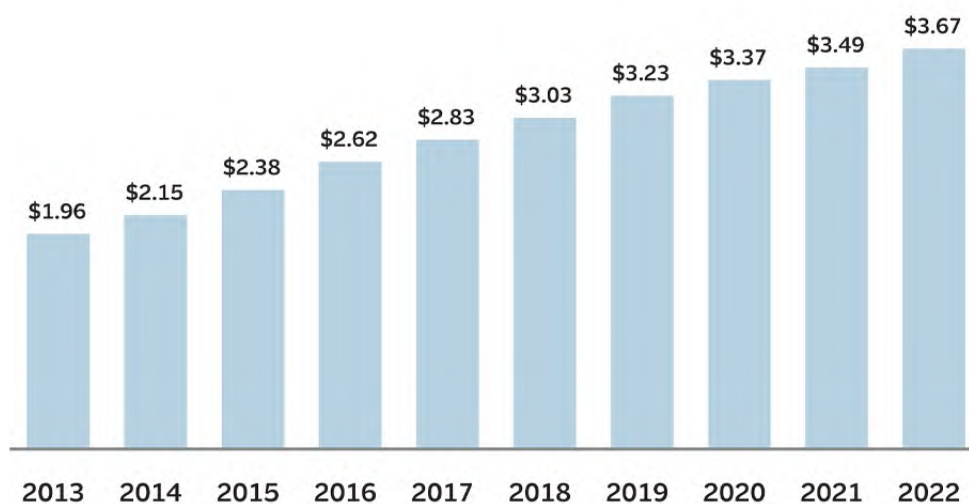


Bar chart displaying Adjusted Book Value Per Share steadily increasing from 2013 through 2022. In 2022, the value was \$114.00, compared to \$109.76 in 2021. This chart excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity.

[1] Excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity.

During this period, we have also returned a significant amount of excess capital to our shareholders through dividends and share repurchases. Over the last 10 years, we increased our dividend each year and grew dividends per share at an average annual rate of approximately 7%.

Dividends Per Share



Bar chart displaying Dividends Per Share steadily increasing each year from 2013 through 2022. In 2022 dividends per share were \$3.67, compared to \$3.49 in 2021.

Notably, since we began our share repurchase program in 2006, we have returned approximately \$53 billion of excess capital to our shareholders, including through \$40 billion of share repurchases – well in excess of the market capitalization of the company at that time.

Our capital management strategy has been an important driver of shareholder value creation over time. Our first objective for the capital we generate is to reinvest it in our business – organically and inorganically – to create shareholder value. For example, as we continue to grow our top line, as we have for the past few years, we will retain more capital to support that growth. Also, we continue to invest in everything from talent to technology to further our ambitious innovation agenda, advance our strategic objectives and enable tomorrow's performance.

Having said that, we are disciplined stewards of our shareholders' capital. To the extent that we generate capital that we cannot reinvest consistent with our objective of generating industry-leading returns over time, we will manage it the same way we have for more than a decade – by returning it to our shareholders through dividends and share repurchases. By returning excess capital to our investors, we give them the ability to allocate their investment dollars as they see fit, including by investing in companies with different growth profiles or capital needs, thereby efficiently allocating capital across the economy. Over time, that efficient allocation of capital in the marketplace contributes to a stronger economy.

See the [Non-GAAP Reconciliations](#) page for a discussion and calculation of non-GAAP financial measures.

Financial Highlights

At and for the year ended December 31. Dollar amounts in millions, except per share amounts.

	2022	2021	2020	2019	2018
Earned Premiums	\$33,763	\$30,855	\$29,044	\$28,272	\$27,059
Total Revenues	\$36,884	\$34,816	\$31,981	\$31,581	\$30,282
Core Income	\$2,998	\$3,522	\$2,686	\$2,537	\$2,430
Net Income	\$2,842	\$3,662	\$2,697	\$2,622	\$2,523
Net Income Per Diluted Share	\$11.77	\$14.49	\$10.52	\$9.92	\$9.28
Total Investments	\$80,454	\$87,375	\$84,423	\$77,884	\$72,278
Total Assets	\$115,717	\$120,466	\$116,764	\$110,122	\$104,233
Shareholders' Equity	\$21,560	\$28,887	\$29,201	\$25,943	\$22,894
Return On Equity	12.2%	12.7%	10.0%	10.5%	11.0%
Core Return on Equity	11.3%	13.7%	11.3%	10.9%	10.7%
Book Value Per Share	\$92.90	\$119.77	\$115.68	\$101.55	\$86.84
Dividends Per Share	\$3.67	\$3.49	\$3.37	\$3.23	\$3.03

*See the [Non-GAAP Reconciliations](#) page for a discussion and calculation of non-GAAP financial measures.

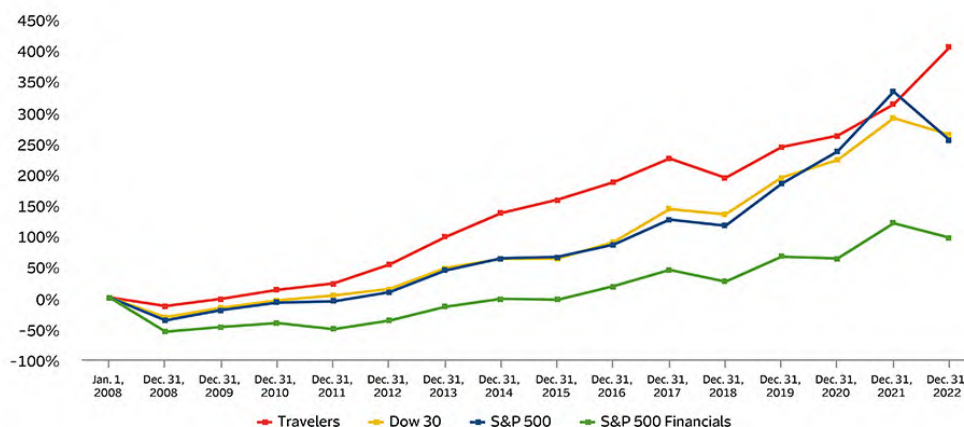
Deliberate and Disciplined Execution

Strong Top Line Performance Accelerating Net Written Premium Growth	6% CAGR 2016–2022 3% CAGR 2012–2016
Strong Margins Consistently Strong Underlying Combined Ratio¹	92.0% 2022 91.5% Average 2012–2022
Productivity and Efficiency Optimizing Operating Leverage	>3 Point Improvement Expense Ratio 2016–2022
Dividend Growth 18 Consecutive Years of Dividend Increases	7% CAGR 2012–2022
Adjusted Book Value Growth² Long Track Record of Growth in Adjusted Book Value per Share	7% CAGR 2012–2022
<small>¹Excludes the impact of catastrophes and net prior year reserve development</small> <small>²Excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity</small>	

Delivering Value Over Time

Ultimately, it is the success of our strategy – with all its component parts – that drives our total return to shareholders over time. It is important to remember that we have a well-established track record of managing the company to create value over the long term, through periods of weather volatility; through anticipated and unanticipated developments impacting loss trends; through both foreseeable and unforeseeable economic cycles; and through any number of more extreme economic, geopolitical and other conditions. With that in mind, the graph below compares our returns since the 2008 financial crisis to the returns for the Dow 30, the S&P 500 and the S&P 500 Financials.

Total Return to Shareholders^[1]



Line graph comparing Travelers Total Return to Shareholders to the returns for the Dow 30, S&P 500 and S&P 500 Financials between 2008 and 2022. This represents the change in stock price plus the cumulative amount of dividends, assuming dividend reinvestment. For each year on the chart, the total return is calculated with January 1, 2008, as the starting point and December 31 of the relevant year as the ending point. The graph shows returns generally increasing between 2008 and 2022.

[1] Represents the change in stock price plus the cumulative amount of dividends, assuming dividend reinvestment. For each year on the chart, total return is calculated with January 1, 2008, as the starting point and December 31 of the relevant year as the ending point. © Bloomberg Finance L.P. Used with permission of Bloomberg.

Our stock performance reflects the execution of our long-term strategy. We provide our shareholders with industry-leading returns, low volatility and high credit quality. The success of this long-term strategy is evident in the strong performance of our stock over time, which has been remarkably consistent relative to many others in the P&C industry. Viewing our performance through this long-term lens, we are as confident as ever that executing on our long-term financial strategy, managing Travelers with an over-time discipline and continuing to invest in our competitive advantages through our ambitious and focused innovation agenda is the right approach for building on Travelers' outstanding record.

Non-GAAP Reconciliations

Reconciliation of Net Income Per Share to Core Income Per Share On A Diluted Basis

	For the year ended December 31,	
(Dollars in millions, after-tax)	2022	2021
Net income	\$11.77	\$14.49
Adjustments:		
<i>Net realized investment (gains) losses, after-tax</i>	0.65	(0.52)
<i>Impact of changes in tax laws and/or tax rates^[1]</i>	-	(0.03)
Core income	\$12.42	\$13.94

[1] Impact is recognized in the accounting period in which the change is enacted.

Reconciliation of Shareholders Equity to Adjusted Shareholders' Equity

	As of December 31,					
(Dollars in millions)	2022	2021	2020	2019	2018	2017
Shareholders' equity	\$21,560	\$28,887	\$29,201	\$25,943	\$22,894	\$23,731
Adjustments:						
<i>Net unrealized investment (gains) losses, net of tax, included in shareholders' equity</i>	4,898	(2,415)	(4,074)	(2,246)	113	(1,112)
<i>Net realized investment (gains) losses, net of tax</i>	156	(132)	(11)	(85)	(93)	(142)
<i>Impact of changes in tax laws and/or tax rates^[1]</i>	-	(8)	—	—	—	287
Adjusted shareholders' equity	\$26,614	\$26,332	\$25,116	\$23,612	\$22,914	\$22,764

[1] Impact is recognized in the accounting period in which the change is enacted.

Calculation of Return on Equity and Core Return on Equity

	For the year ended December 31,				
(Dollars in millions, after-tax)	2022	2021	2020	2019	2018
Net income	\$2,842	\$3,662	\$2,697	\$2,622	\$2,523
Average shareholders' equity	\$23,384	\$28,735	\$26,892	\$24,922	\$22,843
Return on equity	12.2%	12.7%	10.0%	10.5%	11.0%
Core income	\$2,998	\$3,522	\$2,686	\$2,537	\$2,430
Adjusted average shareholders' equity	\$26,558	\$25,718	\$23,790	\$23,335	\$22,814
Core return on equity	11.3%	13.7%	11.3%	10.9%	10.7%

Calculation of Book Value Per Share and Adjusted Book Value Per Share

As of December 31,										
(Dollars in millions, except per share amounts)										
2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Shareholders' equity										
\$21,560	\$28,887	\$29,201	\$25,943	\$22,894	\$23,731	\$23,221	\$23,598	\$24,836	\$24,796	\$25,405
Less: Net unrealized investment gains (losses), net of tax, included in shareholders' equity										
(4,898)	2,415	4,074	2,246	(113)	1,112	730	1,289	1,966	1,322	3,103
Shareholders' equity, excluding net unrealized investment gains (losses), net of tax, included in shareholders' equity										
\$26,458	\$26,472	\$25,127	\$23,697	\$23,007	\$22,619	\$22,491	\$22,309	\$22,870	\$23,474	\$22,302
Common shares outstanding										
232.1	241.2	252.4	255.5	263.6	271.4	279.6	295.9	322.2	353.5	377.4
Book value per share										
\$92.90	\$119.77	\$115.68	\$101.55	\$86.84	\$87.46	\$83.05	\$79.75	\$77.08	\$70.15	\$67.31
Adjusted book value per share										
114.00	109.76	99.54	92.76	87.27	83.66	80.44	75.39	70.98	66.41	59.09

Reconciliation of Net Income to Core Income, and Core Income to After-Tax Underlying Underwriting Income (Also Known as Underlying Underwriting Gain)

For the year ended December 31,										
(Dollars in millions, after-tax)										
2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net income										
\$2,842	\$3,662	\$2,697	\$2,622	\$2,523	\$2,056	\$3,014	\$3,439	\$3,692	\$3,673	\$2,473
Net realized investment (gains) losses										
156	(132)	(11)	(85)	(93)	(142)	(47)	(2)	(51)	(106)	(32)
Impact of changes in tax laws and/or tax rates ^{[1][2]}										
-	(8)	—	—	—	129	—	—	—	—	—
Core income										
2,998	3,522	2,686	2,537	2,430	2,043	2,967	3,437	3,641	3,567	2,441
Net investment income										
(2,170)	(2,541)	(1,908)	(2,097)	(2,102)	(1,872)	(1,846)	(1,905)	(2,216)	(2,186)	(2,316)
Other (income) expense, including interest expense										
277	235	232	214	248	179	78	193	159	61	171
Underwriting income										
1,105	1,216	1,010	654	576	350	1,199	1,725	1,584	1,442	296
Impact of net (favorable) unfavorable prior year reserve development										
(512)	(424)	(276)	47	(409)	(378)	(510)	(617)	(616)	(552)	(622)
Impact of catastrophes										
1,480	1,459	1,274	699	1,355	1,267	576	338	462	387	1,214
Underlying underwriting income										
\$2,073	\$2,251	\$2,008	\$1,400	\$1,522	\$1,239	\$1,265	\$1,446	\$1,430	\$1,277	\$888

[1] Impact is recognized in the accounting period in which the change is enacted.

[2] 2017 reflects impact of Tax Cuts and Jobs Act of 2017 (TCJA).

Reconciliation of Invested Assets to Invested Assets Excluding Net Unrealized Investments Gains (Losses)

As of December 31,										
(Dollars in millions)										
2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Invested assets										
\$80,454	\$87,375	\$84,423	\$77,884	\$72,278	\$72,502	\$70,488	\$70,470	\$73,261	\$73,160	\$73,838
Less: Net unrealized investment gains (losses), pre-tax										
(6,220)	3,060	5,175	2,853	(137)	1,414	1,112	1,974	3,008	2,030	4,761
Invested assets excluding net unrealized investment gains (losses)										
\$86,674	\$84,315	\$79,248	\$75,031	\$72,415	\$71,088	\$69,376	\$68,496	\$70,253	\$71,130	\$69,077

Underlying underwriting income is net earned premiums and fee income less claims and claim adjustment expenses (excluding catastrophe losses and net prior year reserve development) and insurance-related expenses.

Average shareholders' equity is (a) the sum of total shareholders' equity at the beginning and end of each of the quarters for the period presented divided by (b) the number of quarters in the period presented times two.

Adjusted shareholders' equity is shareholders' equity excluding net unrealized investment gains (losses), net of tax, included in shareholders' equity, net realized investment gains (losses), net of tax, for the period presented and the effect of a change in tax laws and tax rates at enactment (excluding the portion related to net unrealized investment gains (losses)). Adjusted average shareholders' equity is (a) the sum of adjusted shareholders' equity at the beginning and end of each of the quarters for the period presented divided by (b) the number of quarters in the period presented times two.

Return on equity is the ratio of (a) net income for the period presented to (b) average shareholders' equity for the period presented.

Core return on equity is the ratio of (a) core income for the period presented to (b) adjusted average shareholders' equity for the period presented.

Definitions of certain terms on this site are included in the Glossary of Selected Insurance Terms portion of the [Form 10-K](#).



About Our Sustainability Reporting

We believe it is important for our shareholders and other stakeholders to understand how we create value over time, in the broadest sense. This website conveys our multifaceted value creation strategy for our investors and other key stakeholders.

Approach

At Travelers, we recognize that our long-term success – our ability to create long-term value for our shareholders – depends not only on our financial strategy, business objectives and competitive advantages but also on keeping our promise to be there for our customers, communities and employees. For this reason, we take an integrated approach to sustained value creation. We articulate that approach throughout this website.

Except where noted, the information covered on this site highlights our performance and initiatives in fiscal year 2022. We used multiple frameworks to guide our disclosures. Based on extensive discussions with investors, we have decided to generally align our disclosures with the Sustainability Accounting Standards Board (SASB) Insurance (FN-IN) Industry Standard (maintained by the International Financial Reporting Standards (IFRS) Foundation), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Global Reporting Initiative (GRI) Standards. In addition, our approach to reporting is informed by the Integrated Reporting Framework (maintained by the IFRS Foundation). Integrated reporting aligns closely with our approach to long-term value creation, in which our business strategy and performance are inextricably linked with fulfilling our commitment to our customers, our communities and our employees. In addition to publishing standalone [SASB](#) and [TCFD](#) reports, we provide a [Content Index](#) that directs users to disclosures on our integrated website relevant to the GRI Standards and Integrated Reporting Framework.

In addition to being vetted and confirmed by our relevant internal subject matter experts, the content on this site was reviewed by our ESG Committee, Disclosure Committee, and Legal and Finance departments.

We appreciate all feedback related to this site. If you have any comments or questions, we encourage you to contact Sustainability@Travelers.com.

Stakeholder Engagement & Topic Prioritization

We regularly engage with our investors, our customers, our employees, our agents and brokers, regulators, rating agencies and other stakeholders on business issues and environmental, social and governance (ESG) topics of interest to them. In 2022, we again took an integrated approach to our shareholder engagement efforts, including with respect to governance, compensation, financial performance and sustainability matters. Through these efforts, in 2022, we engaged with shareholders representing more than 44% of the company's outstanding shares. Topics of discussion included, among others, our compensation programs; board composition; our comprehensive climate strategy; our disciplined risk/reward approach to underwriting; our thoughtful investment philosophy that focuses on stable and appropriate risk-adjusted returns; the robust governance, processes and controls we have in place with respect to underwriting and pricing; our approach to human capital management, including our numerous diversity and inclusion efforts; and our unique corporate culture. We also continued to solicit feedback from our institutional investors with respect to our sustainability reporting.

Our approach to sustainability reporting, the frameworks and standards with which we have aligned our disclosures and the specific topics we cover on our site were informed by our extensive engagements with our shareholders. In advance of preparing our first sustainability site, which we launched in May 2019, we engaged with institutional investors representing approximately 50% of the company's outstanding shares at the time to understand their views with respect to ESG disclosure.

We also conducted a prioritization exercise at that time to help focus our ESG reporting on the topics most relevant to our industry, our business and our stakeholders. To **identify** a universe of ESG topics potentially relevant to our industry, we reviewed internal documents, industry and peer reporting, analyses by prominent ESG data providers and sustainability reporting frameworks (SASB Standards, GRI Standards). After identifying the potentially relevant topics, we **prioritized** them based on a series of internal group discussions, each dedicated to a distinct stakeholder group – Travelers, investors, customers, employees, and agents and brokers. The dialogues were supplemented by evidence from industry sources and results of prior stakeholder feedback (e.g., customer, agent and broker, and employee engagement surveys), including feedback from our investor interviews.

Working with our management-level [ESG Committee](#), as well as the internal dialogue participants, we then **refined** the list of priority topics to the following 16 topics:

Our Drivers of Sustained Value

- [Business Strategy & Competitive Advantages](#)
- [Capital & Risk Management](#)
- [Climate Strategy](#)
- [Community](#)
- [Customer Experience](#)
- [Data Privacy & Cybersecurity](#)
- [Disaster Preparedness & Response](#)
- [Diversity & Inclusion](#)
- [Eco-Efficient Operations](#)
- [Ethics & Responsible Business Practices](#)
- [Governance Practices](#)
- [Human Capital Management](#)
- [Innovation](#)
- [Investment Management](#)
- [Public Policy](#)
- [Safety & Health](#)

Click on the above links for a discussion of how each topic contributes to sustained value creation at Travelers.

Reporting Frameworks & Standards

This website communicates our company's value creation story holistically. In addition to being informed by the Integrated Reporting Framework (maintained by the International Financial Reporting Standards (IFRS) Foundation), the reporting on this site is generally aligned with several leading frameworks and standards.

Sustainability Accounting Standards Board (SASB) Standards

The SASB standards (maintained by the IFRS Foundation) are industry-specific sustainability accounting standards designed to guide public companies in their disclosure of relevant ESG information to investors. We have included on our site a standalone [report](#) corresponding to the SASB Insurance (FN-IN) Industry Standard.

Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

The Financial Stability Board's TCFD has developed recommendations aimed to produce more effective climate-related disclosures for the benefit of investors, lenders, insurers and other stakeholders. In this standalone [report](#), we provide disclosures consistent with the TCFD recommendations.

Global Reporting Initiative (GRI) Standards

The GRI provides a set of principles and standards by which organizations can report on sustainability issues. See our [Content Index](#) for our GRI disclosures.

IMPORTANT LEGAL INFORMATION

This site contains information about Travelers. Travelers disclaims any duty or obligation to update such information. Any “forward-looking statement” is made only as of the date such information was originally prepared by Travelers and is intended to fall within the safe harbor for forward-looking information provided in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” “ensures” and other similar expressions are used to identify these forward-looking statements. These statements include, among other things, statements about our future results of operations and financial condition; our share repurchases and dividends; our strategy and competitive advantages; our strategic operational initiatives to improve profitability and competitiveness; our new product offerings; our innovation agenda; our investment portfolio, including our investment analysis and approach; our risk management, including climate-related risks and opportunities; our catastrophe modeling, including statements about probabilities or likelihood of exceedance; our scenario analyses; our cybersecurity, business resiliency and data privacy; our human capital management including diversity and inclusion efforts; our underwriting and pricing strategy, policies and practices; and our carbon footprint. Results may differ materially from those expressed or implied by forward-looking statements. Factors that can cause results to differ materially include those described under “Forward-Looking Statements” in the corporation’s most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission, and with respect to our scenario analyses, those factors described under “Climate Scenario Analysis With Respect to the Hurricane Peril” and “Climate Scenario Analysis With Respect to Our Investment Portfolio” in the Travelers TCFD Report included on this site.

On this site, we may refer to some non-GAAP financial measures. For a reconciliation of these measures to the most comparable GAAP measures and a glossary of certain financial measures, see the [Non-GAAP Reconciliations page](#).

This site may contain links to other internet sites and may frame material from other internet sites. Such links or frames are not endorsements of any products or services in such sites, and no information in such sites has been endorsed or approved by Travelers.

Except where noted, the information covered on this site highlights our performance and initiatives in fiscal year 2022.

The inclusion of information on this site should not be construed as a characterization regarding the materiality or financial impact of that information. For additional information regarding Travelers, please see our current and periodic reports with the Securities and Exchange Commission, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

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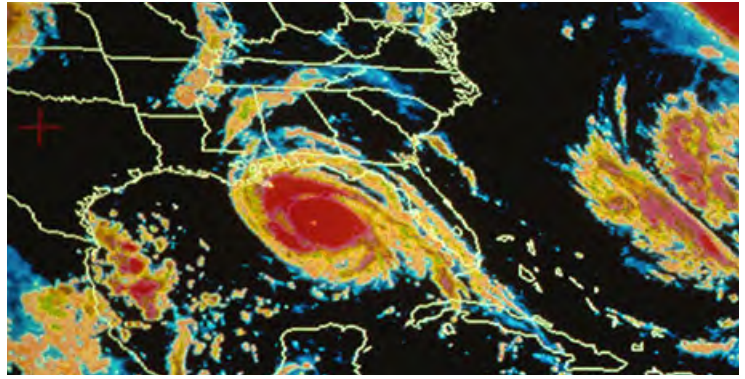
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Illustrative Initiatives

Supporting Research in Severe Weather Readiness and Response



Travelers has partnered with the Insurance Institute for Business & Home Safety (IBHS) for over 20 years. We have played a key role in guiding the IBHS research team as a co-founding member of the state-of-the-art IBHS research center located in Chester County, South Carolina. Additionally, in light of our strong commitment to IBHS, we have a permanent seat on its executive committee.

IBHS delivers top-tier science and translates it into action so we can prevent avoidable suffering, strengthen homes and businesses and help communities recover faster from a natural disaster.

According to a National Institute of Building Sciences study, for every \$1 spent on hazard mitigation, the United States can save \$6 in future disaster costs. Over the last decade, IBHS has conducted full-scale laboratory testing at its facility and has influenced changes to existing building code standards and best practices to mitigate potential losses.

The events and programs listed below highlight some of the recent work we have collaborated on with IBHS.

- In January 2022, IBHS introduced the FORTIFIED Multifamily™ standard, providing a cost-effective pathway toward resiliency for the more than 160 million Americans who live in multifamily housing. An October 2022 study from the Alabama Center for Insurance Information and Research demonstrated that a significant amount of storm damage can be mitigated through investment in resilient, multifamily construction, with a return on investment as high as 72%.
- In August 2021, IBHS released the Wildfire Prepared Home program. Similar to the FORTIFIED program for wind, this new program provides homeowners with a pathway to receive a three-year designation recognizing their efforts to reduce wildfire risk. Importantly, the designation process includes an independent inspection and assessment to evaluate the effectiveness of the home's wildfire mitigation efforts.
- Resiliency is more important in the face of changing climate conditions. Extreme wind events like hurricanes and tornadoes can cause severe damage and greatly disrupt families, businesses and communities. During Hurricane Sally in September 2020, several FORTIFIED Commercial™ buildings were put to the test and performed at or above expectations, with overall damage equaling less than 0.05% of their total building cost. The Lodge at Gulf State Park in Alabama, for example, was able to offer shelter to many guests before, during and after the event, with essential services uninterrupted. Success stories like these are great reminders of the importance of the work IBHS does to improve community resilience, and for members to provide mitigation credits to FORTIFIED Commercial™ properties, as Travelers does.
- In August 2020, IBHS released Suburban Wildfire Adaptation Roadmaps that identify best practices to reduce the vulnerability of residential homes to wildfire. The roadmap provides a step-by-step guide for homeowners to proactively reduce their wildfire risk. Over the years, IBHS has made significant contributions to wildfire preparedness, adaptation and communication. These guidelines enable us to better support our customers in mitigating wildfire risk in suburban communities.
- Throughout 2019 and 2020, IBHS conducted hail impact testing on asphalt shingles, culminating in the release of shingle performance ratings by manufacturer. The performance ratings resulted in some shingle manufacturers pulling products or reformulating them to improve resilience. The ratings, therefore, appear to support future accountability and provide motivation to manufacturers to improve asphalt shingle hail performance. Insights from studies like this also enable us to better protect our customers and their assets.

[The Travelers Institute](#), our public policy arm, teamed up with IBHS in 2022 to highlight the latest in wildfire mitigation technology and research in a [Wednesdays with Woodward®](#) webinar. The webinar showcased the ways in which artificial intelligence and other innovative technologies are being leveraged to provide predictive insights into wildfire risk. During the webinar, IBHS President and CEO Roy Wright discussed IBHS's just-released Wildfire Prepared Home fire mitigation guide and shared specific preventive actions homeowners should take to reduce wildfire risk.

[View the webinar here.](#)

WILDFIRE DEFENSE SERVICES

Protecting Our Customers from Increased Wildfire Risk



In the last five years, there have been nearly 290,000 wildfires in the United States that burned more than 38 million acres. Eight of the 10 costliest wildfires in U.S. history have occurred since 2017.

While our commitment to our customers is to make them whole after a covered loss such as a wildfire, we also help our customers avoid the loss entirely or mitigate the loss should one occur. In 2019, Travelers introduced a Wildfire Defense Services Endorsement for California home and landlord policies. From 2020 to 2022, we extended this offering to all of our small commercial customers in California, home and landlord customers in Colorado and farm and ranch customers in 17 Western states. This endorsement provides an added layer of wildfire protection for our customers at no additional cost. We work with Wildfire Defense Systems (WDS) to provide response services that supplement the efforts of local firefighters and other first responders who are deployed before, during and after active wildfires.

WDS is a private firm that specializes in wildfire education, loss prevention and response services. In the event of a wildfire, the firm uses proprietary technology to generate wildfire threat prediction maps that help identify the imminent threat zone and the Travelers customers within that area. WDS then services as many homes as possible based on a variety of factors, including resources, weather conditions, the fire's proximity and the firm's own safety guidelines. The service works to protect our customers' homes and businesses from wildfires with services beyond what local fire departments may be able to provide – such as reducing potential fuel sources, taping vents, applying fire retardants and setting up sprinklers.

In addition to protecting our customers' businesses and properties, this loss prevention service has saved us millions of dollars in potential losses. This is just one example of the shared value we create – in other words, how delivering on our promise to our customers also generates shareholder value.

TRAVELERS FORTIFIES COMMUNITIES

Building Strong, Resilient Communities



Resiliency is more important in the face of changing climate conditions. Extreme wind events like hurricanes and tornadoes can cause severe damage and greatly disrupt families and communities. To help build stronger, more resilient communities, we joined forces with Habitat for Humanity®, a nonprofit organization that helps families build and improve their homes, and the [Insurance Institute for Business & Home Safety \(IBHS\)](#) in 2011 to build affordable, wind-resistant homes to FORTIFIED Home™ standards throughout the country. Developed by IBHS, FORTIFIED Home™ construction practices are designed to help homeowners and communities better weather future storms, including hurricanes, high winds, hail and severe thunderstorms. Building FORTIFIED means exceeding the minimum standards set by building codes for construction techniques and materials. Our partnership shows that by making a few important changes in home construction standards, homes are better able to withstand storms without significantly adding to the cost. To date, Travelers has supported the construction of nearly 90 FORTIFIED Habitat homes.

Building on the success of the program with Habitat for Humanity, Travelers has been adding and scaling resilient rebuilding partnerships since 2018.

SBP

In 2019, Travelers launched a FORTIFIED building pilot program with SBP, a nonprofit organization that works to shrink the time between disaster and recovery. As of December 2022, the Travelers partnership has resulted in 47 SBP staff receiving FORTIFIED construction training and 320 FORTIFIED homes being built in Alabama, Florida, Louisiana, New Jersey, New York, North Carolina, Puerto Rico, South Carolina and Texas. Of these homes, 182 were built with funding from Travelers.

Homes built in New Orleans were tested by Hurricane Ida, a Category 4 storm that hit in late August 2021, and the homes held up well, consistent with their design; the SBP roofs withstood the storm compared with others in the neighborhood. Smart Home America, IBHS and other resilience advocacy groups have used these homes as examples of the benefits of FORTIFIED building and to advocate for stronger building codes, which Louisiana adopted in January 2023.

Smart Home America

Smart Home America works to educate leaders, residents and the building industry about smarter, safer buildings and evaluates policies, products and techniques that are designed to provide for resilient and sustainable communities. Travelers' partnership with the organization began in 2018 and was focused on helping Houston, Texas, recover from Hurricane Harvey. Most recently, Travelers funding is supporting the organization's efforts in Louisiana following the hurricane seasons of 2020 and 2021.

Team Rubicon

In 2018, Travelers provided funding for Team Rubicon to begin piloting a response model aimed at low-attention disasters (LADs) – that is, devastating weather events that affect communities but are not large enough in scale to draw the attention of government, media or philanthropic organizations. Team Rubicon is a nonprofit organization that unites the skills and experiences of military veterans with first responders to rapidly deploy emergency response teams after disasters. Team Rubicon is committed to building its capacity for incorporating FORTIFIED standards into its rebuilding program. Since 2018, Travelers has provided \$1 million in grant funding for the low-attention disaster rebuild program. This funding helped Team Rubicon in its efforts to rebuild 120 homes in Houston, 33% of which were built to FORTIFIED standards; 40 homes in Florida; and 500 roofs in Puerto Rico. In 2022, Travelers' funding was directed to

rebuilding 18 homes in Selma, Alabama. Also in 2022, Travelers entered into a new three-year commitment to provide \$1.8 million to the LAD Rebuild program, while also supporting Team Rubicon's Ready Reserve general operating fund, which allows the organization to deploy resources when disasters strike.

The benefits of Travelers' funding continues long after the funds have been deployed. For example, four homes in Selma that were built by Team Rubicon to IBHS's Silver FORTIFIED standard were in the path of a January 2023 tornado that devastated this already hard-hit community. The four homes withstood the tornado's effect with only minor damage, protecting families from loss of life and property.

Community Benefits

- More than 450 FORTIFIED homes for low-income families have been built by Habitat for Humanity, SBP and Team Rubicon across the United States, made possible in part with funding from Travelers.
- Numerous Habitat for Humanity affiliates throughout the country have learned about safer building standards, and many are adopting them as they build new homes for some of America's most vulnerable families.
- SBP has trained 47 staff members on FORTIFIED standards, and SBP plans to continue educating its staff and contracting partners to increase familiarity with FORTIFIED building practices.
- Disasters often disproportionately impact low-income communities of color. The greatest asset of low-income homeowners tends to be their home. And according to the Urban Institute, home equity makes up a disproportionate amount of overall net worth for Black households. After a disaster, however, housing values drastically decrease. When a home is rebuilt, the value is restored, giving the resident more leverage and potential for upward economic mobility.

Travelers Benefits

- Data gathered from the FORTIFIED program is used at hearings to influence stronger building codes in hurricane-prone regions and to demonstrate the affordability of building to FORTIFIED standards. This played a part in the recent success in strengthening the building codes in Louisiana.
- Since we entered our partnership with Habitat for Humanity, dozens of Travelers volunteers have helped build FORTIFIED Habitat homes, increasing our employees' knowledge of FORTIFIED Home standards. Videos of prior builds can be viewed [here](#).
- Thousands of our employees have participated in Habitat builds – both FORTIFIED and traditional – driving engagement by working together to strengthen our communities.
- In addition to its positive impact on communities, these partnerships benefit both Travelers and the insurance industry by increasing the number of resilient homes in vulnerable communities.

RELATED RESOURCES

- Travelers Institute® Webinar: [Weathering the Storm: A Behind-the-Scenes Look at the Insurance Institute for Business & Home Safety](#)

Thought Leadership on Disaster Preparedness



The Travelers Institute, the public policy division of Travelers, has an extensive history of advancing education and dialogue around disaster preparedness. These efforts began in 2009 with the publication of the [Travelers Coastal Wind Zone Plan](#), which offered a comprehensive, private-market approach to insuring the Gulf and Atlantic coasts and addressed the crisis of availability and affordability of coastal wind insurance for homeowners. Building on this flagship publication, the Travelers Institute launched an event series called Kicking Off Hurricane Preparedness Season to help families, businesses and communities prepare ahead of the Atlantic hurricane season. Following extreme weather events like Superstorm Sandy, the Travelers Institute initiated an event series called [Insurance Essentials: Your Questions Answered](#) to help individuals make informed decisions when selecting personal insurance policies.

In 2022, the Travelers Institute's [Wednesdays with Woodward®](#) webinar series included two disaster preparedness education programs. First, leading authorities in hurricane forecasting and risk mitigation joined a session to explore the latest advances in catastrophe modeling and discuss the outlook for the 2022 Atlantic hurricane season. Later in the year, experts from the Insurance Institute for Business & Home Safety and ZestyAI joined a webinar to discuss new digital technologies and research that are powering insights into wildfire risk and mitigation, including data-driven analysis at the property level.

RELATED RESOURCES

- Travelers Institute® Webinar: [Wildfire Mitigation: Cutting-Edge Insights, Tech and Research](#)
- Travelers Institute® Webinar: [Storm Warning: Managing the Risk of Increasing Hurricane Catastrophes](#)
- [Travelers Wildfire Defense Services Endorsement](#)

TRAVELERS EDGE®

Transforming Tomorrow's Workforce



Travelers EDGE®, our signature education-to-career pipeline program, marked its 15th anniversary in 2022. More than 150 people attended an event to honor the achievements of our *Travelers EDGE* scholars and alumni.

Travelers EDGE – which stands for Empowering Dreams for Graduation and Employment – increases access to higher education for underrepresented students and builds awareness of careers in insurance and financial services. It does this through partnerships with schools, universities/colleges and community organizations, providing participants in Connecticut, Georgia, Maryland and Minnesota with a holistic support system that ranges from financial assistance to internships. In addition to providing students with opportunities for professional development, skill-building and networking with employees, the program helps drive inclusivity at Travelers.

Since 2007, *Travelers EDGE* has supported more than 500 scholars, 314 of whom have graduated from college.

Travelers EDGE has been acknowledged as an exemplar by practitioners in the college and career readiness space. In 2022, for example, Boston College Center for Corporate Citizenship noted in a [case study](#) review that *Travelers EDGE* is “exceptional in many ways.”

To learn more about the *Travelers EDGE* program, watch this [video](#).

Community Benefits

- Since the inception of *Travelers EDGE*, 586 students have been *Travelers EDGE* scholars, and 68% of scholars have successfully attained a bachelor's degree or are currently on track to do so.
- During the 2021–22 academic year, *Travelers EDGE* helped 85 students through a direct scholarship or stipend and helped more than 19 students complete an associate's or bachelor's degree.
- Over the past five academic years, 80% of all graduates were employed at graduation or shortly after. Of those, 76% entered careers in the insurance and financial services industry.

Travelers Benefits

- Since the program's inception, 117 *Travelers EDGE* graduates have been hired by the company.
- For academic year 2021–22, 74% (14 of 19) *Travelers EDGE* graduates were hired full time by Travelers. Of those who accepted full-time positions at Travelers, 83% were admitted into the company's leadership and technical development programs.
- Employees of Travelers who serve as *Travelers EDGE* managers and mentors overwhelmingly reported that participation strengthened their leadership skills, their understanding of diversity and inclusion and, importantly, their connection to Travelers.

SMALL BUSINESS SUPPORT

Empowering Small Business Owners to Succeed



We invest substantial resources to support women, minority and veteran small business owners by leveraging our employees' expertise and partnering with nonprofit entrepreneur support organizations (ESOs) that aim to accelerate businesses' success.

In 2022, we continued to fund nonprofit ESOs in Hartford, Connecticut; St. Paul, Minnesota; and nationally to provide small business owners with training, infrastructure support, technical assistance and help in broadening their networks. Some of our partners included:

- **Access to Capital for Entrepreneurs, Inc. (ACE)**, which supports women entrepreneurs in the Atlanta area through its Women's Business Center.
- **Accion Opportunity Fund**, a national training and financial support network for entrepreneurs with a focus on advancing inclusive entrepreneurship.
- **HEDCO Inc.**, which supports entrepreneurs in Hartford with training and financing options through its Business Resource Center.
- **Metropolitan Economic Development Association (Meda)**, which supports training and wealth building for entrepreneurs who are Black, Indigenous and people of color in Minnesota.
- **Social Enterprise Trust, Inc. (reSET)**, which provides capacity building to social entrepreneurs in Hartford to help them launch and grow.

We also continued our partnership with [Village Capital](#) and the Black Innovation Alliance to support the Resource program, which provides educational and financial resources to ESOs founded by and focused on Black, Indigenous and entrepreneurs of color. We launched a separate initiative in 2022 with the Black Innovation Alliance to specifically support Black technologists, creatives and innovators across the country.

Travelers further advocated for the small business ecosystem in 2022 by featuring Travelers-supported small businesses and ESOs in social media campaigns honoring National Small Business Week and National Veterans Small Business Week.

In 2022, Travelers also continued to provide virtual workshops to our nonprofit partners' small business clients and invited them to participate in the Travelers Institute's [Wednesdays with Woodward®](#) webinar series, which explores pressing topics impacting individuals and businesses, such as cybersecurity, innovation and economic development. Examples include:

- Travelers Institute Webinar: [Hacked! What's Your Plan?](#)
- Travelers Institute Webinar: [Mental Well-Being in the Workplace](#)

Community Benefits

- Women-, minority- and veteran-owned businesses are driving economic growth and job creation in their communities; our support contributes to their success, which, in turn, leads to community vitality and resilience.

Travelers Benefits

- Travelers employees serve as mentors and trainers for entrepreneurs, increasing employee engagement and professional development opportunities.
- Our efforts help raise Travelers' profile among entrepreneurs, create a stronger emotional attachment to the Travelers brand and generate business opportunities.

THE STREET PROJECT DOCUMENTARY

Spotlighting the Risks of the Road



Travelers provided funding for the Boyd Productions documentary “[The Street Project](#),” which premiered in August 2022. The film examines the root causes of traffic violence and tells the stories of people working to make their communities safer.

The film is streaming on Amazon, Apple, Comcast and Vudu Fandango in the United States; on Amazon and Apple in the United Kingdom; and on Apple in Canada and Australia, and it is also available on the YouTube PBS channel. Fifteen community screenings were held in 2022, and public screenings will continue in 2023. The film has been shown in Arizona, California, Connecticut, Missouri, North Carolina, New Jersey, New York, Ohio, Rhode Island and Vermont and internationally in Amsterdam.

Community Benefits

- Individuals and groups concerned about safety for pedestrians and cyclists can use the film to better inform policymakers, planning professionals and the community at large about the issues related to pedestrian and cyclist injuries and deaths.
- Because of its broad availability, “The Street Project” also provides safety-related information to the general public.

Travelers Benefits

- As a major sponsor of the documentary, Travelers is showcased as a responsible corporate citizen attuned to the risks associated with traffic violence.
- Travelers is using the documentary to educate the company’s own employees, customers and agent and broker partners, including through an [introductory clip](#) filmed by one of Travelers’ Risk Control auto experts.

TRAVELERS CHAMPIONSHIP®

Our Signature Community Event



The [Travelers Championship®](#) golf tournament is one of the most popular stops on the PGA TOUR and showcases how our company and employees maintain a strong commitment to the communities in which we live and work. The event features four days of competition by some of the world's best professional golfers and attracts tens of thousands of fans to Connecticut each year, on top of being broadcast to more than 200 countries.

All net proceeds from the *Travelers Championship* benefit charities throughout the region. Since Travelers became title sponsor in 2007, the tournament has generated more than \$25 million to support more than 800 [local charities](#). In 2022, the tournament generated \$2.5 million for more than 140 local charities, including the primary beneficiary, [The Hole in the Wall Gang Camp](#). Founded in 1988 by Paul Newman, the camp provides summer camp experiences, as well as year-round hospital and family outreach programs, to thousands of children with serious illnesses and their families – all completely free of charge.

The *Travelers Championship* has also given many other worthy causes a platform that helps bring awareness to their organizations and funds to their bottom lines. Examples include the Birdies for Charity program, which gives nonprofits the opportunity to earn 15% on every dollar they raise, and a Sunday stroll event on the golf course that has generated money for the Lustgarten Foundation for Pancreatic Cancer Research.

Another noteworthy charitable event in 2022 was the first Charlie Sifford Centennial Celebration Golf Outing, held on Tuesday of tournament week at Wethersfield Country Club in Connecticut. The event recognized the accomplishments of the first Black golfer to earn a PGA TOUR card and generated \$100,000 for The Dr. Charles L. Sifford Scholarship. This funding will help cover college tuition for students who attend historically Black colleges or universities or for minority students focusing their education on a golf management program.

Finally, the *Travelers Championship* has a tradition of celebrating and recognizing our country's military heroes. The event has offered several benefits including free admission for U.S. military members, veterans and their immediate family and access to the Patriots' Outpost, a hospitality venue with free food and beverages. This is in addition to hosting Operation Shower – an annual baby shower for expectant military mothers whose spouses are deployed.

RELATED RESOURCES

Travelers Institute® Webinar: [Behind the Scenes at the Travelers Championship](#)

JUNIOR ACHIEVEMENT INSURANCE LEARNING LABS

Fostering Financial Literacy and Insurance Know-How



Travelers has partnered with Junior Achievement (JA) for nearly two decades, providing financial support and employee volunteers for local programs. In 2019, in coordination with JA, Travelers launched insurance learning lab “storefronts” in Colorado, Minnesota and Georgia to teach students about insurance basics and how to make responsible economic decisions, helping develop their financial literacy and preparing them for success in the future. Housed in JA’s experiential learning centers, the storefronts reinforce concepts for students by providing hands-on business simulations. In 2021, Travelers partnered with Junior Achievement of Central Maryland to create our fourth Travelers storefront, which is capable of serving more than 46,000 K-12 students each year. The opening celebration of the new facility took place in October 2022.

Travelers provided more than \$260,000 in financial support to nine JA organizations across the country in 2022. In addition, Travelers sponsored Chicago’s Junior Achievement Inspire Virtual Career Expo, through which more than 20,000 students made visits to corporate “booths” to explore career opportunities in a variety of fields, including property casualty insurance.

Travelers received the U.S. President’s Bronze Volunteer Service Award for the 2021–22 school year. Created by the President’s Council on Service and Civic Participation, the award recognizes individuals and organizations that contribute a significant amount of time to volunteer service. Junior Achievement USA®, as an official certifying organization, designated Travelers for volunteering more than 1,000 hours across the country.

Community Benefits

- The program provides age-appropriate learning on topics such as civic constructs, currency, economics and business, helping students prepare at an early age for career and financial decisions to come.
- Our partnerships with JA are focused on districts with limited resources, where students may otherwise not have access to these programs.

Travelers Benefits

- The program introduces students to Travelers as potential future employees or customers.
- Employee volunteers have opportunities to build their own capabilities, such as teamwork and presentation skills, which helps develop Travelers’ talent base.
- Employee volunteers expressed satisfaction with the company making investments in youth, which deepens engagement and helps with retention.

SUPPORTING FUTURE LEADERS IN INSURANCE

Travelers Investing in the Next Generation of Talent



Travelers partners with career readiness organizations such as National Academy Foundation (NAF) and ReadyCT to help prepare high school students in Connecticut and Minnesota for high-demand and high-growth industries like insurance. Through these partnerships, Travelers employees assist with developing strategies, directing Travelers resources and planning professional development events that help students achieve academic and career success. Additionally, Travelers offers students opportunities to visit the company's facilities to learn more about insurance-related technology, products and services, and career opportunities.

Students in Hartford also have an opportunity to participate in ReadyCT's Get Ready! Immersive Traineeship (GRIT) summer program. During the summer of 2022, 20 students participated in paid project-based experiences with Travelers and collaborated on projects related to marketing/branding, technology and customer experience.

In Chicago, Illinois, and Atlanta, Georgia, Travelers also partners with InVEST, a nonprofit organization that educates high school and community college students on insurance, financial services and risk management topics. Through various InVEST programs, including "Travelers Insuring Futures," launched in 2019 to provide summer experiences in insurance, students gain access to an insurance industry curriculum; networking opportunities with Travelers employees, agents and brokers; and opportunities for career exploration.

Community Benefits

- Through NAF, ReadyCT and Travelers Insuring Futures, students are introduced to an industry that offers a wide variety of rewarding career opportunities.
- Paid industry-related experiences help students identify areas of interest and build their skills and competencies, preparing them for successful employment in the future.

Travelers Benefits

- Our high school partnerships are some of the many ways in which we are working to attract, grow and develop insurance industry talent.
- This program benefits our agent and broker partners and strengthens our relationship with them.

SUPPORTING OUR ENTREPRENEURS

Our Partnership with Village Capital



In 2019, Travelers launched a partnership with Village Capital to provide resources to entrepreneur support organizations (ESOs) in locations throughout the United States. Village Capital is the largest organization in the world supporting impact-driven, seed-stage startups. Since 2009, the Village Capital team has directly supported more than 1,400 entrepreneurs from 93 countries through more than 160 programs in 28 countries, and its affiliated fund, VilCap Investments, has invested in 110 startups that have gone on to raise more than \$4 billion in follow-on capital, as of early 2023.

In 2020, Travelers expanded its partnership with Village Capital through Resource, a nationwide project to support and connect ESOs led by and focused on entrepreneurs of color. The project is co-led by Village Capital and the Black Innovation Alliance and has a goal to create a stronger entrepreneurial infrastructure for founders of color through educational and financial resources and network building.

As part of this partnership, Travelers employees have served as mentors and panelists for virtual workshops that are focused on operations, investment readiness and strategic planning. Since launching, 23 ESOs led by Black, Indigenous and Latinx founders from across the country have participated in Resource, and more than 4,000 entrepreneurs have been served.

Community Benefits

- Small businesses are an important economic engine, and Travelers' support helps communities remain vital by providing financial and intellectual capital.

Travelers Benefits

- By interacting with a variety of small businesses and small business incubators, Travelers has a line of sight into emerging trends and risks that can help inform its product development and risk control protocols.
- Travelers' advocacy for small business is on display through support of this partnership, improving awareness and enhancing the brand reputation of our company among potential future customers.

AMERICAN FORESTS PARTNERSHIP

Partnering for a Purpose – Helping to Reforest America



In just three years, Travelers Personal Insurance has achieved significant environmental, educational and operational benefits through bold partnerships with American Forests and the U.S. chapter of 1t.org.

Through American Forests, Travelers funds the planting of one tree for each Personal Insurance billing account converted to paperless billing. Launched in 2019, this initiative has helped reduce our environmental impact by lowering our paper consumption by approximately 22 million pages annually.

As of Earth Day 2023, we have funded the planting or conservation of over 4 million trees in 14 U.S. states and Canada. Building on the partnership's success, we have committed to funding the planting or conservation of up to 5 million trees in areas in need of reforestation by Earth Day 2024.

Beyond the environmental impacts of planting trees, paperless billing provides an added level of convenience for customers by allowing for easy access and retrieval of billing and policy documents. Operationally, it also helps us save millions of dollars a year in paper and postage costs.

In addition to supporting our company's efforts to reduce its carbon footprint, our partnership with the U.S. chapter of 1t.org helps contribute to a global movement of conserving, restoring and growing 1 trillion trees by 2030. More locally, we are helping to fund Tree Trust Branches, a job training and mentorship initiative in the Twin Cities of St. Paul and Minneapolis, Minnesota, that helps young people facing barriers to education and employment finish high school and build meaningful careers in urban forestry.

Some of the events that have helped us with our tree-planting efforts in recent years include the following:

- **Minnesota.** In 2022, 50 Travelers employees and independent agents gathered with local government officials and partners from American Forests and Tree Trust Branches to plant trees in Taft Park.
- **Connecticut.** In 2019, nearly 100 Travelers employees came together with KNOX Hartford and American Forests to plant trees – red oaks, apple trees and junipers – in historic Colt Park in Hartford, Connecticut.
- **Texas.** Travelers employees and local independent agents joined members of the community to plant hundreds of trees in Rio Grande City, Texas in 2019. This was a particularly important project because 95% of the habitat in this area – home to 11 endangered or threatened species – has been cleared.

Community/Environmental Benefits

- Each tree planted absorbs carbon, improves air quality and helps restore habitats for birds and other animals.

Travelers Benefits

- Travelers achieves cost savings by eliminating the materials and labor costs associated with printing and mailing forms.
- Employees are increasingly concerned about the environment and appreciate the company's focus on restoring forests, which improves engagement.
- Volunteer activities linked to the partnership provide team-building opportunities.

COMMUNITY SERVICE VEHICLE DONATIONS

Driving Opportunity



Travelers is proud to partner with Recycled Rides®, a program managed by the National Auto Body Council that brings together insurers, auto repair shops and others to donate refurbished vehicles to those without reliable transportation. Through this partnership, the company has donated 50 vehicles to individuals in need, including U.S. veterans and active military members, educational institutions and community organizations.

In 2022, Travelers donated seven vehicles through the Recycled Rides program. These donations benefitted veterans and families in need and the Community Renewal Team, a nonprofit in Connecticut.

Community Benefits

- This partnership helps provide individuals and families with access to transportation for employment, health care, nutritional and recreational needs.
- Through this partnership, charitable organizations obtain an asset that enables them to further their mission and increase impact.

Travelers Benefits

- Supporting this program enhances our relationships within the auto industry.
- Travelers receives positive brand recognition among supporters and beneficiaries of the Recycled Rides program.
- Travelers employees who are involved in identifying vehicles to donate, selecting charities to benefit from the donations and representing Travelers at presentations gain skills valuable to our company and experience satisfaction from Travelers using its resources to benefit the community.

GIRLS' LEADERSHIP SUMMITS

Inspiring Girls to Be Strong, Smart and Bold



In keeping with our commitment to be the leading advocate for women in the insurance industry, Travelers supports Girls Inc., a nonprofit that inspires girls ages 5 to 18 to be “strong, smart and bold!” In 2017, the Travelers St. Louis office established a partnership with the local Girls Inc. affiliate and hosted the first Girls’ Leadership Summit. Our Melville, New York, office replicated the program the following year with its local Girls Inc. affiliate.

Based on this model, Travelers hosted four leadership summits for girls in early 2020 – in Connecticut, Colorado, Georgia and Minnesota – in partnership with Girls Inc. and the YWCA. Students and parents heard from engaging presenters on topics related to personal branding, interview skills and college affordability.

Every girl in attendance was given the opportunity to have a 30-minute “advising session” with uAspire, a nonprofit whose mission is to ensure that all young people have the financial information and resources necessary to find an affordable path to and through college. There were 180 girls and 70 parents in attendance at the events, and 70 Travelers employees volunteered their time to plan and execute the summits.

In 2021, our partnership turned virtual, with 75 Travelers employees volunteering nearly 250 hours with Girls Inc. of St. Louis. Employees appeared in a career panel and hosted breakout sessions to help equip Girls Inc. participants with real-life knowledge, introducing them to insurance and, specifically, Travelers. Employees shared their life experiences owning cars and buying insurance, budgeting, banking and preparing for college.

In 2022, Travelers’ St. Louis and Melville, New York offices hosted Girls Inc. summits. During the 2022 summits, employees, in partnership with the Travelers Black and African American & Allies Diversity Network, offered workshops to assist Girls Inc. participants with college preparation and career exploration.

Community Benefits

- The programs provide learning and networking opportunities to young women navigating college and career paths.
- The free advising service offered at the 2020 summits, which is available to the students through their graduation from high school, provides counseling about financial considerations for college.

Travelers Benefits

- These programs are aligned with our commitment to lead the industry in advocating for women in insurance, including through [SHETravels®](#) and our various initiatives to help broaden and enhance the talent pipeline for the insurance industry. They also introduce students to Travelers as potential future employees or customers.
- Through their participation in Girls Inc. programs, employee volunteers build their own capabilities, such as project management and presentation skills, helping us develop our talent base.
- Travelers volunteers expressed satisfaction with the company making an investment in young women, which deepens engagement and helps with retention.

GIRLS WHO CODE

Growing Tech Talent



Women make up just 24% of the U.S. computing workforce – down from 37% in 1995 – according to Girls Who Code, a nonprofit with the mission to close the gender gap in entry-level technology jobs.

In 2022, Travelers once again teamed up with Girls Who Code to provide a two-week virtual Summer Immersion Program focused on computer programming and technology job opportunities to rising high school sophomores, juniors and seniors across the United States. Half of the girls the organization serves come from historically underrepresented groups.

The program engaged the students in a computer science curriculum and workshops taught by Girls Who Code staff and supported by approximately 80 Travelers employee volunteers. As part of the program, Travelers led workshops on topics such as artificial intelligence, mentoring, resume building and job interviewing. Employee volunteers from EmpowHER+, our women’s professional group in Technology & Operations, organized and facilitated the workshops.

“We’re committed to building a talent pipeline of women and individuals of color into tech roles at Travelers, and that starts in high school and college when girls are imagining themselves in the roles they want to pursue when they finish school,” said Mojgan Lefebvre, Travelers Chief Technology Officer. “Bringing in and providing mentorship to girls and women with diverse backgrounds and perspectives enhances our entire organization and opens up new opportunities for us to evolve and enhance our tech capabilities.”

In a survey conducted at the beginning of the program, 94% of students indicated that they hadn’t heard of Travelers, and by the end, 82% responded that they were likely to apply for a Travelers internship. Since 2020, there are 140 alumni from the Travelers-sponsored Summer Immersion Program, including five who Travelers recently hired following a Girls Who Code virtual hiring summit.

Community Benefits

- The program provided hands-on computer science experience and networking opportunities to girls considering college and career paths in technology and operations.

Travelers Benefits

- The program is aligned with our commitment to lead the industry in advocating for women in insurance, including through our various EmpowHER+ initiatives to help broaden and enhance the pipeline of women technologists.
- The program introduced students to Travelers as potential future employees or customers.
- Employee volunteers had an opportunity to build their own capabilities, such as project management and presentation skills, which helps us develop our talent base.
- Travelers participants expressed satisfaction with the company making an investment in youth, which deepens engagement and helps with retention.

TRAVELERS ART SPEAKS

Advancing Inclusion through the Arts



Travelers invests millions of dollars annually to support arts and cultural organizations that help keep our communities vibrant and culturally enriched. We believe that arts and cultural organizations help drive economic growth, enhance learning and build multicultural understanding – leading to more accepting and inclusive communities.

Launched in 2019, Art Speaks is an employee-focused program that leverages Travelers' investment in arts and cultural organizations to spark meaningful and thought-provoking dialogue around diversity and inclusion. This initiative engages employees in discussions that help drive civil discourse, encourage deep multicultural exploration and promote unity.

Through Art Speaks, employees have opportunities to enjoy in-person or virtual artistic experiences, followed by discussions led and facilitated by diversity and inclusion professionals, drawing on themes related to diversity, equity and inclusion. Arts and cultural experiences vary; employees are exposed to different forms of artistic expression, such as theater, visual arts, dance, photography and music.

In 2022, Travelers hosted several Art Speaks events focused on social justice, diversity and inclusion, and culture:

- **Alvin Ailey American Dance Theater.** In celebration of Black History Month and its national theme “Black health and wellness,” we hosted a dance demonstration and discussion.
- **Watercress.** In celebration of Asian American and Pacific Islander Heritage Month, we broadcasted a webinar about Chinese heritage with award-winning illustrator Jason Chin.
- **Juneteenth: Celebrating Freedom.** In recognition of Juneteenth, we hosted an event featuring The Amistad Center for Art & Culture, as well as African drumming and spoken word by Hartford-based artists.
- **Moving Beyond Through Dance.** In celebration of National Disability Awareness Month, we presented a dance demonstration and discussion featuring Infinite Flow Dance ensemble, a nonprofit and professional dance company that employs dancers with and without disabilities with a mission to use dance as a catalyst to dismantle biases and foster inclusion.
- **Operation Song.** In celebration of Veterans Day, we partnered with Operation Song, an organization that pairs service members and military spouses with professional songwriters to create songs based on their military experiences. Eight Travelers employees from military-connected communities shared their stories, which were turned into songs.

Community Benefits

- Arts and cultural organizations benefit from Travelers' sponsorship and gain visibility among Travelers employees.
- In partnership with Travelers, these nonprofit organizations are developing their diversity, equity and inclusion curricula and building capacity for engaging other audiences in similar discussions.

Travelers Benefits

- Art Speaks supports Travelers' ongoing efforts to build an inclusive culture through conversations and opportunities that bridge differences among employees with diverse life and career experiences.
- Surveys completed by participating employees show that 96% feel the arts and cultural programs provide an effective tool for communicating themes related to diversity and inclusion.

VOLUNTEER SERVICE: A KEY VALUE

Responding to Community Needs



Our employees continue to be a driving force behind our giving at Travelers. In 2022, employees were excited to get back to in-person volunteering and logged more than 73,000 volunteer hours for qualifying nonprofits through our [Travelers Community Connections](#) site. This is a nearly 25% increase compared to 2021.

We continue to provide both remote and in-person community service opportunities. The following are just a few examples of the more than 125 group events that were managed by our Community Relations team in 2022:

- 200 employees participated in Earth Day cleanup activities.
- 150 employees packed homeless support kits at the Personal Insurance Leadership Meeting.
- 240 Business Insurance employees supported the homeless by packing hygiene kits.
- 180 summer interns packed kits for elementary school summer students.
- 170 employees packed more than 900 backpacks with school supplies for local students.
- 380 employees volunteered at The Hole in the Wall Gang Camp – a camp for seriously ill children.

Community Benefits

- Nonprofit organizations throughout the United States, the United Kingdom, the Republic of Ireland and Canada benefited from the expertise, skill, energy and compassion of Travelers employees through in-person and virtual volunteering activities.

Travelers Benefits

- Employees appreciate the company's commitment to supporting local communities, including by offering a volunteer rewards program, through which employees earn \$20 per volunteer hour logged to further support their chosen organizations.
- Group employee activities, as well as the allocation of matching gifts and volunteer rewards for employees' chosen organizations, offer positive visibility for the Travelers brand.

CLAIM EXPERIENCE

Simplifying the Claim Process

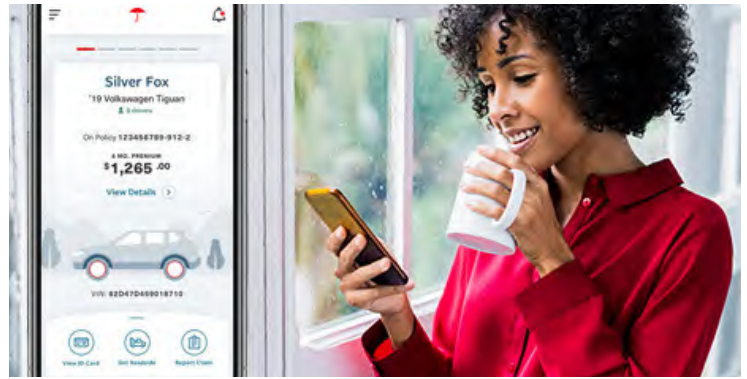


Travelers Claim Services is dedicated to continually improving the claim experience for our customers, agents and brokers, and Claim professionals. That's why we are investing in technologies and resources to improve claim handling, expedite claim resolution and add more transparency to the claim process. For example:

- **Virtual Inspection Technology.** Using artificial intelligence-assisted virtual inspection and measurement technology, we are able to transform smartphone photos of a property into an accurate 3D model so that our Claim professionals can easily inspect property damage without climbing ladders and our policyholders can provide information without having to schedule an on-site inspection. In addition to providing convenience for our customers, this capability offers safety benefits for our Claim professionals and operational efficiencies to us.
- **Virtual Claim Handling Capabilities.** We are now using virtual claim-handling capabilities on a significant number of auto appraisals and wind/hail claims without the need for inspection by a Travelers Claim professional, making the process more convenient for our customers and more efficient for us.
- **Claim Resource Center.** In an effort to make the claim process as simple and stress-free as possible, we have developed a virtual resource center for claimants. The resource center features tools to help customers manage the claim experience, including access to claim status, a portal for file uploads, secure messaging with a Claim professional and helpful information for navigating the claim process.

REDESIGNED MYTRAVELERS® MOBILE APP

Simplifying the Customer Experience



At Travelers, delivering digital-first solutions means keeping the customer in mind every step of the way. As but one example, our redesigned MyTravelers® mobile app features a streamlined experience that allows customers to access their policy and billing information 24/7. The *MyTravelers* app has earned a 4.7-star review based on nearly 33,000 ratings – and we are still hard at work to make user experiences even more intuitive.

When customers need us, it's often during difficult circumstances, so we strive to make interacting with Travelers as simple as possible, with features that are easy to use. We have recently enhanced the app so that:

- Auto policyholders can download and save auto ID cards to their mobile device wallet.
- Auto customers with Roadside Assistance Coverage can request and track roadside assistance through the app and track the vehicle on its way via the app's map functionality.
- Customers can contact their agent directly from the app.
- Customers can use the app to communicate directly with their Claim professional via secure messaging and track the status of their claim.

By listening to customer feedback and understanding consumers' changing expectations, we are constantly evolving our mobile app capabilities to deliver an exceptional customer experience.

Insurance Essentials: Your Questions Answered



As part of our commitment to both existing and potential customers, the [Travelers Institute](#) (the public policy division of Travelers) has an initiative called *Insurance Essentials: Your Questions Answered* to help consumers make informed decisions about their personal insurance options. This initiative was introduced following Superstorm Sandy and other extreme weather events, which have demonstrated to us that many consumers need, or want, more help understanding their insurance policies and options. This initiative includes an educational [Insurance Essentials Guide](#) that covers topics such as how insurance works, homeowners and auto insurance coverages, condominium and renters insurance, wedding insurance, flood insurance, limits and deductibles, and basic disaster preparedness. Further, the Travelers Institute partners with independent insurance agents to bring an educational symposium series to their communities, also addressing local issues such as wildfires and hurricanes.

As part of our [Wednesdays with Woodward®](#) webinar series, the Travelers Institute has also hosted several public webinars offering an inside look at the insurance underwriting process, industry trends and more.

RELATED RESOURCES

- Travelers Institute Webinar®: [Thrive: How Insurance Agents & Brokers Will Succeed in 2022](#)
- Travelers Institute Webinar®: [60 Minutes in Personal Insurance: Opportunities in a Changing Marketplace](#)
- Travelers Institute Webinar®: [60 Minutes in the Middle Market: Opportunities in a Changing Marketplace](#)



TOOLKITPLUS

Adding Value for Agents and Brokers

Travelers is dedicated to helping agents and brokers thrive in a highly competitive landscape. One of the ways we do this is by providing compelling content and the digital infrastructure agents and brokers need to easily launch campaigns that help them engage with consumers.

The *toolkitPlus* platform offers a full suite of free, customizable material, allowing agents and brokers to connect with customers via email, social media, video, digital advertising and more. With one click, the platform can automatically post professional content on the agency's social media channels for multiple weeks or expose the agency's "banner ads" on multiple web sites.

The goals of this platform are to seamlessly integrate Travelers material into the daily workflows of our agents and brokers, create efficiencies for them, and allow them to communicate with and educate customers – all while helping them establish their unique value proposition.

In 2022, Travelers invested in developing technology to provide a more compelling and intuitive experience, with features such as "add-to-cart" and "star rating." This experience was designed around the user and reflects familiar online shopping behaviors. When agents choose a marketing item to customize and use, they "add it to their cart." They can put multiple items into their marketing campaign "cart" and "check out" to launch the campaign or save it for later. They can also rate a campaign on a scale of one to five "stars" if they see benefits such as consumer engagement through social media, video views and email responses.

toolkitPlus is also integrated into the Travelers Quote and Issue Platform through our New Customer Onboarding Wizard. New customers are automatically sent a "welcome" email with an invitation to review the agency and follow them on social media. Agents can also use *toolkitPlus* to sign up for loyalty-building emails throughout the year.

Overall, *toolkitPlus* helps agents to be future ready by bringing them the latest technology to help achieve their business goals. Watch this [video](#) to see what *toolkitPlus* is all about.

HOME PROTECTION SERVICES

Helping Prevent Water-Related Damage



At Travelers, we continually monitor industry and claim data to help identify loss trends impacting our customers and potential customers. Based on these trends, we determined that losses associated with nonweather water damage have been on the increase over a number of years. In response, our Risk Control group partnered with teams from across the Travelers enterprise to create a public-facing education program.

Our [Home Water Damage Prevention](#) web content, interactive tools and videos – featuring the Advertising Research Foundation (ARF) Ogilvy Silver award-winning [Come Home Happy](#) campaign – help raise awareness of water-associated damage while providing homeowners with practical actions to take to quickly and easily prevent it. In addition to helping people better protect their homes, this multiyear initiative has allowed us to deepen our relationship with our customers and communities and has had a positive business impact.

INTELLIDRIVE®

Leveraging Telematics to Encourage Safe Driving



Our IntelliDrive® mobile-app telematics program, which launched in 2017 and is now available in 43 states and Canada, allows customers to better understand their driving habits by collecting and assessing data on behaviors such as hard braking, rapid acceleration, speed, the time of day customers drive and distracted driving. Through this 90-day program, customers can influence their auto insurance price based on their driving habits. In most states, *IntelliDrive* customers with safe driving behaviors can see savings of up to 30% on their auto premiums at renewal, while riskier driving habits may result in a higher premium. In most states, new customers who enroll in the program can receive savings of up to 10% for their first term just for participating.

In 2021, Travelers built on the success of its *IntelliDrive* program and introduced *IntelliDrivePlus*™ in three states. *IntelliDrivePlus* is a continuous driving program that uses a smartphone app to capture data regarding driving behavior and miles driven and adjusts a customer's rate based on how – and how much – they drive. By enrolling, new customers could save up to 12% on their car insurance policy's first term. At renewal, safe driving habits can lead to savings of up to 30%, plus additional savings for lower mileage, while riskier driving and higher mileage could lead to higher premiums.

In 2022, we continued to evolve our *IntelliDrive* program by introducing *IntelliDrive* via connected vehicles, which is available in three states. This new offering enables the application of driving behavior data captured by eligible connected vehicles at the point of sale, rather than requiring participation via a downloaded app. This offering also gives safe drivers the opportunity to realize the full benefit of their safe driving immediately, while charging higher premiums for riskier drivers up front, as well.

Leveraging telematics has been impactful for both our company and our customers. Our telematics programs allow us to attract and retain safer drivers, more accurately price for higher-risk drivers and increase engagement with our customers. At the same time, participating in a mobile-app telematics program gives customers the opportunity to influence their premiums while also obtaining real-time feedback and tips on safe driving. For example, customers can easily monitor a driving performance dashboard in the *IntelliDrive* app, which measures "Distraction-Free Streaks" and encourages them to limit phone use while driving. The app also provides drivers with relevant content from the *Every Second Matters*® distracted driving education campaign (see Related Resources below).

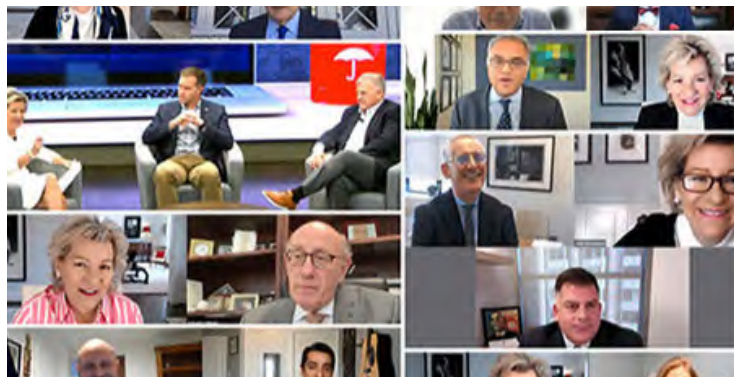
- [Click here](#) to learn more about *IntelliDrive*.
- [Click here](#) to learn more about *IntelliDrivePlus*.

RELATED RESOURCES

- Travelers Institute® [Every Second Matters Distracted Driving Campaign](#)
- Travelers Institute® Education Guide: [Every Second Matters: Reducing Distracted Driving. One Voice at a Time](#)
- Travelers Institute® Webinar: [How's My Driving? Telematics and the Insurance Experience](#)

WEDNESDAYS WITH WOODWARD® WEBINAR SERIES

Thought Leadership Programming



At the start of the pandemic, the Travelers Institute launched [Wednesdays with Woodward®](#), a webinar series exploring pressing issues at the intersection of public policy, insurance, business and leadership. These programs, which are open to the public and hosted by Travelers Institute President Joan Woodward, provide practical advice for our business partners, our customers and the communities we serve. Through the end of 2022, the Travelers Institute hosted 77 webinars, which were viewed more than 158,000 times. Recent programs included:

- [Inflation, interest rates and the state of the U.S. economy](#) with Neel Kashkari, President and CEO of the Federal Reserve Bank of Minneapolis.
- [Global geopolitical risks](#) with former U.S. Secretary of Defense Chuck Hagel.
- [Setting compensation after tragedy](#) with Kenneth R. Feinberg, Special Master of the 9/11 Victim Compensation Fund.
- [The future of fighting insurance crime](#) with the National Insurance Crime Bureau's David J. Glawe and Travelers Chief Claim Officer Nick Seminara.
- [Mental well-being in the workplace](#) with Travelers' Rich Ives and Dr. Marcos Iglesias in Workers Compensation, as well as clinical psychologist Dr. Les Kertay.
- [Understanding Gen Z](#) as consumers and colleagues with Travelers' Jacqui Heidelberger in Enterprise Market Research.
- [The rise of nuclear verdicts](#) with the Institute for Legal Reform's Harold Kim and Travelers Claim General Counsel Alexia Cruz.
- [Telematics, roadway safety and insurance](#) with Cambridge Mobile Telematics' Ryan McMahon.

Webinars are [available for replay](#) through the Travelers Institute website.

RELATED RESOURCES

- [Wednesdays with Woodward](#) homepage (sign up for Travelers Institute programming invitations here)
- Press Release: [Travelers Institute to Host President and CEO of the Federal Reserve Bank of Minneapolis to Discuss the State of the Economy](#)
- Press Release: [Travelers Institute Announces Winter 2022 Virtual Programming](#)

CONNECTED PROTECTION

Travelers Preferred Vendor Program

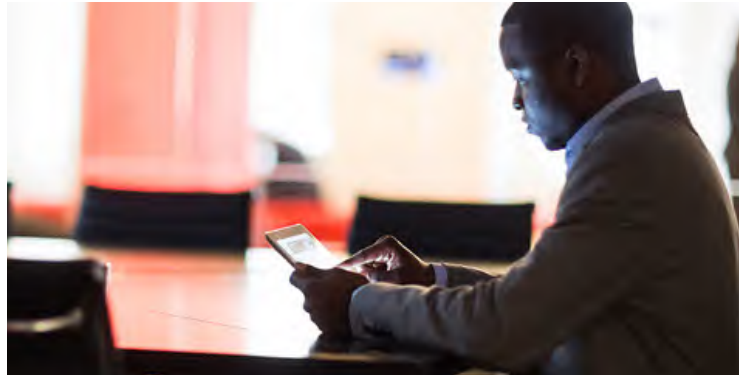


In 2022, Travelers Business Insurance launched the Connected Protection program, a vendor referral program to help our customers reduce risk by introducing them to Internet of Things (IoT) solutions and connecting them with IoT vendors. These suppliers offer IoT devices that can address a range of risks with products that have been vetted by Travelers. There are three distinct aspects of the program:

- A network of vendors that have been thoroughly vetted and tested with insureds.
- Vendor discounting in participating states.
- A team of Travelers IoT consultants who are available to discuss IoT solutions with interested insureds.

Sample use cases for IoT devices include temperature monitoring and freeze prevention, water leak detection and mitigation, power outages, machine outages, continuous monitoring of environmental air quality (CO₂, humidity), pressure monitoring and vibration monitoring. Through this preferred vendor program, we aim to partner with Business Insurance customers to help them better understand, monitor and mitigate risk at their properties.

Understanding Cyber Risks



In 2022, the Travelers Risk Index, an annual national survey of approximately 1,200 business leaders, found that cyber risks are the No. 1 concern among all businesses. Business leaders are concerned about suffering a security breach or someone hacking into a company's computer system, a system glitch that causes the company's computers to go down or becoming a cyber extortion/ ransomware victim. Notably, more than half of the participants think it is inevitable that, at some point in the future, their business will be a victim of a cyberattack.

Despite the heightened concerns and increased threats, many businesses remain unprepared and have not even implemented basic prevention measures, such as:

- Using endpoint detection and response.
- Having an incident response plan.
- Having a post-breach team on retainer as part of an incident response plan.
- Using multifactor authentication for remote or administrative access.

[Click here](#) to see a video that summarizes the key findings from the 2022 Travelers Risk Index.

RELATED RESOURCES

- Travelers Institute® Webinar: [Hacked! What's Your Plan?](#)
- Travelers Institute Webinar: [What's Required? Understanding the New Cybersecurity Laws Impacting U.S. Critical Infrastructure](#)
- Travelers Institute Webinar: [The Fight Against Cyber Crime – from Prevention to Prosecution](#)

TRAVELERS INSTITUTE®

Cyber: Prepare, Prevent, Mitigate, Restore®



Recognizing that education is critical to enhancing cybersecurity, the Travelers Institute has been promoting cyber awareness through a series titled Cyber: Prepare, Prevent, Mitigate, Restore. The Institute has featured more than 50 educational programs – in person across the United States and Canada or virtually – convening leaders from the public and private sectors to share insights on preparing for, and responding to, evolving cyber threats.

The Travelers Institute hosted six cybersecurity education programs in 2022. These included live programs that convened business leaders alongside independent insurance agents and brokers in Chicago, St. Paul, Denver and Los Angeles. During the live events, more than 400 business owners received tools and practical, actionable advice to bolster their cyber hygiene. The audience heard from Travelers cybersecurity experts and a range of government speakers, including from the U.S. Small Business Administration and the Cybersecurity & Infrastructure Security Agency. In addition, through the Travelers Institute's [Wednesdays with Woodward®](#) webinar series, we hosted two virtual programs aimed at helping audiences to better understand recent U.S. cybersecurity legislation and increase cyber readiness. These two webinars were viewed more than 4,500 times combined in 2022.

These programs are opportunities for us to share our internal risk management expertise with the public and a platform for government officials to publicize regulatory requirements for data protection and highlight free resources. Past speakers include representatives from the U.S. Department of Homeland Security, U.S. Department of Justice, FBI and Federal Trade Commission. These events also provide an important value-add to key constituencies, such as agents and brokers, who partner with us to bring programs to their communities; Travelers customers; public sector organizations and municipalities; and the general public.

RELATED RESOURCES

- Travelers Institute: [Cybersecurity Education Initiative](#)
- Travelers Institute Webinar: [What's Required? Understanding the New Cybersecurity Laws Impacting U.S. Critical Infrastructure](#)
- Travelers Institute Webinar: [Hacked! What's Your Plan?](#)



CYBERSECURITY

National Cybersecurity Awareness Month

Cyber threats continuously evolve and pose risks to our customers and business partners, our communities and our company. Travelers takes a holistic approach to cybersecurity, which includes a comprehensive awareness initiative, to foster safe cyber behaviors.

October is National Cybersecurity Awareness Month – a collaborative industry- and government-led effort to continue raising awareness around the importance of cybersecurity. Each year, Travelers initiates a campaign to highlight critical risks and actions employees can take to safeguard Travelers’ and our customers’ information. In 2020, the campaign introduced an interactive, online *Cyber Rules of the Road* game for employees to test their cyber knowledge. In 2021, in response to heightened phishing risk, we launched the *One Click Away* campaign, which was based on actual phishing emails. In 2022, the *Travelers Secure* campaign used videos focused on exponential data growth and the protections needed across the life cycle of data creation and disposal.

A key initiative in 2022 was enhancing cybersecurity awareness among our agents and brokers. These business partners regularly connect online with Travelers to obtain policy information and quotes, as well as to conduct other business. It is essential that agent/broker logins are secure to protect Travelers’ systems and information from cyberattacks.

In 2022, the Travelers Institute, the public policy division of Travelers, marked National Cybersecurity Awareness Month with an educational [webinar](#) for independent insurance agents and small to midsize businesses, as well as two in-person symposia. The webinar, part of the [Wednesdays with Woodward®](#) series, explored new cybersecurity legislation concerning critical infrastructure and cyber incident reporting requirements. It featured Ken Morrison, Assistant Vice President, Cyber Risk Management for Bond & Specialty Insurance at Travelers, and Matthew Eggers, Vice President, Cybersecurity Policy, at the U.S. Chamber of Commerce. The symposia, held in St. Paul, Minnesota, and Los Angeles, California, were part of our national series *Cyber: Prepare, Prevent, Mitigate, Restore®*, which aims to help businesses and organizations tackle evolving cyber threats. The events featured speakers from the U.S. Small Business Administration and the Cybersecurity & Infrastructure Security Agency, along with Travelers’ Enterprise Cyber Lead Tim Francis and representatives from Travelers’ cybersecurity vendors, who shared insights into the current threat landscape and strategies to help prepare for and respond to a cyber incident.

Our 2022 [Travelers Risk Index](#) report found that cyber threats are the No. 1 concern across all businesses. Despite heightened cyber concerns and increased threats, many businesses remain unprepared and have not implemented basic prevention measures, such as multifactor authentication or an incident response plan. Travelers understands the complexity of cyber threats and continues to be proactive in addressing cyber concerns for business customers.

RELATED RESOURCES

Travelers Institute® Webinar: [What’s Required? Understanding the New Cybersecurity Laws Impacting U.S. Critical Infrastructure](#)

Travelers Institute® Webinar: [Hacked! What’s Your Plan?](#)

Travelers Institute® Webinar: [Cybersecurity Playbook: Creating Your Checklist](#)

NATIONAL CATASTROPHE CENTER

Catastrophe Planning and Response



Our National Catastrophe Center is the hub of our catastrophe response planning and event response efforts. Staffed by more than 100 full-time Catastrophe Management professionals, this “command center” is equipped with state-of-the-art tools to actively monitor weather and claim trends, enabling us to quickly transform information into action.

Our Catastrophe Management team continually monitors and evaluates data from numerous sources. This allows us to plan and coordinate responses in a secure environment away from the disaster area. We track storm formations to identify developing weather patterns days in advance, enabling us to evaluate the potential impact for customers and, where appropriate, to stage event response resources before an event. After an event, we aggregate millions of data points from weather services to create event overlays for our proprietary geospatial tools to visualize an event against our customers’ locations. This data visualization and sophisticated use of layered geospatial insights enhances our overall operational intelligence and helps us deploy Catastrophe Claim professionals to the right place at the right time.

For example, we use our knowledge of the precise size of hail that impacts an area and the type of damage certain sizes of hail can cause in conjunction with our customer location data to assess the estimated severity of losses associated with hail damage. Our digital capabilities give us additional insight to help us determine the scope of an event and the best response strategy. We then layer in ultrahigh-resolution aerial imagery to further assess property damage.

During an event with severe losses, such as a wildfire or tornado, we are often able to inform agents and customers of estimated losses before our Claim professionals are allowed into the impacted area. This also enables an earlier claim process, including advance payments, before our teams physically deploy to an area. For those customers with a significant or total loss, we can pull the pre-event imagery into our estimating software and generate a fully dimensioned 3D diagram of the building to immediately estimate the cost to rebuild.

The digital capabilities of our National Catastrophe Center, paired with the dedicated technical expertise of our catastrophe leadership team, generate an immediate understanding of the event magnitude and its estimated financial impact, helping our agents and customers prepare for, respond to and recover from disasters.

National Catastrophe Center Work and Technical Highlights

- 20,000-square-foot National Catastrophe Center with capacity for more than 150 people.
- 1,000-square-foot Catastrophe Operations Management Room with dual camera arrays for interactive video conferencing and a 180-square-foot video wall that projects real-time data and analytics from across Travelers and third-party sources.
- Supercomputer weather model analytics.
- Real-time notice of loss and escalation data.
- Simultaneous real-time key performance metrics across multiple events.
- Claim handler availability and deployment information.
- High-resolution post-event imagery and artificial intelligence imagery analysis.
- Wildfire monitoring and response information.
- Social media monitoring and analytics.

- Real-time drone flight monitoring.
- Multiple television news feeds.

[Click here](#) to take a virtual tour of the Catastrophe Operations Management Room in our National Catastrophe Center.

BLACK ENTERPRISE WOMEN

The Power That Makes the Difference



Empowering. Uplifting. Joyful. Restorative. These are just a few of the words that Travelers employees used to describe their experiences attending the annual Black Enterprise Women of Power Summit in 2022.

Since 2014, Travelers has sponsored nearly 300 employees to attend the summit, a professional leadership conference designed specifically for women of color, as part of our commitment to invest in development opportunities for women at Travelers. In 2022, we nearly doubled the number of women of color from our company attending the summit to more than 90 – the largest cohort of employees representing any company at the event.

In [this video](#), which received an award from the Financial Communications Society, 2022 attendees share their experiences and the impact the conference has had on their personal and professional lives.

THE POWER OF TRAVELERS IS US

Exploring the Power of 30,000 People

We owe our success to Travelers' extraordinary talent. What underlies all our competitive advantages is our greatest asset – our people. The expertise of our more than 30,000 employees is particularly important in a rapidly evolving business landscape. Together, our employees drive our performance and fuel our ambitious innovation agenda.

We benefit from both the expertise of our long-tenured employees and the fresh perspectives of our new colleagues. To that end, we launched a campaign called “The Power of Travelers Is Us” so we could listen to our colleagues and learn from their diverse perspectives.

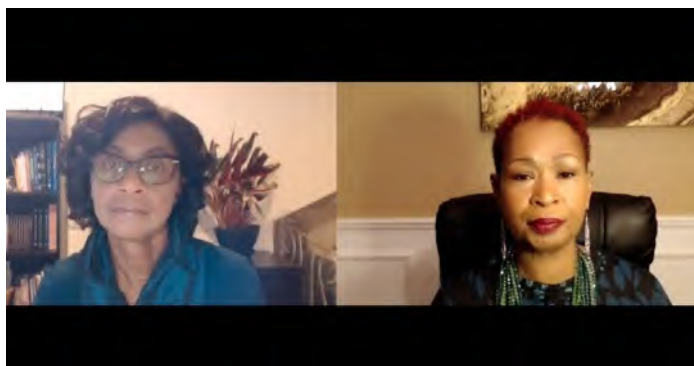
Here are a few examples of videos and articles associated with that campaign.



[The Power of Caring for Our Service Members](#)



[The Power of Being True to Yourself](#)



[The Power of Helping Drive Change](#)



[The Power of Respect](#)

The Power of Encouraging Development

Jason, an Engineer Advocate in Digital Enablement, believes that it isn't enough to learn a new skill. "It's just as important that an engineer is able to adapt that skill to Travelers," he says.

That's the thought process behind Development Days (Dev Days) ... and Hour of Code ... and Front-End Development Practice Area ... and Engineering Coaching Sessions.

Jason believes in collaboration as much as education. He partners with like-minded colleagues to create learning and development opportunities within Digital Enablement and with the broader engineering community at Travelers.

Dev Days, for instance, bring together engineers, architects, scrum masters, product owners and others to solve real business challenges. "Each participant," says Jason, "brings unique skills to the table in areas that others might not be as strong in or know as much about." He encourages participants to bring relevant use cases from their "day jobs" as examples to work through.

Like so many other events, Dev Days went virtual during the pandemic. "We planned and completed the coaching sessions in person leading up to our event in March [2020]," he says, "but we used Zoom for the Dev Day itself." The topic of that event was design thinking, a "people first" methodology for creating solutions.

It is not unlike Jason's own thinking – whether the people he's putting first are engineers he empowers or the agents and customers who ultimately benefit from the work being done in Digital Enablement.

Everyone benefits because at the end of the day, Jason sees his role as an opportunity to "help shape what the future of engineering is going to look like."

The Power of Restoring Freedom

As a clinical nurse and a captain in the Air National Guard, Latrik has always followed the military's advice to "be ready."

In January (of 2021), that meant she had less than a week's notice before leaving her husband, three children and her role as a workers compensation medical case manager in Travelers' Upper Midwest Claim Center to deploy to COVID-19 vaccination sites in Missouri. Her Travelers colleagues were very supportive, stepping in and offering to help in any way they could so that Latrik could go on assignment.

May honored both National Nurses Month and Military Appreciation Month, and Latrik says she celebrated by doing what she loves – serving. In her National Guard role, she is currently leading Task Force Freedom, a team that delivers vaccinations to senior citizens, homeless shelters, underserved neighborhoods and other populations who don't have easy access to the vaccine.

"It's been an amazing experience," says Latrik, "and I couldn't be more excited about providing people with the ability to be with the loved ones they've wanted to see over the past year, and do everything else they enjoy doing."

Latrik joined the Air Force in 1993 and then reenlisted in 2009 with the Missouri Air National Guard. She is assigned to the 139th Airlife Wing in St. Joseph, Missouri, alongside her husband, Marcus, a lieutenant colonel in the National Guard.

As she looks forward to going back to the job she's held at Travelers for the past six years, Latrik reflects on how her roles in the military and at Travelers are actually very similar and require complementary skill sets.

"In both roles, you are responsible for helping give people their freedom back – whether by vaccinating someone or by helping an injured customer return to work," she says. "You are really a liaison and an advocate, and that's true for me here with Task Force Freedom and at Travelers."

The Power of Developing Talent in the Field

In each of 11 regions across the United States, you will find a cohort of high-performing individuals in the field preparing to grow into broader leadership roles. Together, they are called the Field Development Group.

The program is like a partnership between regional business leadership and HR to help create a pipeline of leaders in customer-facing and internal areas like underwriting, sales and operations. They do this through a two-year, field-driven leadership development experience that includes classroom training, skill-building, e-learning and more.

The first group of over 200 participants graduated from the program in 2020, following a curriculum focused on subjects such as leadership practices, strategic thinking, inclusive leadership and how to build key business relationships.

“This experience was invaluable in all aspects,” says Christine, who helped lead the Field Development Group program in the Central Region. “The highlight for me was forming new relationships with the other members. I am very grateful for the opportunity to have been part of such an amazing program.”

Jeff, with our Bond & Specialty Insurance team in New England, says, “The participants’ energy and engagement were amazing. They didn’t skip a beat even after we went to a fully virtual program earlier this year.”

Concludes, Jim, a senior leader in our Central and Great Lakes regions, “I was impressed by the participants’ sheer dedication to this multiyear program. I am very excited to see where this group goes.”

The Power of Advocating for Both Agent and Customer

The new business started as an opportunity for two lines – National Property and Commercial Account Group – for a large national real estate management company based in the Central Region. But the agent wanted all coverages with Travelers, and so Debbie, an Account Executive in National Property, took on the challenge of making it happen.

Debbie got our Commercial Account Underwriter, Kim, involved right away. At the last minute, Kim identified a coverage gap in the liability coverage and pulled in Chelsea, an Excess Underwriter, to fill it.

However, that produced an additional cost, which put all lines with Travelers in jeopardy. Debbie worked with the agent to find a way to offset some of the cost to secure the deal, and she and her team found additional credits on the Travelers side.

By listening to both the agent and the customer, Debbie, Kim and Chelsea helped bring in an important new piece of business.

“I’ve worked with this agent for many years,” says Debbie, “going back to before I came to Travelers. It was great to work with this agency again, and our long-standing relationship was a critical piece in a successful outcome for Travelers, the agent and the insured.”

The agent wrote to Debbie: “Working with you and your Travelers team to place this client with your company was made so easy, due to the knowledge and experience of the entire Travelers group that you work with. You and Kim working together to communicate so well as we moved through the process was a key. As you know, there are many pieces and many questions that arise with a client like this, and your ability to respond and give answers quickly really mattered. Having your team working as a unit, with a primary connection with you and Kim, really did help with the flow.”

The client could not be more pleased with the Travelers experience, from the start to placement, then the onboarding with loss control and claims – which, collectively, gave them the comfort that they had made a good partner choice for their future. Travelers’ ability to handle the bulk of this client’s needs, with all contacts primarily coming out of a single local office, also made it much easier.

“Deb, my sincere thanks again to you, Kim and the rest of your team for making this happen. You were all very professional, and everything was done with excellence, start to finish!”

SHE TRAVELS®

Advancing Women's Careers in Insurance



As part of our commitment to *leading the industry in advocating for women in insurance*, we developed a program called SHE Travels®, named to showcase Travelers' support of all women in our industry. *SHE Travels* has three priorities:

- Raise awareness of the opportunities for women in the insurance industry.
- Promote professional development for women in the industry.
- Facilitate effective networking and mentoring.

At the heart of *SHE Travels* is a series of Women's Leadership Forums focused on topics for advancing women in the workplace. Since the program's inception in 2018, more than 6,000 Travelers agents and employees have participated in more than 40 live and virtual events across the country. To date, these forums have enabled the discussion of topics such as modern mentoring, career advancement, work-life integration in a COVID world and the importance of diversity and inclusion in the workplace.

In honor of International Women's Day 2020, we launched the *SHE Travels* LinkedIn group— an online professional community for women and allies, where our colleagues and agency partners can learn from and support one another. The group shares relevant content and helps facilitate meaningful conversations and connections. The group comprises Travelers employees and our independent agents, and its membership topped 4,000 in 2022, with agent participation increasing by more than 25%.

Additionally, *SHE Travels* includes a video series featuring employees and agents who share their stories about how smart risk-taking helped them advance their careers.

A new element of *SHE Travels* in 2022 was our *Letters of Encouragement* initiative. In support of Women's History Month, we asked agents and employees to write letters of encouragement to women colleagues to show appreciation and demonstrate the positive impact they have had on their colleagues. We received an overwhelming 1,300 letters, tapping into a powerful and lasting way for women to express support for each other.

Through *SHE Travels*, we hope to empower our people, shape our culture and pave the way for all women who do and will work at Travelers.

[Click here](#) for a video about our *SHE Travels* events.

[Click here](#) for a video about the *Letters of Encouragement* initiative.

ENHANCING OUR COMMITMENT TO PEOPLE WITH DISABILITIES

Fostering a More Inclusive Workforce and Changing Lives



As part of our commitment to fostering an inclusive culture and a work environment where everyone can thrive, Travelers has partnered with several organizations to support individuals of all abilities in the workplace.

In 2018, we joined the Neurodiversity @ Work Employer Roundtable – a collection of cross-industry employers committed to promoting the inclusion of people of all abilities in the workforce. These companies share best practices for hiring in the workplace and help other companies see the return on their investment in hiring people with autism.

We also partner with local nonprofit organizations, such as Lifeworks and Viability, to provide job training placement programs for individuals with disabilities. These partnerships have allowed Travelers to help people with disabilities find financial security, gain independence, build confidence and, most importantly, feel empowered and valued for the skills and perspectives they bring to work every day. As program participants have noted, the program can be life changing. In 2019, Lifeworks, a Minnesota nonprofit that provides support to individuals with disabilities, recognized our commitment to this work by naming Travelers its [Employer of the Year](#). We have been partnering with Lifeworks for more than 20 years.

Through these programs, we are able to leverage the unique skills of previously untapped sources of employee talent to help our business succeed, while providing a more inclusive culture where our employees can bring their best selves to work.

Our Disability & Allies Diversity Network, an employee resource group with 2,200+ members, focuses on building disability awareness, appreciation and connectedness at work and in our communities. It engages employees to support our communities through volunteer work for the Special Olympics Connecticut, Donny Marshall Charity Classic and the Ryan Martin Foundation. In addition, the network connects employees who have family members with autism or multiple sclerosis through its Puzzle Pieces of Autism and Multiple Sclerosis groups.

As a result of our successful efforts, Travelers has become a thought leader with respect to disability inclusion, sharing best practices as guest lecturers for Cornell University's Workplace Disability Inclusion: Innovations and Initiatives course and as a founding partner of the University of Connecticut Werth Institute's Center for Neurodiversity & Employment Innovation. Additionally, we partner with the Rochester Institute of Technology's Spectrum Support Program and assist as guest lecturers at the institute's annual Employment Boot Camp.

COMMITTED TO MILITARY VETERANS

Supporting Those Who Serve



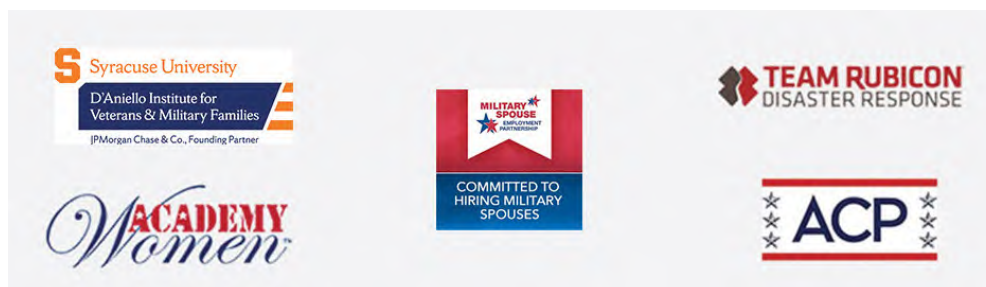
Military veterans can face challenges when transitioning to the civilian workforce; however, Travelers recognizes the valuable experiences and skills gained through military service that veterans bring to the corporate world and is committed to supporting and helping veterans reintegrate into the workforce.

Travelers participates in military job fairs and maintains relationships with base transition offices and partners, such as Hiring Our Heroes. Travelers employs approximately 1,000 self-identified veterans across the United States in claim, underwriting, technology and other roles. Through the years, we've been recognized as a Best for Vets Employer by Military Times, as well as a Military Friendly® Employer and Military Friendly® Spouse Employer by VIQTOR.

Travelers offers robust military-friendly programs and benefits, including:

- An employee resource group focused on building awareness of veterans' skills and experiences. Since its launch in 2013, the Military/Veterans & Allies Diversity Network has grown to more than 3,200 members.
- A recruiting initiative designed specifically to help military spouses. Since 2020, we have hired more than 200 military spouses and, in 2022, created a forum where they can come together to share tips, exchange resources and offer support to one another.
- A partnership with American Corporate Partners, a national nonprofit that helps veterans discover their next careers. Since 2010, more than 250 Travelers employees have completed over 700 mentorships with post-9/11 veterans.
- Comprehensive benefits for employees deployed on active duty, including full benefits that are in addition to supplementing employees' military pay for up to five years of their deployment.

Travelers has also signed the Statement of Employer Support of the Guard and Reserve at both state and national levels and participates in the Department of Defense Military Spouse Employment Partnership, which connects military spouses with partner employers who have committed to recruit, hire, promote and retain military spouses. In addition, Travelers was named a 2021 Employer for Outstanding Support by the U.S. Navy Reserve and a Beyond the Yellow Ribbon company by the Minnesota National Guard. We count the following organizations as valued partners in supporting veterans and their spouses:



Travelers is also a sponsor of Operation Shower, an organization that provides baby products to expectant military families through baby showers to help ease the stress of deployment. Through our partnership, Operation Shower baby showers take place annually as part of the Travelers Championship® golf tournament.

Travelers also partners with the Institute for Veterans and Military Families to host career readiness programs at military bases throughout the country and workshops that help veteran small business owners sustain and grow their businesses.

FOSTERING INCLUSION

Supporting Transitioning Employees and Gender Inclusivity



We believe that providing a work environment based on respect, trust and collaboration creates an exceptional employee experience where employees can bring their whole selves to work and thrive in their careers. Travelers is committed to providing a positive, respectful environment for employees who are going through, are considering going through or have gone through the gender transition process. Our health insurance benefits provide coverage for transitioning employees enrolled in a Travelers medical plan and their eligible family members. This includes coverage for professional counseling, hormone therapy and, if clinically appropriate, gender reassignment surgery. We provide guidelines and best practices for transgender and gender nonconforming employees as well as for their HR professionals, managers and co-workers. The guidelines also cover how to address customers and clients.

Many in the LGBTQ+ community strive to have their gender identity recognized, and language standards regarding gender pronouns (e.g., she/her/hers, he/him/his) have been evolving as people express pronouns that reflect their innermost concept of self as male, female, a blend of both or neither. At Travelers, employees are given the option of expressing their gender/gender-neutral pronouns in their email sign-off or in the Travelers signature template.

METROPOLITAN ECONOMIC DEVELOPMENT ASSOCIATION PARTNERSHIP

Helping Minority Entrepreneurs Succeed



For many years, Travelers has partnered with the Metropolitan Economic Development Association (Meda) to provide one-on-one business consulting, access to capital and connections to market opportunities for minority entrepreneurs in Minnesota. Through these services, minority-owned businesses can become sustainable employers that create quality jobs with livable wages and health care benefits. In addition to providing an annual operating grant, Travelers participates on Meda's board of directors.

Travelers has been a longtime financial supporter of the organization, providing more than \$300,000 in support over the past 11 years.

MINORITY BUSINESS DEVELOPMENT INSTITUTE PARTNERSHIP

Helping Minority- and Women-Owned Contractors



Over the past decade, Travelers and the Minority Business Development Institute (MBDI) have partnered to help small minority- and women-owned contracting firms – often underrepresented in the construction marketplace – obtain access to surety bonds. This, in turn, can increase their economic sustainability and prospects for future success. Rather than waiving surety bond requirements, MBDI believes that education and one-on-one advisory consulting services will create sustainable minority- and women-owned contractors. Travelers participates on MBDI's advisory board and has presented educational content to more than 350 minority- and women-owned contractors.

We are also now in the process of planning an MBDI CEO Bootcamp Scholarship Program to train 42 construction company leaders. Travelers will conduct this program over a two-year period through the Family Business Institute, a wholly owned Travelers subsidiary. The classes are scheduled to begin in the first quarter of 2024.

DEVELOPING A MORE DIVERSE PIPELINE OF ACTUARIAL TALENT

Our Work with the International Association of Black Actuaries



For more than a decade, Travelers has worked closely with the International Association of Black Actuaries (IABA), a professional and student member organization whose mission is to increase representation of Black actuaries in the profession and influence their successful career development, civic growth and achievement. By participating in IABA networking events, mentoring IABA members and helping Black actuarial students transition to the insurance industry by securing internships or entry-level roles, Travelers is building a more diverse talent pipeline and fostering diversity and inclusion within the actuarial profession and within Travelers.

Joycelyn Aryeetey, a participant in the Travelers Actuarial Leadership Development Program, is a proud model of the relationship's success. "The IABA organization has been a great resource for me as a Black actuary," she notes. "I can confidently say that I am an actuary today because of the guidance of the IABA and the support of companies like Travelers."

Travelers is proud to continue its engagement with the IABA and continues to look for ways to increase diversity among its ranks, within and beyond the actuarial profession.

OFFICE RENOVATIONS

Boost Engagement and Save Energy



Starting in 2016, Travelers piloted a new open office configuration at our main campus in Hartford, Connecticut, to promote employee engagement and collaboration. Based on positive employee feedback from the pilot program, we decided to implement the new workspace environment at additional Travelers office locations across the United States. The new layout promotes employee well-being and productivity by incorporating:

- Increased natural lighting.
- Universal sit/stand workstations.
- More collaborative workspaces.

As of year-end 2022, we have new, more collaborative workspaces for more than 17,000 of our employees. In addition to making the office space more conducive to collaboration, the redesign includes LED lighting upgrades and more efficient HVAC systems, which reduce the total energy required to run our buildings. The open design provides a sense of spaciousness though it actually reduces the square footage required per employee, further minimizing our physical and environmental footprint. Upon the project's completion, we anticipate reducing the square footage of our U.S. portfolio by approximately 35%. We have achieved more than half of this reduction as of year-end 2022.

The new workspace redesign in our U.S. offices is in full swing. As of year-end 2022, we have completed the renovations at our Hartford campus and renovations to field offices are nearly 75% complete. We will continue to update our field locations as office space or business needs change.

Environmental Benefits

- Reducing our real estate footprint and improving our operating efficiencies help us lower our energy and greenhouse gas emissions intensity. At year-end 2021, our largest owned campus (based in Hartford, Connecticut) achieved a more than 60% reduction in energy consumption compared with a 2006 baseline. We anticipate that the renovations in the rest of our real estate portfolio will further reduce our total energy use.

Travelers Benefits

- The workspace redesign aims to increase employee collaboration and engagement, which play a role in employee well-being, retention and productivity.
- Reducing our real estate footprint and improving operating efficiencies reduce overhead expenses and will help offset future real estate cost increases.

REDUCING NONESSENTIAL TRAVEL

Encouraging Eco-Friendly Commuting and Video Collaboration



To minimize the environmental impacts of commuting, Travelers offers programs that allow employees to pay for transit expenses with pre-tax dollars. At our Hartford, Connecticut, office, we estimate that prior to the pandemic, up to 20% of Travelers employees primarily commuted using public transportation. We also offer parking incentives for carpoolers and operate a vanpool with free parking at the pickup location. In early 2020, we began a pilot program to provide electric vehicle charging stations for employees at our Hartford campus. With the successful pilot program now complete, Travelers is installing electric vehicle charging stations at all owned locations in the Hartford market; we expect this project to be completed in 2023.

We are also an advocate of bicycling to work. As part of our Bike to Work program, we provide bike racks and free parking for bicycles as well as showers and lockers in some locations.

We also continue investing in remote collaboration tools like video-enabled conference rooms to reduce nonessential business travel. Some of our recently renovated offices include sharable desk space, which offers flexibility to work remotely, as appropriate.

Environmental Benefits

- By promoting and supporting the use of public transportation and ridesharing, Travelers directly reduces greenhouse gas (GHG) emissions from employee commuting.
- Video collaboration helps to reduce nonessential business travel – business travel is one of our primary sources of Scope 3 GHG emissions.

Travelers Benefits

- Commuting programs are an integral employee benefit in some of our locations; they play a role in employee attraction and retention.
- Eliminating nonessential business travel helps to lower our operating costs.

GREENING CLAIMS

Monitoring the Environmental Impact of Our Vehicle Usage



Travelers maintains a fleet of vehicles operated by Claim and Underwriting professionals that spend substantial time on the road. We work to minimize the number of vehicles and continually strive to collaborate with car manufacturing companies to continue transitioning our fleet to more efficient vehicles/engines. The mobile combustion emissions related to claim services and catastrophe response vehicles fluctuate with the number and severity of claims and natural catastrophes that we respond to in a given year. Prompt, safe and effective claim service remains our top priority.

Many of our recent efforts to improve our claim service also create opportunities to reduce our emissions intensity. These efforts, described in further detail under [Innovative Products & Services](#), include:

- **Virtual Inspections.** When appropriate, our customers can upload photos and videos to support their claim. This can eliminate the need for in-person inspection of the loss, making the claim process more efficient and reducing the miles driven by our Claim fleet.
- **Drone Use.** Deploying drones to inspect roof damage improves the customer experience while eliminating safety hazards associated with roof inspections.

MAKING MENTAL HEALTH A PRIORITY

A Focus on Life Balance and Mental Health



In the spirit of supporting employees' total well-being, we continue to foster a culture that encourages them to seek help through our employee assistance program, called Life Balance. All services are free, confidential and available 24/7 to U.S. employees and their family members. The program includes five free counseling sessions with a licensed therapist. Similar services are available to our employees in Canada and Europe. Life Balance also helps employees and their families navigate a variety of daily-life situations related to wellness, parenting, education and more.

Additionally, the Travelers Institute®, the public policy division of Travelers, highlighted mental health issues externally through its webinar series [Wednesdays with Woodward®](#). The series explores personal and professional issues impacting our agents, our brokers, our customers, our employees and the communities we serve.

RELATED RESOURCES

- Travelers Institute® Webinar: [Mental Well-Being in the Workplace](#)
- Travelers Institute® Webinar: [Reclaiming the Lost Art of Connecting](#)
- Travelers Institute® Webinar: [Resilience in Times of Uncertainty](#)

TRAVELERS INSTITUTE®

Travelers Institute University Tours



The Travelers Institute supports the next generation of risk and insurance professionals by partnering with colleges and universities to offer a range of educational opportunities. In 2022, the Travelers Institute’s webinar series welcomed academic partners from the Risk and Uncertainty Management Center at the University of South Carolina’s Darla Moore School of Business, the School of Data Science and Analytics at Kennesaw State University’s College of Computing and Software Engineering, the Emory University Goizueta Business School’s Master of Science in Business Analytics program, and the Master’s in Financial Technology (FinTech) program at the University of Connecticut School of Business.

These activities have built on Travelers’ long history of engagement with students and the academic community. Gamma Iota Sigma, an international business fraternity for students of insurance, risk management and actuarial science, is a key recruiting relationship for Travelers. The Travelers Institute has partnered with its chapters to host events on their campuses and has presented at Gamma Iota Sigma’s international and regional conferences. Similarly, the Travelers Institute has visited dozens of universities for educational programming on distracted driving, the state of the American economy and more.

Finding Innovative Ways to Manage Workers Compensation-Related Injuries



Workplace injuries that lead to chronic pain can cause ongoing issues, as an injured employee may mask pain with opioids or other drugs. To help solve this problem, Travelers continues to invest in programs designed to aid in the recovery process and provide alternatives to opioid prescription.

Using a biopsychosocial approach to claim handling helps us understand, identify and acknowledge the many factors involved in an individual's recovery after an injury or illness. The application of this approach engages injured employees in managing their recovery, leading to a reduction in chronic pain and unnecessary medical treatments, increasing the likelihood of returning to work as soon as medically appropriate. Additionally, we provide our Claim and medical professionals with training to recognize recovery barriers and tools to support the injured employee in overcoming these challenges. To facilitate a more holistic recovery, we implemented a support and training app called Wysa for Return to Work. Using this app, injured employees can engage an artificial intelligence coach to help build resilience through self-care exercises.

Combining our existing and emerging tools, our approach fosters engagement, facilitates medical care and streamlines the claim process, leading to faster recovery times. These initiatives highlight our focus on finding innovative ways to help customers maintain a safe workplace and manage work-related injuries.

Other innovations include our [CustomCareSM program](#), our [ConciergeCLAIM[®] Nurse program](#), our [Early Severity Predictor[®]](#) model, [MyTravelers[®] for Injured Employees](#) and our [risk management services](#).

In addition, in September 2022, the Travelers Institute hosted a public program examining mental well-being in the workplace, its impact on recovery after a workplace injury and how employees can build resilience skills to manage through challenging times.

[View the program here.](#)

Leveraging Technology to Improve Worker Safety



Wearables Technology

Travelers Risk Control is working with select vendors, such as Triax Technologies, to explore the potential safety benefits of using wearable devices at construction sites. Triax provides workers with an unobtrusive wearable device that enables faster response times to suspected injuries with real-time, worker-generated safety notifications that include the worker's location. The Internet of Things (IoT) device also includes smart evacuation and muster functionality and provides insights into worker risk key performance indicators and behavior analytics. Additionally, it offers other safety and workforce management benefits, such as identifying individuals entering the worksite with expired OSHA training and using other coded data to identify work areas with a high density of workers who are most at risk of injury.

AI-Assisted Ergonomic Assessments

Travelers was the first insurance carrier to offer its business customers virtual ergonomic assessments supported by technology that uses artificial intelligence (AI). The technology analyzes a video of a worker performing a task, which can be taken by either an ergonomist on site or a customer. The video analysis helps Travelers' ergonomists identify motions and postures that could result in injury. Travelers ergonomics professionals use the results of the video analysis to develop consultative reports, providing our customers with a range of possible solutions to help keep workers safe.

Musculoskeletal disorders, often caused by inadequate or poor workstation design, can lead to serious employee health issues and can have implications for customer operations (for example, productivity, quality of work and employee turnover). By using AI-enhanced ergonomic software, we can help reduce the time spent assessing workplace design problems from days to hours, enabling our ergonomics professionals to focus their attention on developing tailored workplace improvements that can help our customers reduce the risk of workplace injuries and related costs. Our technology and commitment to enhancing customer experience allow us to deliver this service either on-site or virtually.

Virtual Visit

Using Virtual Visit, a conferencing tool developed by Travelers, our Risk Control consultants can take a virtual tour of a customer's facility while talking to the customer using the camera on the customer's smartphone. This solution allows our consultants and customers to focus on specific risks related to employee safety, processes and facilities when an on-site presence is not possible.

CLAIM UNIVERSITY

Training World-Class Claim Professionals

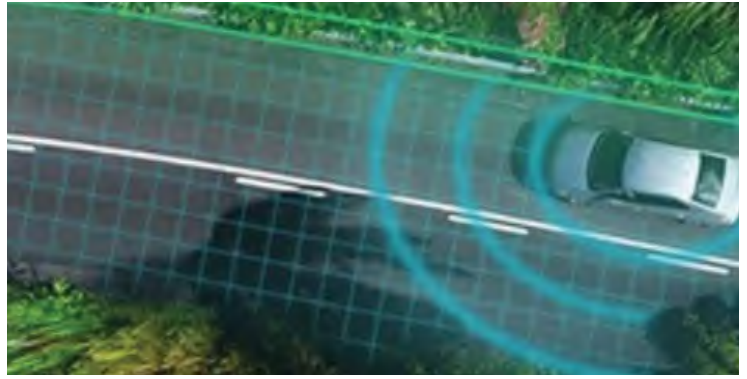


Travelers [Claim University](#) is our state-of-the-art training and skills development facility for our Claim professionals. Opened in 2007, it is a symbol of our commitment to our employees and our customers.

Claim University provides impactful, skill-based training to Claim professionals to make sure they are equipped to provide knowledgeable, empathetic and efficient claim service to our customers. Claim University's team of learning professionals and subject matter experts prepare Claim professionals through a variety of teaching methods, including traditional and online classrooms, hands-on experience in auto and property labs, and digital media.

The 175,000-square-foot facility contains automobiles and heavy equipment such as cranes, backhoes and bulldozers. It also contains two fully furnished homes, building mechanical systems and a medical lab. Claim professionals use these resources as they learn how to efficiently identify damage and accurately estimate the cost of repairs. Claim University uses a centralized approach to developing training that allows our Claim employees from all over the world to develop new skills and expand existing ones.

Insuring Autonomy – Autonomous Vehicles



The autonomous vehicle (AV) industry has grown significantly in the last several years. As a company, we believe AVs ultimately will benefit society by reducing the number of crashes, injuries and lives lost.

That said, public policy questions and challenges with AVs continue to arise. We believe those questions and challenges must be addressed in a comprehensive manner that increases public safety, provides peace of mind, protects drivers and pedestrians, and spurs innovation.

As a longtime leader and innovator in both commercial and personal auto insurance, Travelers is well-positioned to contribute to this discussion. We are committed to being part of the insurance solution for risks associated with AVs and are actively underwriting such risks in the commercial market. In fact, we have an enterprise working group dedicated to monitoring and assessing the potential impacts and risks of AVs across our business units.

Our Position on AVs and Insuring AVs

As a leading auto insurer, Travelers plays a central role in the conversation about the future of transportation and mobility. The Travelers Institute released a position paper titled [Insuring Autonomy: How auto insurance will lead through changing risks](#), as well as a companion edition for Canada. This position paper offers our company's perspective and recommendations on important public policy issues related to AVs.

Our position paper makes the following key points, among others:

- **Auto insurance can – and will – meet society's needs in an AV world:**
 - Travelers believes that leveraging the existing automobile insurance structure, both commercial and personal, is the best method for compensating crash victims quickly and efficiently – now and in the future.
 - The current insurance structure is already designed to adapt to evolving risk environments and would minimize regulatory uncertainty, market disruptions and consumer confusion.
 - Continuing to rely on auto insurance for coverage, regardless of vehicle type, will also help to ensure consistency during the period in which AVs and driver-operated vehicles share the road.
 - Whether a vehicle is autonomous or driver operated, auto insurance offers vehicle owners the most peace of mind when it comes to other concerns such as weather damage or theft.
- **There are several critical insurance-related components for AV regulation:**
 - Any proposed legal and regulatory framework governing AVs must include provisions specifically related to auto insurance.
 - Vehicle owners should be required to purchase and maintain adequate insurance for their AV, whether it is a personal, ride-hailing or company-owned vehicle. Coverage limits should be high enough to account for more expensive technology in AVs.
 - The insurance industry should play a central role in AV policymaking and stakeholder discussions. Local, state and federal lawmakers and regulators must coordinate and seek input from all relevant constituencies to ensure a consistent, rational regulatory framework that addresses all potential issues.

- Travelers would support the development of a model state law relating to AV insurance that builds on the current state-based regulatory and oversight structure for auto insurance.
- Travelers engages in coalitions that help educate the public and make recommendations on AV-related issues. Insurers have extensive consumer communications programs and can help educate key groups on AV safety.

Additional Public Policy Leadership

In addition to sharing our perspective through the Insuring Autonomy position paper, we engage on AV-related issues as a member of the Advanced Vehicle Technology Consortium at the Massachusetts Institute of Technology, the Center for Automotive Research at Stanford and the Partners for Automated Vehicle Education (PAVE) coalition, including PAVE Canada. Travelers has also contributed to government-funded research being conducted by the Virginia Tech Transportation Institute (VTTI) concerning automated driving systems in motor carrier fleets. All of these organizations work to strategically advance research and public information about automated vehicle and driver assistance technologies.

In addition, the Travelers Institute hosts a series of events and webinars that explore automated vehicle technologies and feature Travelers leaders, government regulators, researchers and safety experts, including representatives from the Traffic21 Institute at Carnegie Mellon University and the RAND Institute for Civil Justice. Travelers experts regularly speak in public forums about AVs and the related insurance implications. In 2022, Travelers' thought leadership in this space included participation on a panel led by VTTI at the American Trucking Associations' Technology & Maintenance Council Annual Meeting. The discussion of AVs is also incorporated into the Travelers Institute's [Every Second Matters®](#) symposia, exploring how the advent of autonomous technologies impacts driver distraction.

We look forward to continuing to work with policymakers and other stakeholders to develop AV insurance policies and regulations that make sense for and benefit this growing industry and our consumers.

RELATED RESOURCES

- Insuring Autonomy Position Paper: [U.S. Edition](#), [Canadian Edition](#)
- Insuring Autonomy Webinar Programs: [U.S. Webinar](#), [Canadian Webinar](#)
- Press Release: [Travelers Releases Position Paper on Insuring Autonomous Vehicles](#)

Enhancing the Experience of Injured Employees



Employees experience many challenges when faced with a work-related injury. Our goal at Travelers is to assist our customers' injured employees by helping them recover the life they had before a work-related injury. While most employees bounce back quickly and return to their pre-injury condition, others with similar injuries struggle with barriers that may delay recovery. Travelers takes a biopsychosocial approach to employee recovery, identifying and addressing the many factors that may impact recovery after an injury or illness. Timely and effective interventions help injured employees take control of their recovery.

Travelers' CustomCareSM is an approach to claim management that combines intelligent analytics, digital capabilities and a personal touch to achieve optimal outcomes on workers compensation claims. It is to help resolve claims while delivering a personalized, employee-centered experience. *CustomCare* supports the recovery journey by encouraging appropriate medical treatment and return to work.

Through the use of *CustomCare*, we aim to empower injured employees to manage their recoveries, which may lead to lower disability duration, lower claim costs and increased satisfaction with the process. An easy and transparent approach, which allows for both virtual and in-person interactions based on the employees' preferences, *CustomCare* delivers an unparalleled claims experience for workers and employers. *CustomCare* capabilities include:

Personal Connection

- [ConciergeCLAIM[®] Nurse](#), which facilitates personal connections between the injured employee and a Travelers nurse located in selected medical clinics.
- Virtual Visit, a tool that enables injured employees, employers and medical providers to have real-time video conversations with a Claim professional or a nurse.
- Wysa for Return to Work, a conversational agent app designed for injured employees that helps users build and develop resilience skills and facilitates a holistic recovery.
- TravCare[®] Nurse Line, a direct, toll-free phone line, through which injured employees and employers can receive immediate medical guidance from a nurse who can recommend the appropriate level of care using evidence-based medical guidelines, helping to reduce unnecessary emergency room visits. The service is available 24 hours a day, 365 days a year and is staffed by both English- and Spanish-speaking nurses.

Analytics and Digital Capabilities

- [MyTravelers[®]](#) for Injured Employees, a secure, web-based portal that helps injured employees navigate the workers compensation claim process and empowers them to take an active role in their recovery.
- **ePay**, an electronic payment capability created in partnership with Zelle and PayPal that reduces the injured employee's reliance on mailed paper checks and can lead to quicker receipt of lost-time payments.
- **Nurse Assignment Model**, a predictive claim model that proactively identifies claims that would benefit from nurse case management. It assigns a nurse to the claim at the right time to support the injured employee's recovery.

- **Early Severity Predictor (ESP)**, a predictive model that can help identify an injured employee's likelihood of developing chronic pain, allowing for early intervention and engagement of resources.

These programs, along with our focus on [engaging and supporting injured employees](#), help customers maintain a safe workplace and manage workers compensation-related risks and challenges. One of these challenges is addressed by our Chief Medical Director, Dr. Marcos Iglesias, in a white paper aimed at assisting with [suicide prevention in the construction industry](#).

Distracted Driving – Every Second Matters®



The Travelers Institute, the public policy division of Travelers, launched the [Every Second Matters](#) education campaign in 2017 to help combat distracted driving. That year, more than 37,000 people died on U.S. roads, marking the end of a two-year period (2014–2016) that saw the highest rate increase in traffic fatalities in more than 50 [years](#).^[1] Since that time, with the onset of the COVID-19 pandemic, risky driving behaviors have continued to have deadly consequences. In 2021, traffic fatalities in the United States are estimated to have reached a 16-year high.^[2] As an industry leader with extensive claim insights into auto collision trends, Travelers is taking a leadership role in addressing distracted driving and other roadway safety issues.

The [Every Second Matters](#) campaign recognizes that every driver, passenger, cyclist and pedestrian has a role to play in combating distraction – such as texting while driving – and enhancing roadway safety. The Travelers Institute has hosted educational programs at universities and in communities across the United States and Canada. Travelers Institute staff have also highlighted the topic at a range of transportation safety conferences and insurance industry conferences. In 2022, the Travelers Institute continued raising awareness about the dangers of distracted driving through virtual presentations in the [Wednesdays with Woodward®](#) webinar series.

- The *Every Second Matters* campaign stands on three key principles: Creating a **social stigma** so drivers feel embarrassed to drive distracted.
- Increasing understanding about **situational awareness** by all roadway users, including elevating the conversation about **pedestrian** and **cyclist safety**.
- Examining scalable **technology** and insurtech solutions.

The campaign explores the latest approaches to help combat distracted driving, including how technology, which often contributes to distraction, can offer solutions to reduce distracted driving. In engaging thousands of people in this campaign, we hope it will compel people to put down their phones while driving. If our campaign saves even one life, it will have been worth the effort.

Key Activities

- **Online Resources.** Travelers is elevating the topic of distracted driving by offering a wide range of online resources and content for use by advocates, business leaders and the general public.
- **Educational Symposium Series.** The Travelers Institute has engaged policymakers, researchers, students, independent insurance agents and others through an educational symposium series throughout the United States and Canada, and virtually. In total, the Travelers Institute has held 90 events since the series launched in 2017. Speakers have included representatives from the RAND Institute for Civil Justice, the National Highway Traffic Safety Administration, the National Safety Council and Travelers. Two publicly available webinars were held in 2022 and viewed 5,000 times. They highlighted distracted driving in the age of automated vehicles and the role of telematics in helping reduce roadway distraction. View these and other select Travelers Institute events [here](#).

[1] U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA), 2017 Fatal Motor Vehicle Crashes: Overview, October 2017, available at <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/812456>.

[2] U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA), Newly Released Estimates Show Traffic Fatalities Reached 16-Year High in 2021, May 17, 2022.

- **Incentivizing Safe Behavior Through Telematics.** Travelers' [IntelliDrive®](#) and [IntelliDrivePlus™](#) offerings are usage-based insurance programs for Travelers customers that use a smartphone app to capture driving data, allowing customers to better understand their driving behaviors. These programs produce a driving behavior score based on several factors, including time of day, speed, acceleration, hard braking and distracted driving, which we use in the pricing of insurance at renewal. In most states, *IntelliDrive* customers with safe driving behaviors can see savings of up to 30%, while riskier drivers could experience a premium increase. With *IntelliDrivePlus*, available in select states, safe driving behaviors can lead to savings of up to 30%, plus potential additional savings for lower mileage, while riskier driving and higher mileage can lead to higher premiums. The role of telematics in advancing roadway safety was also [featured in a Travelers Institute® webinar](#) in 2022.
- **Digital Education Guide.** In 2022, the Travelers Institute published [Every Second Matters: Reducing Distracted Driving. One Voice at a Time](#), an educational guide offering a snapshot of roadway distraction and the rise in traffic fatalities since the pandemic. Published in partnership with Cambridge Mobile Telematics, the guide provides data-driven insights on distracted driving and outlines concrete steps to help drivers reduce distractions.
- **Cross-Sector Collaboration.** Technology firms, universities, research centers, nonprofits, industry groups, student organizations and others have joined forces with the Travelers Institute to explore cross-sector synergies to mitigate distracted driving risk. The Travelers Institute is a member of the National Distracted Driving Coalition, which promotes innovative and collaborative approaches to create a traffic safety culture of attentive drivers. The Travelers Institute also works closely with the National Safety Council and is a member of the Road to Zero Coalition, a cross-sector initiative working to eliminate roadway deaths. View collaborations [here](#).
- **Unfinished Stories.** Travelers worked with the families of victims of distracted driving to honor their loved ones through our "[Unfinished Stories](#)" campaign. For example, Travelers shared the story of a young boy named Zaadii, who was killed by a distracted driver. His passion for comics and superheroes was the inspiration for an innovative way to reach out to distracted drivers across the country. In partnership with his family, an [exclusive comic book](#) was created by two well-known comic book professionals – writer Gail Simone and artist Jim Calafiore.
- **Public Television Documentary.** Travelers sponsored an Emmy-nominated documentary for public television titled "3 Seconds Behind the Wheel," which follows the lives of eight drivers to monitor distracted driving behaviors. The film has been broadcast in 83 U.S. markets, has been streamed on Amazon Prime and was accepted by PBS International and distributed in Asia, Europe, the Middle East and North Africa. It continues to be available to a wide range of educational organizations, including schools, libraries, drivers' education programs and more. The Travelers Institute has held numerous screenings of the documentary for attendees at colleges, transportation safety conferences and agent events.

Stakeholder Engagement

- **The General Public.** In 2022, the Travelers Institute reached more than 77 million people through nearly 700 airings of media interviews about distracted driving ahead of the Thanksgiving holiday travel season. The Travelers Institute also hosted two publicly available webinars on the topic, which were viewed 5,000 times in 2022, and participated in the "Distraction Free Life" podcast.
- **Employers.** The *Every Second Matters* initiative challenges employers and employees to elevate distracted driving prevention within their organizations, facilitating discussions on creating a culture of safety in the workplace. Travelers Risk Control also advises Travelers customers on strategies to prevent distracted driving. [Learn more](#).
- **Independent Insurance Agents and Brokers.** Our company's network of 13,500 independent agents and brokers see the consequences of distracted driving with customers every day. Travelers offers resources to help them facilitate conversations with personal and business insurance customers to create safer roadways for all. In addition, the Travelers Institute partners with agent and broker associations that are also taking a leadership role by co-hosting university education programs.

- **Students.** The Travelers Institute is engaging with future risk management and insurance leaders on campuses across the United States and Canada regarding distracted driving, focusing both on the issue's importance to the industry and on opportunities for innovation. Programming at universities of all sizes also helps increase visibility for Travelers and attract talent; the Travelers Talent Acquisition team leverages these programs to connect with students and showcase the opportunity to address important issues through a career at Travelers. We have held programs at Harvard University, St. John's University, the University of Connecticut and the University of Pennsylvania, among others. In addition, for more than 10 years, Travelers has sponsored the Connecticut Department of Motor Vehicles' Teen Safe Driving Video Contest. In this contest, students from across Connecticut script, direct and edit short videos, educating their peers on Connecticut's graduated driving laws and the dangers of distracted driving.
- **Travelers Employees.** Consistent with the *Every Second Matters* platform, Travelers has an internal Driver Safety policy to help maintain the safety of Travelers employees who drive for Travelers, as well as a policy regarding Driving and the Use of Mobile Technology. These policies are supported by Travelers' senior leaders, who regularly remind employees that their safety while driving is of paramount importance.

RELATED RESOURCES

- Travelers Institute® Webinar: [How's My Driving? Telematics and the Insurance Experience](#)
- Travelers Institute® Webinar: [Ready to Take Over? Driver Distraction in the Age of Automation](#)
- Travelers Institute® Webinar: [The Art and Science of Behavior Change](#)

SMALL BUSINESS – BIG OPPORTUNITY®

Small Business Advocacy



Given the importance of small businesses to the national economy, especially as a driver for creating and sustaining jobs, the Travelers Institute believes public policies should encourage entrepreneurship. The Travelers Institute's [*Small Business – Big Opportunity*](#)® initiative helps promote small business success by convening business owners across the country with industry experts to explore solutions to everyday business challenges, such as business continuity planning, access to capital and cybersecurity. The Travelers Institute has collaborated with recognized small business advocates such as the U.S. Small Business Administration, the Federal Reserve Bank, the Small Business & Entrepreneurship Council and the National Association of Women Business Owners, as well as community banks and angel investors.

In 2022, the Travelers Institute was joined by representatives from the U.S. Small Business Administration and the Cybersecurity & Infrastructure Security Agency at four in-person cybersecurity symposiums around the country to educate small business owners and those who advise them about evolving cybersecurity risks. The Institute also held two webinars focused on cybersecurity, including one that showed businesses of all sizes how to put together a cyber incident response plan. View the replay [here](#).

Through its Wednesdays With Woodward® webinar series, the Institute also addressed important workplace-related issues relevant to small businesses, among others. Topics covered included economic forecasts from renowned U.S. government and industry economists; discussions of mental well-being at work; the business imperative of diversity, equity and inclusion; and how to recruit and retain Gen Z employees and customers. In 2022, the webinar series also featured professional development webinars for business leaders, which focused on improving negotiation skills and using LinkedIn to enhance business networks.

RELATED RESOURCES

- Press Release: [Travelers Institute to Host Cybersecurity Education Events throughout October](#)
- Travelers Institute® Webinar: [Mental Well-Being in the Workplace](#)
- Travelers Institute® Webinar: [Meet Gen Z: Your Next Customer and Colleague](#)

ConciergeCLAIM® Nurse: Helping Injured Employees Return to Work

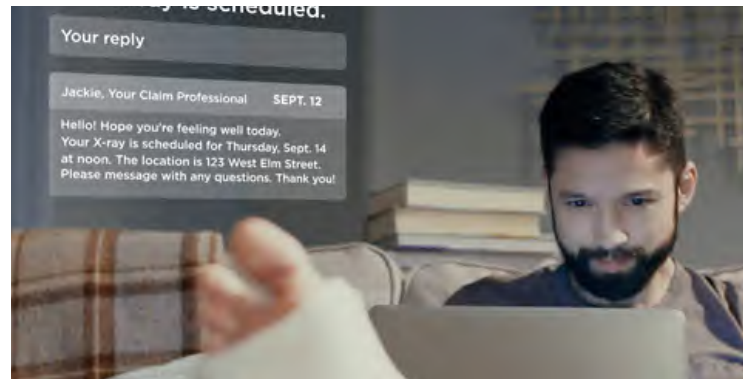


When an employee is injured at work, navigating the claim process can be challenging. The employee can get discouraged and disengage from the workforce, which can have a negative impact on both the morale of the individual employee and the employer. A one-on-one connection between a nurse and the injured employee, pioneered by the Travelers [ConciergeCLAIM® Nurse program](#), helps injured employees access quality health care, stay engaged in the workforce and return to work as soon as medically appropriate. Placing nurse case managers in local health care clinics across the country allows us to offer this service to our customers. When the Travelers *ConciergeCLAIM* Nurse program is used, overall claim costs are reduced, on average, by 14%, with 10% fewer days out of work (Travelers Claim Data – Notice of Loss Years 2017–2022, normalized by nature of injury).

This program can also pair a Spanish-speaking injured employee with a Spanish-speaking nurse, helping to build trust and improve outcomes. When we provide Spanish-language workers compensation Claim and medical professionals, we see a reduction in lost time and claim, legal and medical expenses, with improved medical and return-to-work outcomes. For example, in our Southern California Claim Center, workers compensation claims handled by culturally and linguistically aligned Claim professionals through our [Cultural Advantage](#) program saw an 8% reduction in total claim payout, an 18% lower rate of attorney involvement and a 19% improvement in return to work within 30 days (Travelers Claim Data – Accident Years 2014–2022, evaluated at 12 months).

TRAVELERS MEDICAL ADVANTAGE®

MyTravelers®: Secure and Convenient Access from Anywhere



Responding to the evolving needs of our customers and their injured employees, we have made numerous investments in our workers compensation claim handling model, TravComp®. In 2018, we introduced our self-service workers compensation claim portal, MyTravelers® for Injured Employees, and there have been more than 4 million *MyTravelers* user sessions since then. Through this innovative platform, injured employees are empowered to engage in their return-to-work journey, provide updates regarding their recovery and interact with us digitally throughout the claim process. In-portal claim notifications, messaging with Claim and medical professionals, two-way document sharing and tailored digital content help ensure we get the right claim information into the hands of injured employees quickly. Injured employees can also elect to receive electronic payments through either PayPal or Zelle®, which reduces reliance on paper checks. *TravComp* provides a better experience for the injured employees, a better outcome for our customers and a more efficient result for Travelers.

In addition, opioids continue to have a profound impact on our society, and our customers and their injured employees are not immune to their effects. By combining the power of our people, analytics and technology, we can proactively address this issue and identify injured employees who are at risk for developing chronic pain, a condition that can lead to opioid dependency. Since 2015, [Travelers Early Severity Predictor](#)® has helped forecast which injured employees are at higher risk of developing chronic pain, allowing interventions before opioid dependency can take hold.

ENVIRONMENTAL INITIATIVES IN EUROPE

The Travelers Europe Forest Takes Shape



Within our European operations, we partner with onHand, a “tech for good” organization that matches volunteers with opportunities in their local communities, such as providing companionship to isolated individuals and mentoring disadvantaged youth. As part of our partnership with onHand, we have recently committed to plant one tree in the “Travelers Europe forest” for each Travelers employee who completes their first volunteering activity. To make an impact from the outset, onHand and Travelers Europe started the forest by seeding two trees for every Europe employee.

The “Travelers Europe forest” spans more than just Europe. We support global farming communities and wildlife in regions severely impacted by deforestation, such as Mozambique and Nicaragua. That said, parts of the UK also benefit from our initiative. For example, we sow native saplings in Scotland to boost reforestation and natural regeneration.

Travelers Europe and onHand also plant trees for employees who earn them by volunteering in their local communities and completing environmental sustainability actions at home. These actions range from eliminating one-use plastics to reducing food waste by cooking meals for the vulnerable. Thanks to employees’ actions, the forest grew to include more than 2,500 trees in 2022.