



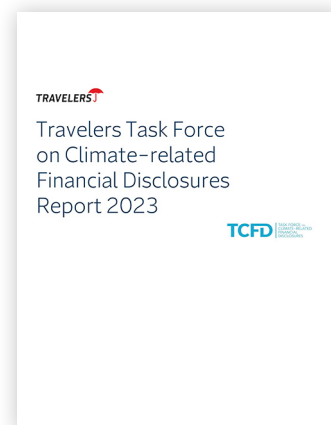
Sustainability Report 2023



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This report is part of Travelers' comprehensive 2023 sustainability reporting suite.



TRAVELERS
ESG Analyst Data

This document contains non-GAAP financial measures. For reconciliations to GAAP financial measures, please see page 5.

TYPE	METRIC	2022	2023	2024
Financial Performance	Revenue	\$11,141	\$11,163	\$10,655
	Operating Profit (Loss) (USD)	\$11,264	\$10,654	\$10,655
	Total Return to Shareholders (TRTS)	\$1,011	\$1,048	\$1,011
	Net Income (Loss) (USD)	\$1,011	\$1,048	\$1,011
	Net Income Per Share (USD)	\$11.78	\$11.17	\$11.49
	Total Assets (USD)	\$115,916	\$115,117	\$115,916
	Shareholders' Equity (USD)	\$1,011	\$1,048	\$1,011
	Return on Equity	12.8%	12.2%	12.7%
	Cost of Equity	12.2%	12.2%	12.7%
	Book Value Per Share	\$10.16	\$10.16	\$10.16
Environmental	Carbon Footprint	\$1,011	\$1,048	\$1,011
	Greenhouse Gas Emissions (Scope 1 & 2) (tCO2e)	\$1,011	\$1,048	\$1,011
	Water Consumption (t)	\$1,011	\$1,048	\$1,011
	Waste Recycled (t)	\$1,011	\$1,048	\$1,011
	Renewable Energy (tCO2e)	\$1,011	\$1,048	\$1,011
	Energy Efficiency (tCO2e)	\$1,011	\$1,048	\$1,011
	Carbon Intensity (tCO2e/\$M)	\$1,011	\$1,048	\$1,011
	Water Intensity (t/\$M)	\$1,011	\$1,048	\$1,011
	Waste Intensity (t/\$M)	\$1,011	\$1,048	\$1,011
	Renewable Energy Intensity (tCO2e/\$M)	\$1,011	\$1,048	\$1,011
Social	Employee Turnover Rate	\$1,011	\$1,048	\$1,011
	Employee Satisfaction	\$1,011	\$1,048	\$1,011
	Employee Safety Incidents	\$1,011	\$1,048	\$1,011
	Employee Training Hours	\$1,011	\$1,048	\$1,011
	Employee Diversity	\$1,011	\$1,048	\$1,011
	Employee Compensation	\$1,011	\$1,048	\$1,011
	Employee Benefits	\$1,011	\$1,048	\$1,011
	Employee Health	\$1,011	\$1,048	\$1,011
	Employee Safety	\$1,011	\$1,048	\$1,011
	Employee Training	\$1,011	\$1,048	\$1,011

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.

As discussed in further detail under [About Our Sustainability Reporting](#), the topics covered in our report were informed by extensive engagements with our shareholders and a prioritization exercise that assessed the relevance of potential topics to our industry, our business and our stakeholders.

Click on the icons below to learn about how each of these topics 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 165 years, they've trusted us to be there when it matters most. In 2023, we delivered very strong top- and bottom-line results notwithstanding elevated industrywide catastrophe losses and a personal lines operating environment that, while improving, was difficult during the year. 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.

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. Our return on equity has significantly outperformed the average return on equity for the industry in each of the past 10 years, reflecting the value of our competitive advantages and the discipline with which we run our business.

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 into the future. 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 employees – 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 script.

Alan Schnitzer, Chairman and Chief Executive Officer



Company Profile

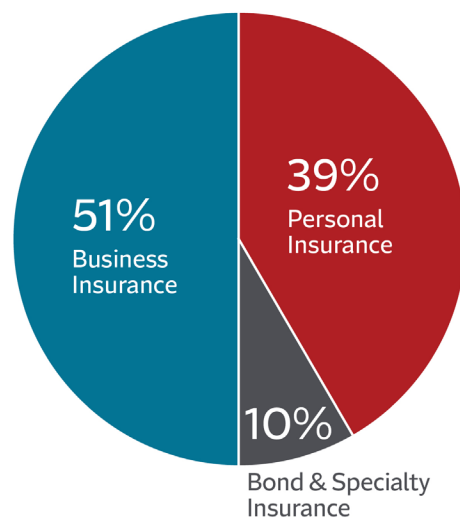
The Travelers Companies, Inc. (NYSE: TRV) is a leading provider of commercial, personal and specialty insurance products and services to businesses, government units, associations and individuals. Our diverse business lines offer our customers a wide range of coverage sold primarily through independent agents and brokers. Travelers has more than 30,000 employees and relationships with more than 15,000 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 \$41.4 billion in 2023.

HIGHLIGHT

\$3.0B

of net income, an increase of more than 5% over 2022

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.

A top-five writer of four major U.S. product lines, including number one in workers compensation and commercial multi-peril¹



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 insurance², and a leading personal insurance writer with independent agents³



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.⁴

¹ 2023 U.S. Statutory DWP. Four 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); and Workers Compensation. Copyright © 2024, S&P Global Market Intelligence. Used with permission.

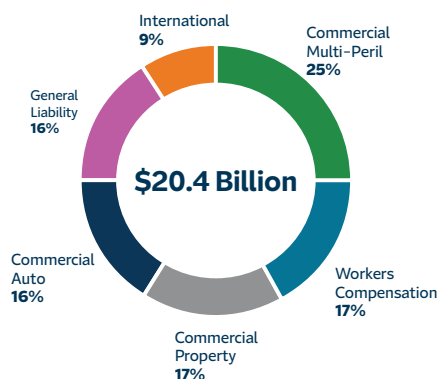
² 2023 U.S. Statutory DWP. Copyright © 2024, S&P Global Market Intelligence. Used with permission.

³ 2022 U.S. Statutory DWP. © A.M. Best Company, Inc. Used with permission.

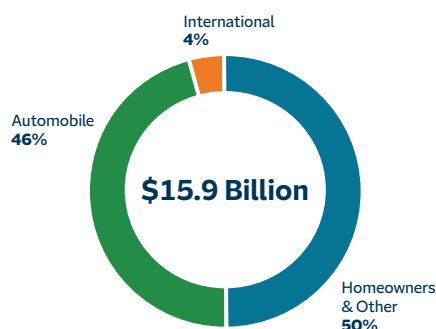
⁴ 2023 U.S. Statutory DWP, U.S. excluding territories. Management Liability reflects Other Liability Claims Made, Fidelity, and Burglary & Theft statutory lines. Copyright © 2024, S&P Global Market Intelligence. Used with permission.

2023 Net Written Premiums

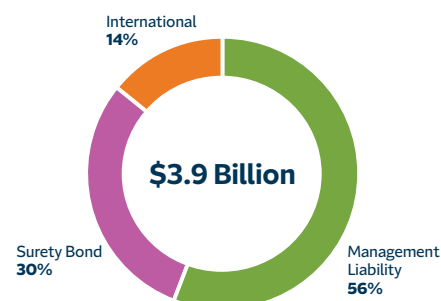
BUSINESS INSURANCE



PERSONAL INSURANCE



BOND & SPECIALTY INSURANCE





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 \$28 billion of excess capital to our shareholders.
- We grew dividends per share at an average annual rate of approximately 7%.
- We have grown book value per share and adjusted book value per share at a compound annual rate of 4% and 6%, respectively.

Importantly, over this 10-year period, we provided shareholders with industry-leading returns, low volatility and high credit quality. 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 has moved closer to that level after years of historic lows, the upward trajectory over the past couple of years will take time to earn into our fixed income portfolio, with approximately 10% of the fixed income portfolio maturing each year. 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 2023, with a top-five position in five major product lines, including number one in workers compensation, commercial multi-peril and [surety](#).¹
- A top-10 writer of U.S. personal automobile and homeowners insurance², and a leading personal insurance writer with independent agents.³
- Approximately two-thirds of domestic premiums from liability lines (e.g., workers compensation, management liability, general liability, auto insurance) in 2023.
- Approximately one-third of domestic premiums from property lines (e.g., homeowners, commercial property) in 2023.

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.⁴
- Relationships with more than 15,000 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 (AI) to work as efficiently and effectively as possible.

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

- Our unique and flexible [catastrophe response](#) capability, which 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 adjusters and instead rely on our own staff to respond to claims. In 2023, we were able to adjust nearly 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.

¹ 2023 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 © 2024, S&P Global Market Intelligence. Used with permission.

² 2023 U.S. Statutory DWP. Copyright © 2024, S&P Global Market Intelligence. Used with permission.

³ 2022 U.S. Statutory DWP. © A.M. Best Company, Inc. Used with permission.

⁴ 2022 Independent Insurance Agents & Brokers of America, Inc. Universe Study.

- Our drone fleet; Travelers is one of the largest commercial users of drones, with approximately 200,000 flights conducted by more than 700 certified pilots in 48 states and Canada since the program's inception.
- A collection of more than 45 predictive models that utilize machine learning and AI, assisting our Claim, medical and fraud professionals to drive optimal customer outcomes and operational efficiency.
- 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 more than 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. In 2023, we completed approximately 120,000 consultations, including the inspection of more than 177,000 objects at 72,000 jurisdictional boiler and pressure vessel inspection locations. This work contributes to the unique risk assessment database we have developed over the past decade to assist us in leveraging our expertise in risk mitigation, 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 (AI) 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

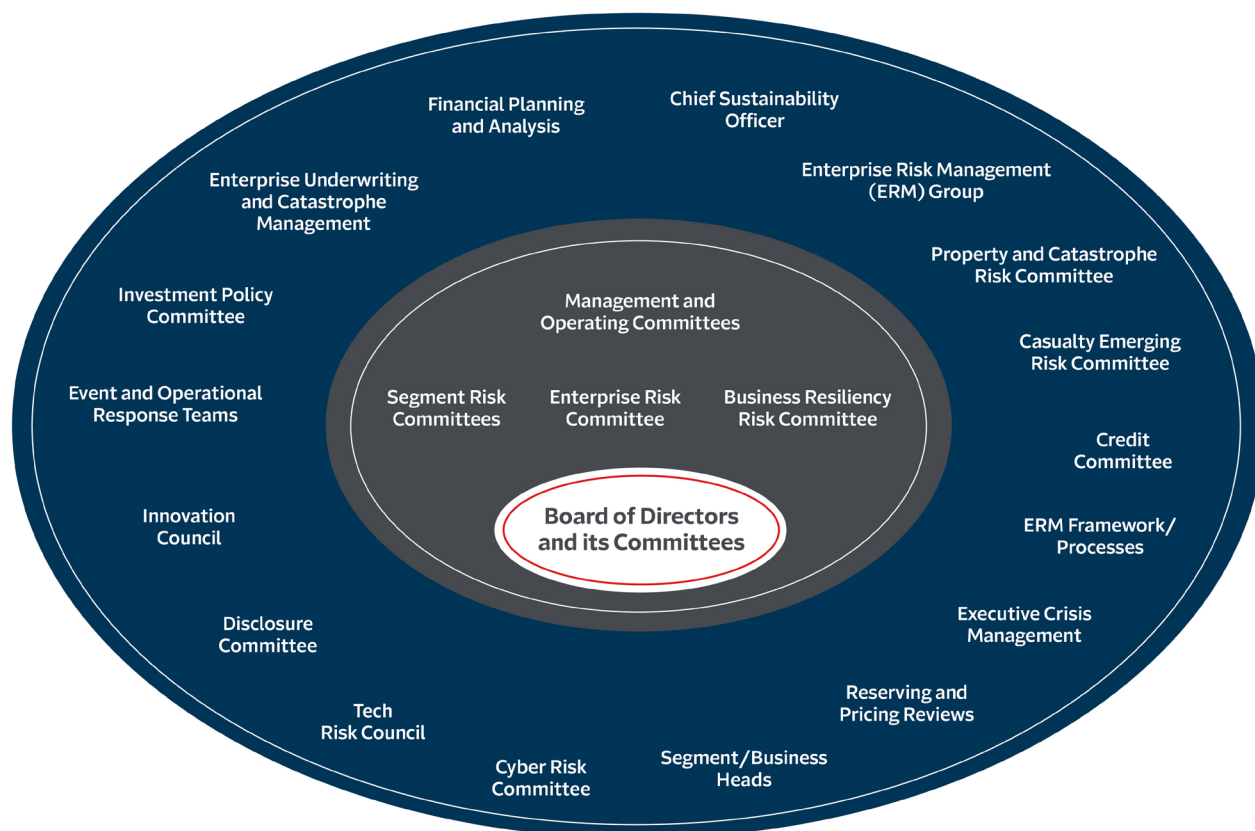
At Travelers, our Enterprise Risk Management (ERM) activities involve both the identification and assessment of a broad range of risks and the execution of coordinated strategies to effectively manage these risks. The mission of our ERM group is to facilitate risk assessment and collaborate in implementing effective risk management strategies to optimize risk and return in alignment with the company's 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. 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 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 certain human capital management matters, including the company's compensation and pay-for-performance philosophy; compensation program objectives; practices designed to ensure equitable pay across the organization; 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 director independence and related person transactions; certain human capital management matters, including succession planning, the employee code of conduct and 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 resiliency 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:

- Identifies, evaluates and quantifies risks, their correlations and their interdependencies from all sources across the organization.
- 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.
- 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 results of the MISR process are 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 and 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 and 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. In accordance with our MISR process, which is described in the [Enterprise Risk Management](#) section, our Business Resiliency Program is supported by senior management 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-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 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 and 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 computing platforms with a 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 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. 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. 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 is a core team that is responsible for monitoring and managing catastrophe events, underwriting and exposure, claim response and regulatory events that have the potential to adversely impact Travelers' reputation, operations, earnings and/or capital. The EERT consults with other corporate groups through multiple channels to determine appropriate actions consistent with well-documented protocols. 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.

Balanced Approach to Capital Management

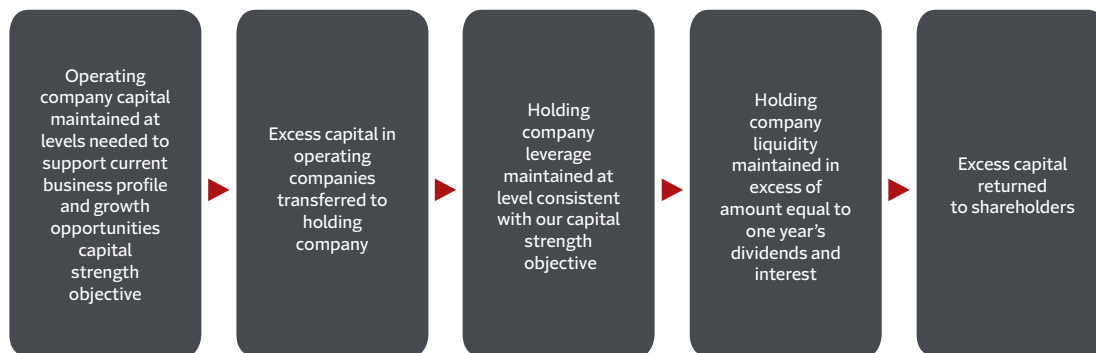
Travelers has consistently provided excellent service to policyholders while delivering strong returns over time. Integral to our long-term financial strategy is a balanced approach to rightsizing capital and generating capital in excess of our growth needs. We maintain operating company capital at levels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

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

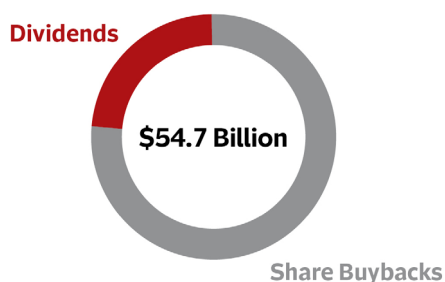
To meet these objectives, we monitor our cash inflows (e.g., premiums, service fees, investment income) and outflows (e.g., claim payments, capital investments, operating expenses) on an ongoing basis. Since most of our policies renew annually, we regularly reassess our pricing and risk appetite against 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 nearly two decades – 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 85%. These accomplishments are on top of returning approximately \$28 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.



Since the initial share repurchase authorization in May 2006 and through December 31, 2023, **Travelers has returned \$54.7 billion** of capital to shareholders: \$41.0 billion in share repurchases at an average price of \$73.60 per share and \$13.7 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 2023 underscores the wisdom of our thoughtful and diversified approach. Net investment income was very strong at \$2.4 billion after-tax, reflecting higher long-term and short-term average yields and a higher average level of fixed maturity investments. While down year over year, as expected, our alternative portfolio continued to perform well, particularly in light of lower real estate and private equity returns in 2023.

Investment income reliable contributor to results; \$2.4 billion, after-tax, in 2023

(\$ in millions as of December 31, 2023, unless otherwise noted)

Total Investment Portfolio



After-Tax Yield	FY'23	FY'22
Long-Term Securities	2.6%	2.3%
Short-Term Securities	4.6%	1.7%
Total Fixed Income	2.7%	2.3%
Non-Fixed Income	3.3%	5.5%
Total Investments	2.7%	2.5%

Fixed Income Portfolio	Rating		%	% Fixed Maturities by Rating ²	
Corporates ¹	A2	\$34,109	38%	Aaa	47%
Municipal	Aaa/Aa1	28,506	32%	Aa	20%
Mortgage-Backed Securities	Aaa/Aa1	7,818	9%	A	19%
U.S. Government & Agencies	Aaa/Aa1	6,368	7%	Baa	13%
Short-Term Securities	A1/P1	5,137	6%	Total Investment Grade	99%
Foreign Governments	Aaa/Aa1	1,006	1%	Below Investment Grade	1%
Total Fixed Income	Aa2	\$82,944	93%		

Non-Fixed Income Portfolio		%
Private Equity Funds	\$2,783	3%
Real Estate & Real Estate Partnerships	1,814	2%
Hedge Funds & Other	661	1%
Equity Securities	608	1%
Total Non-Fixed Income	\$5,866	7%

¹Includes \$1.04 billion of Commercial Mortgage-Backed Securities with an Aaa rating and \$564 million of Asset-Backed Securities with an Aa1 rating.

²Rated 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, 2023, Travelers' invested assets totaled \$88.8 billion, of which 93% was invested in fixed maturity and short-term investments. This high-quality investment portfolio generated net investment income of \$2.9 billion pre-tax in 2023. 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 48 states, the District of Columbia and Puerto Rico. For example, we invest in municipal bonds that support water and sewer projects (notional \$4.5 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 \$9.0 billion) and higher education (notional \$3.8 billion) support enterprises directly involved in improving communities and students' lives. We currently own \$2.9 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. Additional investment information can be found in the Supplemental Investment Risks Interrogatories.

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 [TCFD 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, foreign local and regional governments, mortgage bonds, ABS & CMBS and private equity, hedge funds and other investments) 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 in our TCFD Report, 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) and our sovereign bond portfolio, the only portfolio segments where reported GHG emissions data is available. These portfolio segments represent approximately 40% 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 have 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 consistently 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 165 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 such as artificial intelligence (AI), data privacy and cybersecurity, ethics and compliance, human capital management, diversity and inclusion, and data and analytics, to name just a few.

Specifically, in 2023, as part of a larger strategic planning session, we reviewed strategies related to the development and enhancement of our competitive advantages and our strategic investments in technology, including data and AI, to support innovation in our businesses and position the company for profitable growth over time. 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 2023, technology and cybersecurity risks also 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.

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. The Board's Nominating and Governance Committee oversees 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 more than 40% of the company's outstanding shares to discuss their perspectives on these matters. As Lead Director, I personally participated in several of these shareholder meetings, as did the Chairs of the Board's Compensation Committee and Nominating and Governance Committee. 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'.

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

10 of 11

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 [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.
Compensation	<ul style="list-style-type: none"> Certain human capital management matters, including the company's compensation and the company's pay-for-performance philosophy; compensation program objectives; and practices designed to ensure equitable pay across the organization. Risks related to the company's compensation programs, including with respect to the formulation and administration of those programs, 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 director independence and related person transactions. Certain human capital management matters, including succession planning, the employee code of conduct, and the company's workforce diversity and inclusion efforts; public policy initiatives; and community relations.
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 resiliency plans.
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](#).

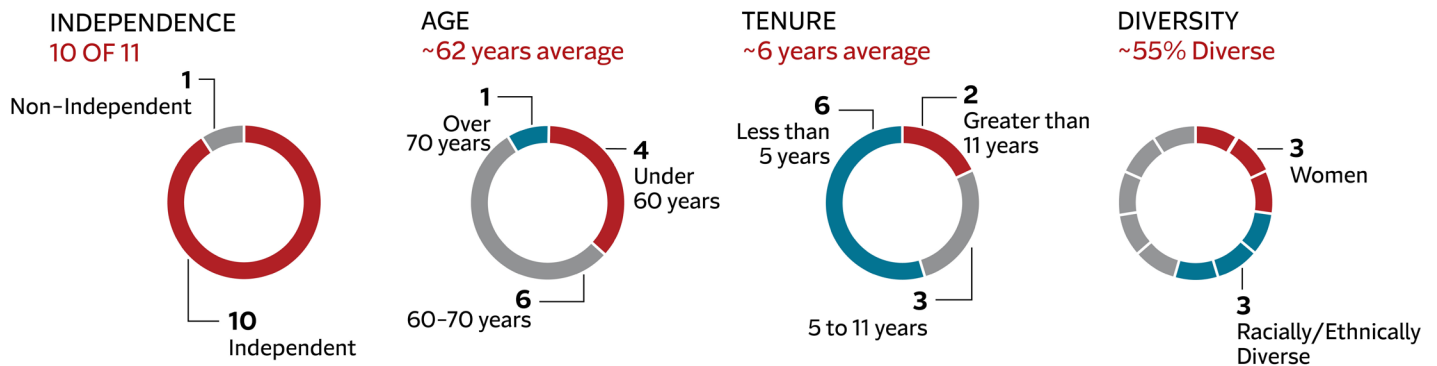
The members of the Board have a broad range of skills, expertise, industry knowledge, viewpoints and backgrounds and include three women and three racially/ethnically diverse directors. The Board and the Nominating and Governance Committee carefully consider the importance of diverse viewpoints, backgrounds 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.

Recent Board Refreshment



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 the Compensation Comparison Group.	7%	13%
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>	28%	40%
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 60% performance shares and 40% stock options, based on the grant date fair value of the awards.</p>	65%	47%

- 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. The insurance industry has experienced increased catastrophe losses due to a number of potential factors, including, in addition to weather/climate variability, aging infrastructure, more people living in, and moving to, high-risk areas, population growth in areas with weaker enforcement of building codes, urban expansion, an increase in the number of amenities included in, and the average size of, a home and higher inflation, including as a result of post-event demand surge. 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, mitigation and disaster preparedness efforts.

HIGHLIGHT

27%

Compound annual growth rate of our Global Renewable Energy Practice since 2018, with revenue up 236% 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 their 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 Board Risk Committee assists the full Board in overseeing the operational activities of the company and the identification and review of risks that could have a material impact on Travelers, including risks related to changing climate conditions.

The Board 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 related 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. Among other things, these discussions focus on Travelers' underwriting risk management approach in light of catastrophe volatility, the potential impact of climate-related perils to Travelers and its customers and strategies for mitigating climate-related risks. These discussions inform, among other things, the company's financial plan, risk appetite and underwriting approach. The Board Risk Committee, in turn, reports to the full Board with regard to its discussions.

In addition to the Board Risk Committee, our management-level enterprise, segment and business resiliency 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 energy, the environment and changing climate conditions. These committees include the Enterprise Risk Committee, the Property Catastrophe Management Committee, the ESG Committee and the Casualty Emerging Risk Committee, among others.

These committees and groups, including the ERM group, coordinate and support climate-related initiatives and strategies across Travelers and are venues to share information and leverage expertise.

Our Chief Sustainability Officer leads Travelers' environmental, social and governance (ESG) efforts across the organization, chairs the company's multidisciplinary ESG Committee and is a member of the Company's Disclosure Committee. Our Chief Sustainability Officer also works with our ERM department to ensure that identification and assessment of ESG risks are appropriately integrated into our ERM program.

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). 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 Segment Risk Committees are involved in identifying climate-related underwriting risks and climate-related opportunities in our book of business in collaboration with our ERM function in the United States, Canada and the United Kingdom, including the Catastrophe Risk Management and Enterprise Underwriting groups; our business underwriting groups across the company; our Risk Control function; and the Investment, Legal and Regulatory functional areas. These groups and committees stay current on climate-related and environmental risks, including through industry publications and external conferences, and actively monitor 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.

These groups and committees are also updated from time to time by 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. These publications include:

- Materials issued by the U.N. Intergovernmental Panel on Climate Change.
- The 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, these groups and committees engage in a comprehensive review to evaluate the risk. This process involves the relevant internal stakeholder groups and, as appropriate, may be elevated pursuant to our 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 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 about associated risks to our customers who have incorporated “green” products or systems to help reduce their carbon emissions and/or increase 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” trends, 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, such as the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6; 2021) and the U.S. Fifth National Climate Assessment Report (NCA5; 2023), as well as 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), the 2019 Kincade Fire (California), several 2021 wildfire events in California and Oregon, the late-season 2021 Marshall Fire (Colorado), Hurricane Ian (Florida) in 2022 and Hurricane Idalia (Florida) in 2023, as well as past events, such as Hurricanes Harvey and Katrina and Superstorm Sandy. 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, Personal Insurance and Bond & Specialty Insurance. Our portfolio is balanced across these lines of business and further diversified by geography and customer size and type. Travelers is a leading U.S. commercial insurance writer with a top-five position in five major product lines, including a number one position in workers compensation, commercial multi-peril and surety.¹ See our [Business Strategy & Competitive Advantages](#) section to learn more about our product breadth and specialization.

¹ 2023 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 © 2024, S&P Global Market Intelligence. Used with permission.

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](#).

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 retained a leading catastrophe modeling firm 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 (AAL), return period loss estimates, planning or strategy. While we anticipate the hurricane risk to be manageable over time, this scenario analysis provides insight into the range of potential future risk.

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 and geospatial analysis, to evaluate our climate-related risks and make underwriting, pricing and reinsurance decisions designed to manage the company's exposure to catastrophe (CAT) events. The Catastrophe Risk Management group assesses CAT risk and manages the development of our strategic CAT efforts.

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 non-modeled losses, to refine our proprietary view of catastrophe risk. These analytical techniques are an integral component of our Enterprise Risk Management process and further support our long-term financial strategies and objectives.

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

As renewable energy businesses continue to innovate and expand, Travelers is playing a critical role in supporting the transition over time to a lower-carbon economy, both in the United States and internationally – specifically, through our insurance products and services designed for these innovative companies. Travelers has been in the renewable energy space for almost 30 years and is positioned to benefit from the increased economic activity in this space by insuring more renewable energy projects globally.

Travelers offers a range of tailored insurance solutions that cover the entire life span of renewable energy businesses that invest in, develop, operate and maintain commercial and utility-scale operations – from research and development and manufacturing to permanent operations, as well as onshore and offshore wind, solar and biopower operations. Our [Global Renewable Energy Practice](#) is designed to facilitate innovation and the growth of renewable energy businesses and support the over-time energy transition.

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 energy 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 U.S. offshore wind farm projects along the Eastern seaboard. Since we first began collecting separate data for our Global Renewable Energy Practice in 2018, the business has grown at a compound annual growth rate of 27%, with revenue up 236%. 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 – available in certain states and subject to individual eligibility.
- **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.

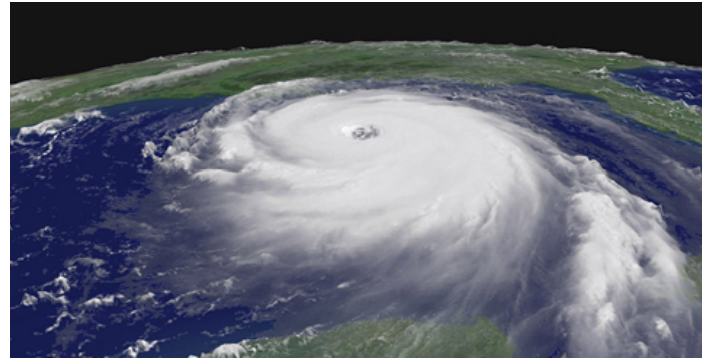
Following enactment of the Disaster Recovery Reform Act in 2018, the Federal Emergency Management Agency (FEMA) developed a new pre-disaster mitigation program called Building Resilient Infrastructure and Communities (BRIC). Through this program, FEMA provides federal funds to states, local communities, 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 FORTIFIES COMMUNITIES

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

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

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 create pathways and enhance opportunities for career readiness, access and success. While supporting our communities, these initiatives help address corporate needs for a skilled workforce while directly benefiting the economy. Travelers, directly and through the Travelers Foundation, has provided more than \$60 million since 2014 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), our signature education-to-career pipeline program, 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 2023:
 - 62% (13 of 21) of *Travelers EDGE* graduates were hired full time by Travelers in the 2022–2023 academic year. Of those who accepted full-time positions at Travelers, 77% (10 of 13) were admitted into leadership and technical development programs.
 - As part of ReadyCT's G.R.I.T. (Get Ready! Immersive Traineeship) program, 30 high school students from Hartford and New Britain, Connecticut, worked with Travelers employees on projects during a five-week summer program. This program included professional development and opportunities to learn more about Travelers, insurance and the financial services industry.
 - Travelers continued its partnership with Usher's New Look, a nonprofit that helps students from middle school to college find their career interests through professional development, leadership building, academic support and community involvement. We sponsored the 2023 Disruptivator Summit that brought together 300 students from across the United States to participate in workshops, panels, networking sessions and a job fair. Students also participated in excursions to area businesses, including our offices in Alpharetta, Georgia, where they were taught key professional development skills.
 - More than 150 Travelers employees across the nation served as volunteers and judges for the Connecticut Invention Convention (CIC), an entrepreneurial competition among innovative students in grades K–12. Additionally, Travelers sponsored the Safe Home and Safe Car Awards, which were presented at the CIC State Finals event, in which more than 11,000 young inventors participated.
 - Travelers has partnered with BestPrep's eMentor program since 2007. BestPrep builds meaningful partnerships with schools, companies and other nonprofit partner organizations to prepare Minnesota youth for success in school, career and life at low or no cost to students, teachers and schools. In the past year, 183 Travelers employees volunteered an estimated 485 hours with BestPrep. Employees served as company coordinators and mentors for eMentors and Cloud Coach programs. They also served as mock interviewers and Resident Business Leaders at BestPrep's Minnesota Business Venture summer camp. In addition, a Travelers employee was recognized for her involvement and dedication with a 2023 Volunteer Service Award.
 - 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 post-secondary education. Students receive tuition assistance and are also paying it forward by engaging in meaningful mentorship with elementary school students. During the 2022–2023 academic year, multiple Travelers employees served as mentors and reviewed students' scholarship applications.
- **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. In the past decade, Travelers has donated more than \$47 million to help make home ownership possible, help rebuild after natural disasters and 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 2023:
 - The nonprofit small business support organizations that we partner with reached more than two million entrepreneurs from various industries and locations — with many being small businesses led by women, minorities or veterans. These partners include the Metropolitan Economic Development Association, WomenVenture, reSET, Village Capital and TruFund. In addition, we support other organizations, such as Lonely Entrepreneur, that provide resources to entrepreneurs and small businesses.

- More than 130 FORTIFIED homes were built with our support across the country in partnership with Habitat for Humanity®, SBP and Team Rubicon.
- Travelers’ support enabled Team Rubicon to rebuild 12 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 responses triggered by major events.
- Travelers has partnered with Habitat for Humanity International® since 2008. In addition to new construction, the organization renovates existing buildings in many communities, particularly in urban areas, to create decent, safe and affordable housing. Habitat for Humanity affiliates across the United States and Canada partner with Travelers offices to engage employees in volunteer builds. Participation provides opportunities for employee involvement in the community, team-building and networking. In 2023, Travelers employees logged more than 6,800 hours on Habitat builds.
- Travelers employees in the United Kingdom volunteered at Food for All, a non-profit that turns unattractive produce destined for the landfill into free, healthy meals. The team helped pack 500 meals for local families.
- **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. During the past 10 years, we have provided nearly \$24 million to help keep our communities vibrant. Here are a few examples of how we supported culturally enriched communities in 2023:
 - We partnered with the Greater Hartford Arts Council to provide more than \$500,000 in grants to more than 20 Hartford-based arts organizations through the Travelers Arts Impact Grant Fund.
 - We are a longtime partner of the Ordway Center for the Performing Arts in St. Paul, Minnesota, providing sponsorships and grant support for the center’s education programs. In 2023, our support helped the Ordway provide arts experiences for 30,000 audience members, including local students.
 - We sponsored the “Tuskegee Airmen: Their Untold Stories,” a new, permanent exhibit at the New England Air Museum, which opened in early 2023. The exhibit tells the extraordinary story of the Tuskegee Airmen and shares their World War II and post-war experiences through their own testimonies and those of their children.

We remain committed to making diversity and inclusion a centerpiece of our approach to charitable giving and community involvement. In 2023, we further invested through the Black Innovation Alliance to support Black technologists, creatives and innovators from across the country. Travelers sponsored the 2023 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 35th 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. In addition, we have an employee initiative called [Travelers Art Speaks](#), which leverages our investment in arts and cultural organizations to spark meaningful and thought-provoking dialogue on topics related to diversity and inclusion.

Travelers Charitable Giving

	2023	2022	2021
Direct Cash	\$17,915,256	\$17,167,515	\$17,056,108
Foundation Cash	\$6,024,000	\$6,039,000	\$5,546,500
Total Cash	\$23,939,256	\$23,206,515	\$22,602,608
Non-Cash¹	\$356,118	\$478,243	\$1,631,844

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 for company-sponsored events and activities 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 2023, Travelers partnered with five national non-profit organizations to provide curated team volunteer activities that, in turn, provided essential community resources.

Organization	Number of Employees Participating	Number of Employee Volunteer Hours	Resources Provided
Blessings in a Backpack	221	498	Weekend food for school-aged children
Can’d Aid	54	109	Art kits for children in need
Happy Hope Foundation	267	303	Cards, books and educational materials for hospitalized and homeless children
Hole in the Wall Gang Camp	500	3,184	Camp preparation, backpack essentials and welcome cards for children with serious illnesses
United Way	1,559	3,833	Hygiene and literacy kits for shelters, schools and other community organizations

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 and Volunteer Rewards Program

We amplify our employees’ generosity with the Travelers Community Connections Matching Gifts and Volunteer Rewards program. 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. From 2014 through 2023, we matched our employees’ gifts of time and money with \$21 million in matching funds.

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 2023 campaign, which was themed “Ensuring Resilient Communities,” employees raised more than \$900,000 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 2023, this program supported 21 organizations partnering with Travelers offices across the country with more than \$200,000. In addition, we provided more than \$550,000 to Habitat for Humanity affiliates throughout the United States and Canada, supporting more than 54 Travelers team home builds.

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

Supporting Employee Community Involvement

	2023	2022	2021
Employee Volunteer Hours	103,070	73,000	57,000
Team Volunteer Activities	256	131	56
Matching Gifts	\$2 million	\$1.8 million	\$1.6 million

Illustrative Initiatives



CONNECTICUT INVENTION CONVENTION

Inspiring the Next Generation of Inventors



FEATURED SERVICE PROJECT

There's No Place Like Home



INVESTING IN COLLEGE ACCESS AND SUCCESS

OppNet, uAspire and Hartford Promise



TRAVELERS CHAMPIONSHIP

Our Signature Community Event



JUNIOR ACHIEVEMENT INSURANCE LEARNING LABS

Fostering Financial Literacy and Insurance Know-How



TRAVELERS ART SPEAKS

Advancing Inclusion through the Arts

Illustrative Initiatives



GIRLS' LEADERSHIP SUMMITS

Inspiring Girls to Be Strong, Smart and Bold



TRAVELERS EDGE®

Transforming Tomorrow's Workforce



ENVIRONMENTAL INITIATIVES IN EUROPE

The Travelers Europe Forest Takes Shape



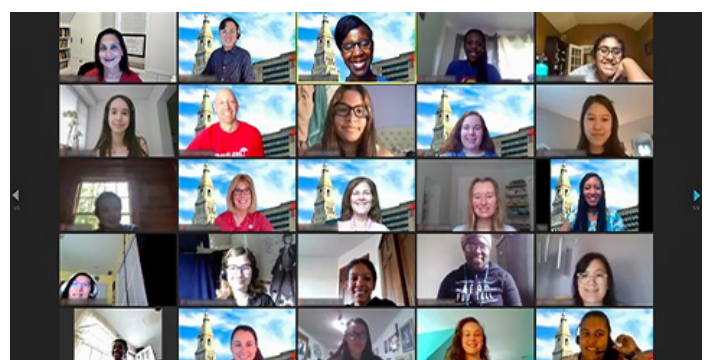
AMERICAN FORESTS PARTNERSHIP

Partnering for a Purpose – Helping to Reforest North 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 get a roof repaired. 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 offer faster, nimbler, more digital and more personalized customer experiences. 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 2023, for the second year in a row, Travelers received a 61 Net Promoter Score (NPS) — the highest NPS score received among carriers in Marsh McLennan's corporate segment for overall experience. NPS is a widely utilized customer experience metric to measure advocacy and experience. Providing exceptional experiences for our customers and our agent and broker partners will continue to be one of our top priorities.

Our focus on customer experience has earned us recognition across the industry. Here are some examples:

- 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).
- Insurance Business America awarded Travelers with a 5-Star designation in three categories: Best Construction Insurance Companies in the U.S., Top Cyber Insurance Companies in the U.S. and the Best Professional Liability Insurance Providers (2023).
- American Customer Satisfaction Index ranks Travelers in the top five for satisfaction among P&C insurers (2023).

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

Customer Retention Rates (as reported as of December 31, 2023)

Business Group	1Q'22	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23
Domestic Business Insurance (excluding National Accounts)	87%	86%	86%	87%	87%	87%	87%	87%
Domestic Business Insurance: Select Accounts	83%	83%	83%	83%	85%	85%	85%	85%
Domestic Business Insurance: Middle Market	89%	88%	89%	90%	89%	89%	89%	90%
Domestic Bond & Specialty Insurance: Management Liability¹	85%	88%	89%	90%	89%	91%	91%	90%
Domestic Personal Insurance: Automobile²	85%	84%	84%	83%	82%	82%	82%	82%
Domestic Personal Insurance: Homeowners and Other²	85%	85%	85%	85%	84%	84%	84%	84%
Total International Insurance¹	81%	85%	80%	84%	84%	85%	84%	84%

¹This ratio excludes surety and other products that are generally sold on a non-recurring, project specific basis. International Insurance also excludes the 2023 quota share arrangement with Fidelis.

²This 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 Design

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, resolving their claims. 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 them to work each day with energy and enthusiasm.
Taking a Human-Centered Approach	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.
Providing 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. Our data and analytics advantage, augmented by the latest technology and our scientific models, 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.

Claim Culture & Experience

Our 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, including the importance of providing a positive customer experience. 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.

The Claim Experience at Travelers

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 2023, we were able to adjust nearly 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 2023 to be a significant competitive advantage that resulted in a better outcome for our customers and a more efficient outcome for us. In 2023, we resolved nearly 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 74 catastrophe events and over 135,000 catastrophe notices of loss in 2023. 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.

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.** To help 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.

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 more than 1.7 million feedback-related interactions with customers across all of these channels in 2023. 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.** 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 2023, we responded to more than 90,000 customer inquiries.
- **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 2023, we addressed more than 27,000 social media posts with these capabilities, and 83% 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 cyber crimes such as ransomware attacks, fraudulent sign-ins and other potential security breaches.

Some of the other ways we support our agent and broker partners are described below.

Personal Insurance

- In 2023, Personal Insurance continued to provide agents with tools to help customers understand the factors driving premium increases across the industry. For example, we updated our Auto and Home Marketplace Guides and developed a new Home Replacement Cost Guide to help agents communicate with their customers confidently and effectively regarding the current marketplace. In addition, agents can use our Renewal Premium Compare Tool to address premium increase questions at renewal and find discounts that may help lower a customer's premium.
- To support agency development, we offer READY, SET, PIVOTSM, a virtual program designed to prepare agents for the future of insurance. In 2023, we evolved the program to include sessions focused on navigating current marketplace conditions and consumer trends. We also held our annual in-person Travelers Agent Leadership Program, where agents engaged with their peers and Travelers leadership to discuss emerging sales opportunities within the current business environment. Both programs focus on helping agents learn new best practices and skills to increase sales, improve retention and enhance customer interaction by leveraging hundreds of digital marketing resources available through Travelers' [toolkitPlus](#).
- In 2023, we continued to evolve our suite of agent self-service capabilities on the Travelers "For Agents" portal, to improve ease of use and the overall agent experience. Features added to the "For Agents" dashboard now provide more efficiency and transparency, enabling agency staff to be more proactive when servicing their customers. Quick links throughout the "For Agents" portal allow for seamless navigation to key information like quotes, billing, policy documents, commissions and access to a new claim app that offers more claim process details.

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 "For Agents" and directly through multiple Agency Management Systems (AMS). 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.
- In 2023, we introduced an online Workers Compensation Endorsement Request on our "ForAgents" portal. This allows agents to submit common Workers Compensation policy change requests online. The result has been a much faster turnaround time for our agents. What once took between four and 10 days has been reduced to just four hours for 85% of these requests.
- 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.

Educational Programming for Agents & Brokers

Travelers Institute® educational programming also offers unique value to our network of more than 15,000 agent and broker partners, providing a distinguished thought leadership platform. Over the past 15 years, the Travelers Institute has hosted more than 850 virtual and in-person 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.

The Travelers Institute also fosters these relationships and provides 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. More than 100 programs have been held through the end of 2023, 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 [Independent Agents: The Trusted Choice](#), offering an in-depth discussion on the importance and value of the independent agent distribution channel, the changing dynamics that agents are facing in the market today and how agents can thrive in the years ahead.

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

- [Making Sense of the Headlines: Insurance Market Insights for 2023 with Dr. Robert Hartwig](#)
- [An Insurance Agent's Field Guide to Gen Z](#)
- [Navigating the Rapidly Changing World of Professional and Financial Lines Insurance](#)

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 2023, 91% 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



REDESIGNED MYTRAVELERS® WEB EXPERIENCE

Simplifying the Customer Experience



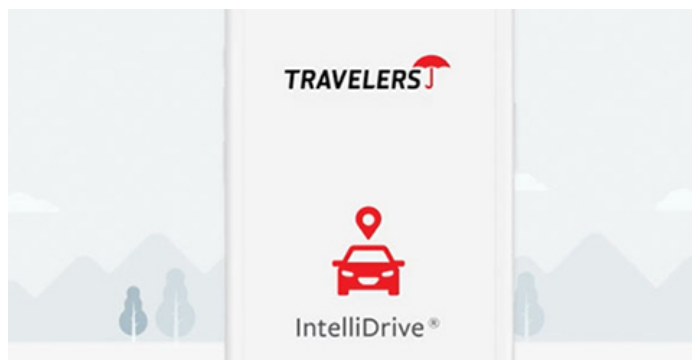
TOOLKITPLUS

Adding Value for Agents and Brokers



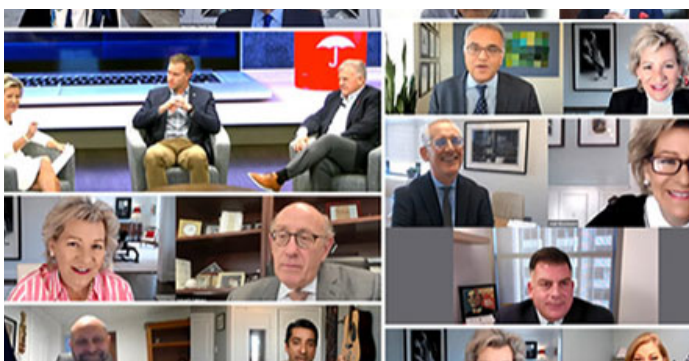
AMERICAN FORESTS PARTNERSHIP

Partnering for a Purpose – Helping to Reforest North America



INTELLIDRIVE®

Leveraging Telematics to Encourage Safe Driving



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. At Travelers, we strive to protect the 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, 2014–2023

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 company's Enterprise Risk team and the Disclosure Committee. Under the direction of the CISO, the Travelers Cybersecurity department 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, Cybersecurity and Business Resiliency and are communicated to the Risk Committee of the Board of Directors on a regular basis.

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 typically provides quarterly updates regarding cybersecurity and cyber risk to Travelers executive management and the Risk Committee of the Board. The Risk Committee of the Board, consistent with its [charter](#), 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

We have implemented technologies and tools to evaluate our cybersecurity protections and maintain a cyber risk management strategy related to our technology infrastructure that includes monitoring emerging security threats and assessing appropriate responsive measures.

Policy & Governance

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, for example, 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](#).

We perform an annual cybersecurity risk and control assessment as part of the Enterprise Risk Management team's risk assessment processes. Our CISO and Chief Technology and Operations Officer review and approve the cybersecurity assessment. In addition, as part of their regular responsibilities, our Governance, Risk and Compliance officers within the Technology and Cybersecurity groups assess technology and cybersecurity risks by leveraging our risk framework related to technology and cybersecurity, which aligns with our enterprise risk management strategy.

On an annual basis, under the direction of our Chief Risk Officer, the company's Technology, Cybersecurity and Business Resiliency groups also participate in the enterprise-wide Own Risk and Solvency Assessment ("ORSA"), which outlines identified risks and describes the controls in place across the company to address those risks. The ORSA is reviewed with our lead regulator, the State of Connecticut Department of Insurance, which in turn performs periodic financial examinations, including a technology control assessment.

Technology

Travelers uses various technologies and tools, as appropriate, to enhance cybersecurity, such as multifactor authentication, encryption, firewalls, intrusion detection and prevention systems, endpoint detection and response, vulnerability scanning, penetration testing, patch management, and identity and access management systems. These systems are designed, implemented and maintained with the goal of identifying, assessing and managing cybersecurity risks.

In addition, our CISO and Cybersecurity team are actively engaged within the cybersecurity community in order to monitor emerging trends and developments and share best practices for identifying and mitigating cyber threats. For example, we participate in threat intelligence 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 to our systems, as appropriate. Additionally, the company's Cybersecurity team monitors and investigates suspicious events.

As the workforce, the work environment and the threat landscape continue to evolve, Travelers seeks to evaluate related risks and implement appropriate controls.

Training & Awareness

To help manage risks from potential cybersecurity threats, 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 security topics. We also provide regular targeted training on topics such as phishing and secure application development, among others. In addition to online training, employees are provided with cybersecurity related information through a number of different methods, including event-triggered awareness campaigns, recognition programs, security presentations, intranet articles, videos, system-generated communications, email publications and various simulation exercises.

Third-Party Relationships

As part of our supplier risk management program, using a risk-based approach, the Cybersecurity team conducts formal risk assessments with respect to certain of our third-party service providers. The assessment process addresses aspects of the service providers' data security controls and policies.

Where appropriate, Travelers seeks to incorporate contractual language with third party service providers that includes clear terms involving the collection, use, sharing and retention of user data, as well as compliance with appropriate security terms.

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, under the direction of the CISO, executes with the goal of ensuring timely and accurate resolution of computer security incidents. To maintain the robustness of the framework, we conduct cybersecurity tabletop testing exercises from time to time.

Compliance

We regularly self-assess against our internal policies, using our internal risk assessment process and a variety of frameworks, such as the New York Department of Financial Services Cybersecurity Requirements for Financial Services Companies, the Insurance Data Security Model Law as adopted and modified by various states and the Payment Card Industry Data Security Standard. In addition to our internal cybersecurity team, we use internal and external auditors and, as appropriate, third-party consultants, service providers and assessors to review and test the company's processes. For example, 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.

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:

- We endeavor to comply with all applicable privacy regulations, including but not limited to the [California Consumer Privacy Act](#).
- We will not give or sell personal information to non-affiliated third parties for their marketing purposes without permission.
- We maintain 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 [2023 Travelers Risk Index](#) report found that, for the ninth straight year, cyber threats were one of the top three concerns 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, nearly one quarter 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 2014 to 2023, 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

¹ [Report on the Cybersecurity Insurance Market, November 2023.](#)

Illustrative Initiatives



2023 TRAVELERS RISK INDEX

Understanding Cyber Risks

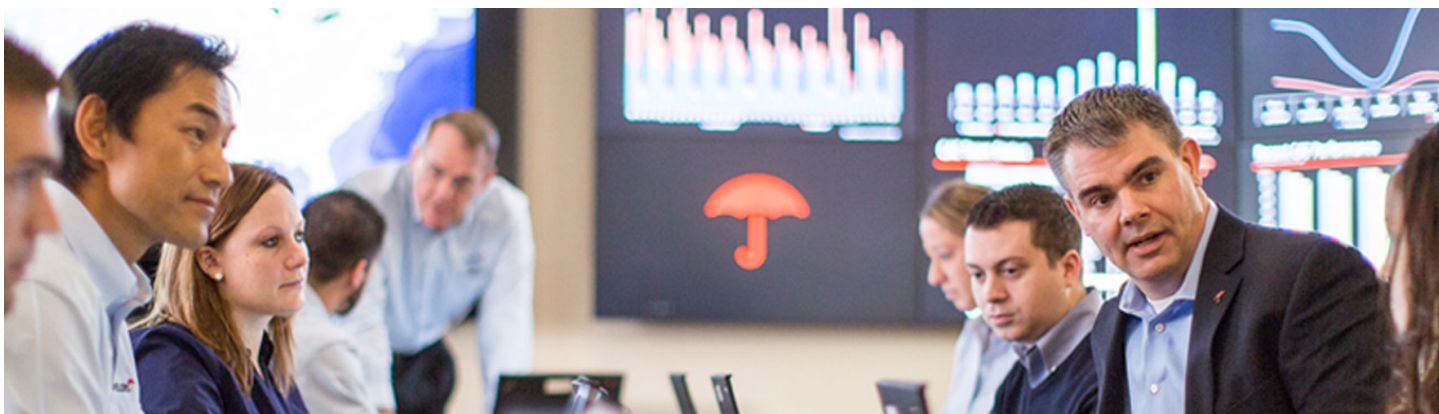
CYBERSECURITY

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 and to 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

>135,000

Catastrophe notices of loss responded to in 2023

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 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 600 [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 2023, 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 intervention, 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 intervention 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 2023, 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 2023, we collected post-event imagery covering more than 7,500 square

miles in connection with 24 separate events. Leveraging the post-event imagery of damaged and undamaged homes, we use industry-leading artificial intelligence and machine learning to quickly assess the damage sustained, which helps inform our operational response. The Travelers Wildfire Loss Detector tool, which won the 2019 Gartner Eye on Innovation Award and a CIO 100 Award, helps us assess which properties are total losses after a wildfire event, while the Travelers Wind Damage Detector tool 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 so we can begin the claim process – often before we have access to the area – thereby allowing our customers to begin recovering and rebuilding their properties sooner. In 2023, we enhanced our agent and broker portal to include these tools so our distribution partners can better assist customers after a disaster as well. [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, who are 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 2023, there were 28 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 74 CAT events and adjusted nearly 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 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.

¹ Based on 2023 data from the National Oceanic and Atmospheric Administration.

We leverage our Loss Consultation team – the first such team in the industry – in support of customers impacted by 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 2023, our Claim professionals completed more than 91,000 hours of property claim training.

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. This remained the case in 2023, when we continued to successfully respond to an unprecedented number of CAT events. In 2023:

- Nearly 90% of property CAT claims were resolved within 30 days of receipt of the claim notice.
- 81% of CAT claims were paid within a week of inspection.
- 54% of CAT claims were paid the same day as inspection.¹

These results were particularly remarkable given that we responded to 74 CAT events and over 135,000 CAT notices of loss in 2023. 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 from property claims, 2023.

Illustrative Initiatives



NATIONAL CATASTROPHE CENTER

Catastrophe Planning and Response



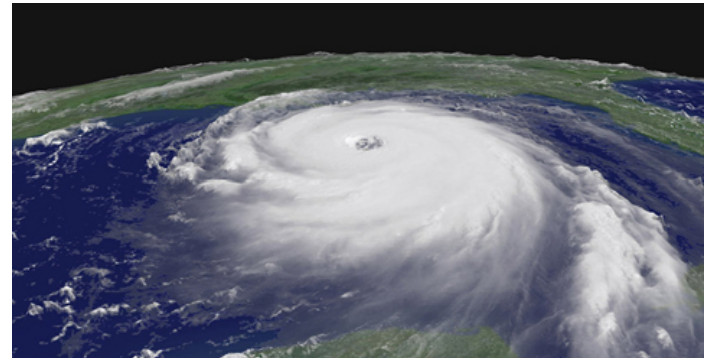
TRAVELERS FORTIFIES COMMUNITIES

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

~40%

of our employees are members of one or more of our Diversity Networks

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.
- 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 and develop business unit-specific tactics.
- Promoting key internal and external diversity programs.
- Raising awareness about the importance of community outreach.

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 relating to diversity and inclusion 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 that our diversity and inclusion strategy is successfully executed in our field office locations, where approximately 75% of our employees are based.

Our unique Workforce Solutions team partners with Human Resources and business partners to help reinforce fairness 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 "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. 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.

Our federally required [EEO-1](#) report contains demographic data about our workforce.

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. 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. On an annual basis, managers are assessed and held accountable for fostering 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. All employees are asked 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 16th year in 2023.

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, in a 2023 webinar, our [Chief Diversity & Inclusion Officer](#) shared insights on how organizations can foster diversity and an inclusive culture – and why it matters. In another webinar, a [Travelers Vice President](#) shared how businesses can recruit, hire and retain employees with disabilities – specifically those who are neurodiverse.

Travelers' Art Speaks initiative uses arts experiences – theater, visual arts, dance, film and music – to drive dialogue among employees about diversity and inclusion. Each year, Travelers supports arts and cultural organizations to help drive economic growth, enhance learning and build multicultural understanding – contributing to accepting and inclusive communities. In 2023, Art Speaks events included the Homage Exhibit, a thought-provoking interactive learning experience that explored the historical significance of Juneteenth through African-American historical artifacts. For more information on [Art Speaks](#), see our illustrative initiative.

Diverse Talent Development & Pipeline

As part of our efforts to foster an inclusive culture, 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. 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 who may be ready for internal promotion opportunities.
- The use of talent acquisition strategies, including sourcing strategies, to help us create a diverse pipeline of 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 Workplace Forum on Workplace Inclusion, ASCEND Pan-Asian Leaders Convention, Women in Business Summit, Insurance Industry Charitable Foundation Conference, Dive In Global Conference, Latinas & Power Symposium, National African-American Insurance Association (NAAIA) Conference, International Association of Black Actuaries (IABA) Conference, the Out & Equal Summit, Black Enterprise Black Men XCEL and the Black Enterprise Women of Power Summit.

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

- Our signature career pipeline program, Travelers EDGE®, provides students with a unique, holistic approach to education and career readiness. 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 pool of talent seeking careers at Travelers or elsewhere in the insurance industry.
- We regularly participate in diversity and inclusion-focused industry events, forums and career fairs with organizations such as Gamma Iota Sigma and NAAIA, and serve as a sponsor of the Howard University FIRM Symposium.
- 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, Autism Services Resources Connecticut and Disability:IN.
- We also foster partnerships with and sponsor diverse professional organizations such as the 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.

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, which are open to all employees, are designed to 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 10 Diversity Networks:

- Asian & Allies
- Black and African American & Allies
- Disability & Allies

- Hispanic/Latino & Allies
- Indigenous & Allies
- Military/Veterans & Allies
- Pride & Allies
- Women & Allies
- Working Parents/Caregivers & Allies
- Young Professionals & Allies

More than 13,000 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 10 Diversity Networks, we have professional business groups that provide career development opportunities and support for their members. These groups include Women in Analytics & Allies, which has fostered the individual development of women in actuarial and analytics positions at Travelers for more than 10 years; SHE Adds, for 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.

Illustrative Initiatives



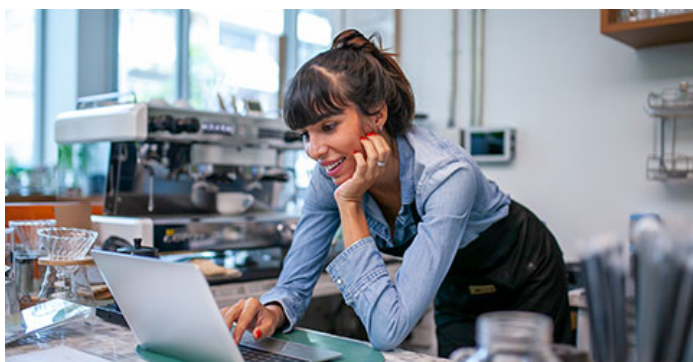
ENHANCING OUR COMMITMENT TO PEOPLE WITH DISABILITIES

Fostering a More Inclusive Workforce and Changing Lives



COMMITTED TO MILITARY VETERANS

Supporting Those Who Serve



SMALL BUSINESS SUPPORT

Empowering Small Business Owners to Succeed



TRAVELERS EDGE®

Transforming Tomorrow's Workforce



SUPPORTING FUTURE LEADERS IN INSURANCE

Travelers Investing in the Next Generation of Talent



TRAVELERS ART SPEAKS

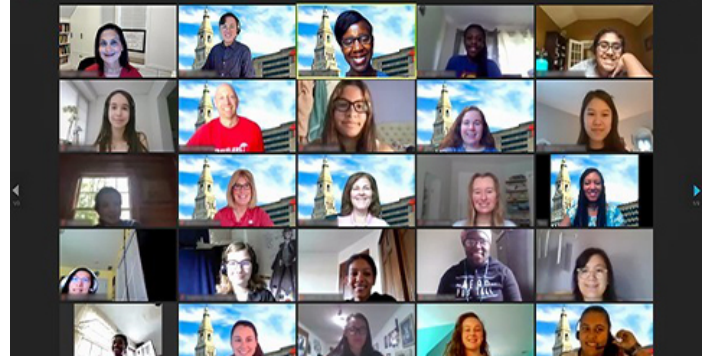
Advancing Inclusion through the Arts

Illustrative Initiatives



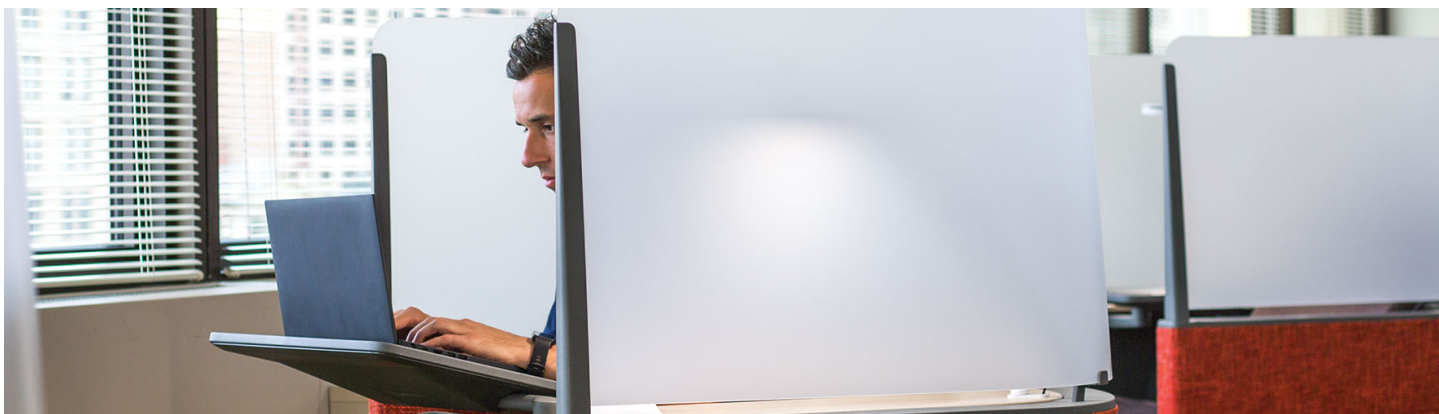
GIRLS' LEADERSHIP SUMMITS

Inspiring Girls to Be Strong, Smart and Bold



GIRLS WHO CODE

Growing Tech Talent



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 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, communities and employees.

HIGHLIGHT

54%

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

Approach

As an insurer, most of our Scope 1 and 2 greenhouse gas (GHG) emissions are from office activity and mobile combustion (e.g., company vehicles). 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 Services 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 goal of becoming carbon neutral across our owned operations by 2030.

While the pandemic resulted in decreased in-office activity, mobile combustion and business travel, these activities have largely returned to more normal levels and 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 or conservation of one tree for every paperless billing conversion in Personal Insurance. As of Earth Day 2024, we have funded the planting or conservation of more than five million trees in 17 U.S. states and Canada through our [partnership with American Forests](#) and the U.S. chapter of 1t.org. Our current commitment is to fund the planting or conservation of another 750,000 trees by Earth Day 2025. 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 review 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.

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. 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. By year-end 2020, we exceeded our goal and, as of year-end 2023, we reduced the company's absolute Scope 1 and 2 emissions by 54%. In April 2021, we made a commitment to become carbon neutral across our owned operations by 2030.¹

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

- **Lighting.** We have renovated our Travelers-owned Hartford area offices and Norcross and Omaha data centers to upgrade our lights to LED. We continue to explore LED lighting upgrades to other owned facilities.
- **Technology Equipment Upgrades.** On a regular basis, we upgrade software and equipment in our data centers to help maximize energy efficiency.
- **Building Fabric Maintenance Program.** We have a comprehensive preventive maintenance and repair program (which includes a focus on windows and roof systems) designed to ensure building integrity and reduce energy loss.
- **Cloud Migration.** We have an enterprise initiative to utilize Software as a Service and Cloud-based solutions that will reduce our dependence on our data centers, which will reduce our carbon footprint, over time.
- **Efficient Fleet Vehicles.** We regularly evaluate our fleet options and plan to continue to transition our fleet to more environmentally efficient vehicles over time.

¹ Refers to Scope 1 and 2 GHG emissions from owned operations. Owned operations do not include real estate holdings for investment purposes.

The table below outlines our Scope 1, 2 and certain of our Scope 3 (business travel only) emissions data, all of which has been [verified by an independent third party](#) since 2013. The most recent five years are presented to include a comparison to the pre-pandemic year of 2019, as the period from 2020 to 2022 was impacted by decreased activity as a result of the pandemic. In addition, 2011 is included since it serves as the base year for the company's initial GHG goal. We use The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard to calculate our Scope 1 and 2 GHG emissions; we use The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard to calculate our Scope 3 GHG emissions.

Metric	2023	2022	2021	2020	2019	2011
Scope 1 GHG Emissions (metric tons CO₂e)¹	19,586	17,828	12,794	13,500	23,746	37,436
Emissions from Mobile Combustion (metric tons CO₂e)	18,555	16,686	11,655	12,414	22,525	36,574
Emissions from Office Activity (metric tons CO₂e)	1,031	1,142	1,139	1,086	1,221	862
Scope 2 GHG Emissions (metric tons CO₂e)^{1,2}	19,049	20,322	20,683	21,908	27,970	47,167
Total Scope 1 and Scope 2 GHG Emissions (metric tons CO₂e)¹	38,635	38,150	33,477	35,408	51,716	84,603
GHG Emissions per Revenue (metric tons CO₂e per million USD)	0.93	1.03	0.96	1.11	1.63	3.32
GHG Emissions per Employee (metric tons CO₂e per person)	1.16	1.17	1.09	1.16	1.68	2.77
Scope 3 Emissions from Business Travel³	15,762	10,094	4,479	5,666	17,819	Not Tracked
Percentage of Electricity from Renewable Sources	24%	23%	22%	22%	19%	Not Tracked
Percentage of Total Energy from Renewable Sources	7%	7%	8%	8%	6%	Not Tracked

¹ Scope 1 and 2 GHG emissions from owned operations. Owned operations do not include real estate holdings for investment purposes.

² Location-based method.

³ Includes business air travel, rail travel and rental cars.

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.
- Installed auto-shutoffs on most faucets.
- Are installing 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 our Hartford campus.
- Introduced 100% biodegradable/compostable utensils and food containers in the Hartford campus.

We measure and track all waste at our owned facilities, including single stream recycling, municipal solid waste and construction/demolition waste. We also 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 trend waste/water consumption 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



AMERICAN FOREST PARTNERSHIP

Partnering for a Purpose – Helping to Reforest North 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 employees, officers and directors 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, improperly 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.

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 hours a day, seven days a week to seek advice or raise a concern; to report suspected unethical, illegal or fraudulent activities; or to report a violation or potential violation of the Code of Business Conduct and Ethics, including 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.
- 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.

Responsible Artificial Intelligence Framework

People-Centric	Fair	Responsible	Trustworthy
Human Oversight and Judgment AI is designed to augment, enhance or replace the human decision-making process, subject to appropriate human oversight and judgment.	Lawful We follow the laws and regulations applicable to our business.	Accountable We adhere to Travelers' guidelines and policies and ensure AI advances our mission and purpose.	Transparent We provide appropriate disclosures to relevant stakeholders when we are using AI.
Privacy and Security We implement AI in a way that respects privacy and applies appropriate security controls.	Fair Access We provide fair access to our products and do not unlawfully discriminate based on legally protected characteristics.	Governed We ensure that appropriate governance exists for AI development, implementation and assessment.	Explainable We implement AI with the appropriate level of explainability for the use case and stakeholder.
Diverse Perspectives We solicit perspectives from people of diverse disciplines, experiences, and areas of our organization in the development, implementation and assessment of AI.	Mindful of Potential Bias We are mindful of potential bias throughout the AI lifecycle.	Monitored We monitor the AI ecosystem to ensure that AI models are functioning as intended.	Proportional In seeking to apply the appropriate solution for each use case, we are judicious in our use of AI, guided by our mission and purpose.

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 & Knowledge](#) 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 with respect to the company's underwriting and pricing policies. Moreover, we provide relevant employees with additional training regarding Travelers' responsible business practices.

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 and decision 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 data is accurate and timely.
- **Responsible AI.** We reinforce awareness of our Responsible AI Framework through annual mandatory training for Travelers' Data and Analytics community. This training program covers the foundational principles that guide Travelers' development and use of AI and the importance of acting responsibly and ethically – consistent with Travelers' business values and culture. This training is also available to all employees.

Ongoing Internal Audit and Regulatory Oversight

Our Corporate Audit department provides objective, independent, risk-based evaluations of the design and operating effectiveness of governance, risk management and internal control processes throughout the company, while supporting the company's Sarbanes-Oxley and Model Audit Rule compliance initiatives. Corporate Audit's evaluations include reviewing controls related to underwriting, pricing, and model governance as well as data governance, among other areas. On a quarterly basis, the company's Chief Auditor reports to the Audit Committee of the Board of Directors 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 regulating 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, 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 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

~7.7%

Global voluntary turnover rate in 2023

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 Travelers 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 of Directors 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 business that is more than 165 years old, we have a responsibility to pass on our unique culture to the next generation of Travelers employees. 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 Travelers 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.

To evaluate the employee experience and the success of our engagement efforts, and to inform the inclusion and leadership strategies we use to enhance employee engagement, we work with an independent employee insights platform to conduct an employee survey. Managers receive their teams' results in aggregate form and are encouraged to share them with their teams and develop action plans accordingly.

Our 2023 survey results demonstrate that most employees feel positive about their overall experience at Travelers; our overall employee net promoter score (eNPS) increased over the previous year and scored above the 75% benchmark for companies using the same survey platform. Culture and overall team engagement were among our highest-scoring dimensions across the organization and were key drivers of employees' satisfaction. We have opportunities that align with some of our existing priorities, including our focus on employee career development tools and resources, which we plan to expand in 2024.

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 for Travelers is 12 years, and it is 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.

TENURE & TURNOVER



12 years
average tenure



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



Approximately **7.7%**
voluntary turnover rate
in 2023, returning to pre-pandemic levels

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 career 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 leadership framework of “Leading Self, Leading Others and Leading the Business” outlines the skills and behaviors expected of our leaders. It supports the culture we’ve established at Travelers and serves as the underpinning for our leadership training, which includes several components:

- **Coaching for Performance Excellence** provides leaders with an understanding of the principles of good coaching, to help them 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.
- **Leadership Principles** is a cohort program for first-time leaders of people that provides practical tools and approaches that can immediately be applied to managing people at Travelers.

Travelers is committed to empowering employees to build the career they want at the company by deepening their expertise, moving across different roles and business groups, and seeking leadership opportunities. Employees are encouraged to have career development conversations with their managers, and resources and tools are provided to both managers and employees to help guide the discussion. Ongoing conversations and check-ins between employees and their managers can help employees identify skills they want to develop, goals they want to set for themselves or action steps they want to take. We continue to roll out new tools and resources that support employees' career development; these include, for example, learning plans designed to help employees understand the breadth of jobs and professions across the company and identify development opportunities, as well as training designed to help employees expand their knowledge and learn new skills.

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, which houses videos, articles and courses – both Travelers-created resources and content from third-party providers – 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 2023, more than 88% of Travelers employees engaged with the platform and accessed more than one million learning resources, including articles, videos and courses.

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 2023, more than 500 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 and Operations. 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 Engineering (Technology), Investment Analyst, Underwriting 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. These programs also 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. • Twelve- to 18-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.

Development Programs

Engineering (Technology)	<ul style="list-style-type: none"> • One-year program. • Assignments providing experience in Software Engineering, Data Engineering, Infrastructure/Cloud Engineering and Cybersecurity. • A combination of hands-on opportunities, an immersive learning accelerator and a mentoring program.
Investment Analyst	<ul style="list-style-type: none"> • 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 investment portfolio.
Underwriting	<ul style="list-style-type: none"> • 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.
Product Management	<ul style="list-style-type: none"> • One-year program. • Rotations throughout Personal Insurance and Business Insurance, focused on developing the future leaders of enterprise-wide Product Management departments.

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 and succession strategy is designed to ensure the consistent alignment of the company, cultural and business unit goals that we believe help enable our company to create shareholder value over time. 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.

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 and social channels 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 the Spencer Educational Foundation and Gamma Iota Sigma. In addition, our signature career pipeline program, [Travelers EDGE®](#) (Empowering Dreams for Graduation and Employment) is designed to increase the number of students who complete a bachelor's degree and who are prepared for a career at Travelers or in our industry. We also have a strategic partnership with [Girls Who Code](#) 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 2023, excluding our Chairman and CEO, the median annual total compensation of all our employees was approximately \$117,500. The median annual total compensation of our full-time U.S. employees who worked for Travelers for the entire year was approximately \$128,000, 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.
- 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, 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 2023, we paid approximately \$270 million in medical-related costs on behalf of our U.S. employees and retirees and their dependents. In our international operations, we provide medical coverage that supplements government-provided plans to our 2,500 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. U.S. employees have access to the following:

- **Professional in-person or digital counseling**, life coaching and support for daily life needs through our employee assistance program. All services are free, confidential and available 24/7 to employees and their household family members.
- **Caregiving Support from Wellthy**, 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.
- **MSK Direct**, a free service for Travelers employees and their family members facing a cancer diagnosis, which provides guided access to expert cancer treatment and care at Memorial Sloan Kettering Cancer Center facilities.
- Our **myWellness platform**, a mobile-friendly, easy-to-use application that allows employees to track activity levels, improve sleep, create challenges with friends, take self-guided courses and much more.
- **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.
- Free on-site **wellness screenings** for employees in our Hartford and St. Paul campuses.
- **On-site counseling services** for employees in our Hartford campus.

U.S. employees enrolled in a Travelers medical plan also have access to:

- **Included Health**, 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. It also connects LGBTQ+ and Black members to care teams that provide inclusive advocacy and care coordination to help ensure that community members feel safe and supported.
- **A family building program** from Maven, which provides holistic and personalized fertility and family-building support.
- **A digital sleep improvement program** from Sleepio.
- Our **diabetes management** program, which 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.
- **Weight management programs** with personalized coaching support, resources to help employees make positive changes and digital tools for users to track progress over time.
- **Free tobacco cessation programs** for employees and family members.
- **Free seasonal flu shots** for employees through on-site clinics and various retail pharmacies.
- **Mobile mammography** for eligible employees in certain locations.
- **On-site chiropractors and physical therapists** for employees in our Hartford campus.

HEALTH & WELLNESS



52,000
individuals covered
by our medical plans



~\$270 million
paid in 2023 in medical-related
costs on behalf of our employees, retirees and dependents



We use a tiered **cost-sharing model**
to subsidize health benefits: Higher-paid employees pay
~50% of their health care costs, while our lowest-paid
employees pay ~20%

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 2023, the company matched contributions up to \$7,500. 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 2,500 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 \$7,500. For the year ending on December 31, 2023, Travelers provided \$2 million to match student loan payments for more than 1,000 employees who had enrolled in this benefit. Since the program began in 2020, we've contributed more than \$8.5 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 2023, approximately \$600 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



\$128,000*
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



~\$600 million
of funding in 2023 to provide
security in retirement for our

employees through an active defined benefit pension plan and 401(k) savings plan



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



\$2.0 million
provided in 2023 to match
student loan payments

with 401(k) contributions for more than 1,000 employees through The Travelers Paying It Forward Savings Program

* Based on the median of the annual total compensation of full-time employees in the United States as reported in our 2024 Proxy Statement.

Work-Life

Additional benefits we offer our U.S. employees at no cost include the following:

- Basic life insurance of one times their salary, up to \$100,000 maximum.
- Short-term disability coverage.
- 20-30 days of annual paid time off, based on years of service, and the ability to purchase up to six additional days per year.
- Paid parental leave after the birth or adoption of a child.
- Adoption assistance and surrogacy reimbursement.
- Company-paid coverage for expenses incurred due to identity fraud.
- Childcare discounts.
- A corporate discount program.
- Paid time off for volunteering.

U.S. employees can enroll in the following additional benefit options:

- Optional life insurance for themselves, their spouses or their children.
- Long-term disability coverage.
- Coverage for a variety of legal services through the legal plan.
- Flexible spending accounts to fund eligible dependent care or health care expenses through pre-tax payroll deductions.

Illustrative Initiatives



MAKING MENTAL HEALTH A PRIORITY

Shattering the Stigma



SUPPORTING FUTURE LEADERS IN INSURANCE

Travelers Investing in the Next Generation of Talent



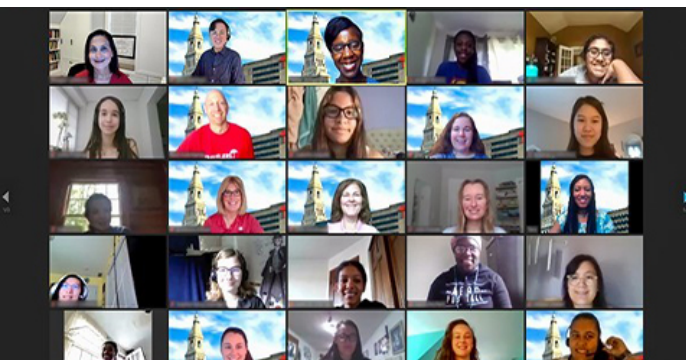
TRAVELERS INSTITUTE®

Travelers Institute University Tours



COMMITTED TO MILITARY VETERANS

Supporting Those Who Serve



GIRLS WHO CODE

Growing Tech Talent



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

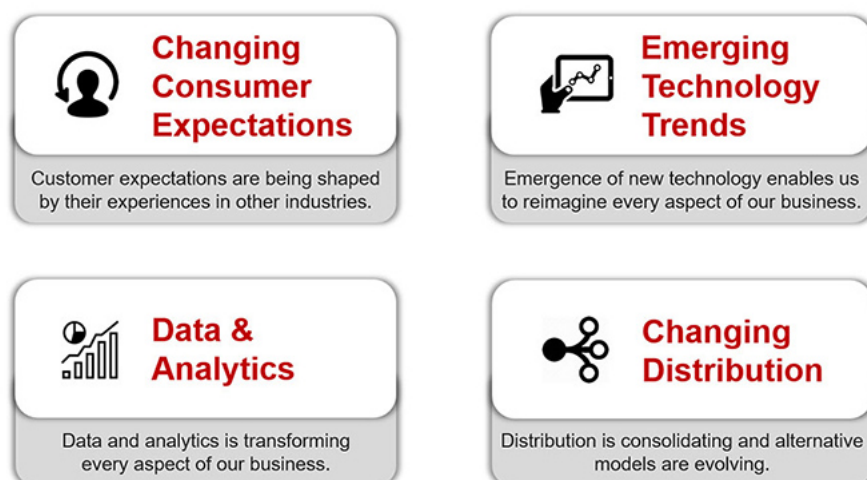
>50,000

Customer locations scanned by aerial imagery after catastrophe events in 2023

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, environmental and societal changes 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.

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 at scale – 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 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 innovative solutions.

- **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. Our talent and expertise, when combined with data, analytical tools and research capabilities, help us identify emerging and future opportunities, enabling us to offer our customers 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 bring innovative solutions to the construction industry, we launched the [Travelers Innovation Network for Construction](#) in 2023. This online platform gives construction customers access to industry insights, as well as a curated group of technology providers and solutions aimed at improving productivity and safety on work sites. Eligible customers can also qualify for discounts on certain products or services presented on the platform. In December 2023, Travelers was recognized by Plug and Play with the InsurTech Corporate Innovation Award for the launch of Travelers Innovation Network, which currently supports construction and transportation customers.

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. 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.

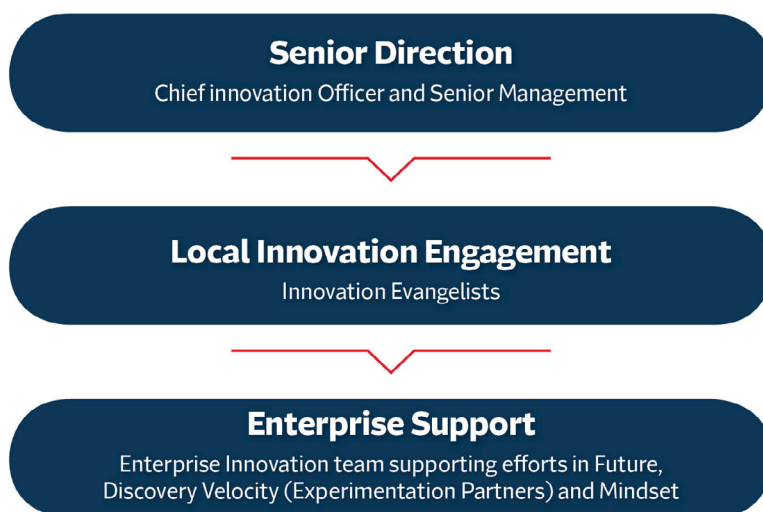
Our external partnerships help advance our data and AI capabilities. We continue to assemble new third-party data sets while refining our existing data to unlock new sources of insights and drive automation and productivity. For example, we set out to find new ways to expedite the process used to detect 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 Enterprise Innovation team, our network of Travelers leaders – known as our Innovation Evangelist Network – support and champion the crafting of innovation-related 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.

Through experimentation and partnerships, our Innovation team supports our evangelists and other business leaders 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.



We developed tools, training, communications and events to foster an innovation mindset throughout Travelers. Notably, to elicit new ideas, we regularly host ideation events, which we refer to as “Innovation Jams” (InJams). Participants collaborate and compete over the course of 24 hours to develop prototypes that address business challenges. InJam 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. A decade-long tradition, our annual InJam has engaged thousands of employees, inspired a number of practical solutions and led to more than 60 patent applications by Travelers. The 2023 InJam, which was conducted both virtually and in person, drew more than 1,000 employees and involved more than 180 teams.

Harnessing the Power of Data & Knowledge

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.

Travelers has been using data and analytics for more than 165 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 one 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, analytics and artificial intelligence (AI). These ingredients are at the core of our digital journey, and we believe they will help us reimagine those business interactions over time.

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, analytics and AI priorities. Through these 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.

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 reinforces 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. The series extends beyond traditional uses in product risk segmentation, enabling leaders to rethink work across the value chain. Through this series, we seek to support 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	<ul style="list-style-type: none"> Our Connected Protection program helps our property 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Through its subsidiary Constitution State Services (CSS), Travelers has provided claim management services for more than 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	<ul style="list-style-type: none"> 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.
BUSINESS INSURANCE	
Digital Delivery of Policy Documents	<ul style="list-style-type: none"> 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.
Risk Management Information Services (e-CARMA®)	<ul style="list-style-type: none"> 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 2023, 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](#)

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.

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.

PERSONAL INSURANCE

LiveEasy

- Travelers is a strategic investor in LiveEasy, formerly MoveEasy – a full-service home management concierge platform designed to help U.S. homeowners and renters with all their moving and home management needs.
- LiveEasy's service is delivered primarily through partnerships with realtors, home inspectors and mortgage banks. Travelers is its primary partner for the insurance shopping and buying experience on the LiveEasy website, offering insurance rate comparisons with multiple carriers via InsuraMatch.

[Learn more](#)

Premium Compare Tool

- 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.

Trōv

- In 2022, our Personal Insurance business acquired sophisticated technology from Trōv, a provider of digital insurance solutions. The technology will build 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 Trōv. 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

- 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

- 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.

Corvus Insurance	<ul style="list-style-type: none"> • Corvus Insurance leverages AI-driven data to offer cyber insurance products. • Travelers entered into a strategic partnership with Corvus in 2022 to support its cyber insurance offerings and to extend Travelers' business into continental Europe. This partnership provides localized cyber insurance products primarily in Germany and Austria. • Travelers acquired Corvus in January 2024 in order to leverage its cutting-edge cyber capabilities and its expertise.
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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.
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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.
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DISTRIBUTION

Embedded Insurance Opportunities	<ul style="list-style-type: none"> • Travelers Personal Insurance provides embedded commerce solutions for insurance-adjacent brands where insurance is a secondary but necessary consideration. • Customers of these digital brands can receive quotes either directly from Travelers or via various other carriers. They may also purchase an insurance policy through InsuraMatch, a Travelers-owned national insurance agency.
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InsuraMatch	<ul style="list-style-type: none"> • InsuraMatch is a Travelers-owned national property casualty insurance agency that writes business for 50+ carriers across the United States. It provides its partners' clients with an easy online comparison-shopping experience backed by a licensed staff of insurance advisors. • InsuraMatch has enabled Travelers to strengthen its direct-to-consumer business and its Affinity relationships, as well as launch embedded partnerships through digital and call center experiences. • InsuraMatch began offering small commercial Excess and Surplus Wholesale brokering in late 2022. It expanded its services to E&S commercial lines with a goal of better serving Travelers Select Retail Agents. This wholesale division launched in 20 states during 2023.
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[Learn more](#)

Simply Business®	<ul style="list-style-type: none"> 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 with a presence in the United Kingdom and the United States. 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 one million microbusiness and landlord customers, representing more than 1,000 classes of business. <p>Learn more</p>
Zensurance Investment	<ul style="list-style-type: none"> 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. <p>Learn more</p>
CLAIM	
MyTravelers® Repair Network for Auto	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. More than 700 of our certified pilots conducted approximately 200,000 drone flights for property claims in 48 states and Canada 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. Aloft, a leading provider of drone operations software, reinforces our leadership role in the commercial application of drone technology.
Preferred Contractor Network	<ul style="list-style-type: none"> Introduced in 2022, our preferred contractor network for home repairs helps connect homeowners with qualified contractors quickly and easily.
Mental Health App	<ul style="list-style-type: none"> In Workers Compensation, we offer new tools focused on the biopsychosocial wellness of the injured employee, including the Wysa for Return to Work app designed to support the well-being of injured employees.
Virtual Inspection Tools	<ul style="list-style-type: none"> 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.
Claim Helper	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> When construction work is occurring, the impacts may be felt beyond the worksite. The online tool ZoneCheck® helps construction companies understand how site activities can impact ground vibration and identify related risks to nearby structures.
Forensics and Digital Forensics Laboratory	<ul style="list-style-type: none"> We have a Forensics Laboratory staffed by a team of scientists and engineers with backgrounds in chemistry, materials science, fire investigation, construction, oil and gas, fire protection, electrical, mechanical and accident reconstruction. These broad capabilities leverage 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 soft tissue injuries and musculoskeletal disorders.
- This virtual safety consulting capability enables customers to access our network of safety specialists in real time. Customers can upload digital media and collaborate with Travelers specialists 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 Impairment 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®

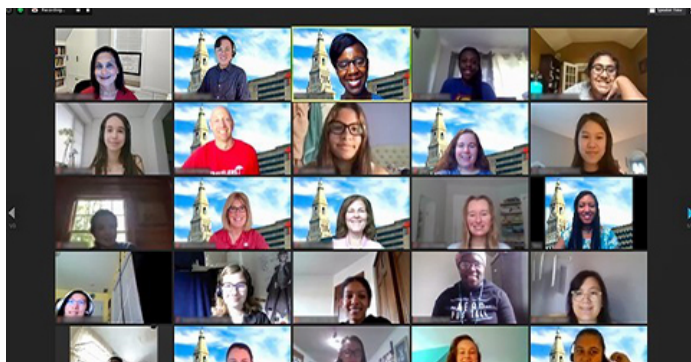
- Our *Pump Loan Plus* (PLP) program is a virtual consulting program to help customers assess their occupational health exposures. The program also includes options to use remote sensing technologies for indoor air quality.
- Travelers loans customers the necessary equipment to complete various sampling. 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.
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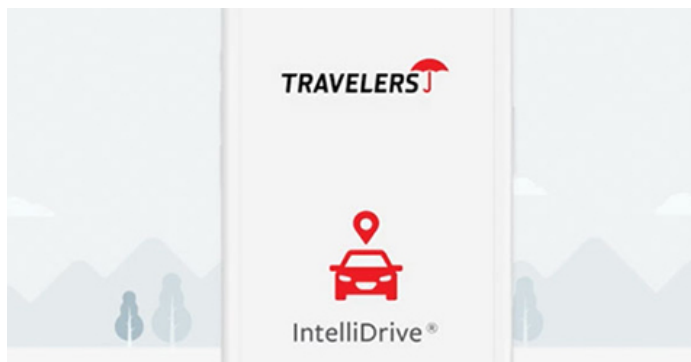
To learn about how our innovative products and services incentivize health, safety and/or environmentally responsible actions and behaviors, see our [SASB Report](#).

Illustrative Initiatives



GIRLS WHO CODE

Growing Tech Talent



INTELLIDRIVE®

Leveraging Telematics to Encourage Safe Driving



INNOVATION IN WORKERS COMPENSATION RECOVERY

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



CUSTOMCARE™ AND WORKERS COMPENSATION INJURY RECOVERY

Enhancing the Experience of Injured Employees

Illustrative Initiatives



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

>850

Events hosted by the Travelers Institute over the past 15 years, educating thousands of consumers and business leaders on topics including 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.](#)
- [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 and senior leaders, who regularly attend Travelers Institute events, about issues and trends affecting our industry. In addition, the President of the Travelers Institute reports to the Nominating and Governance Committee of 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, podcasts, 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 more than 15,000 agent and broker partners, providing a distinguished thought leadership platform. Over the past 15 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 raising awareness about effective disaster preparation, response and recovery, among many others. Through the end of 2023, the Travelers Institute hosted 103 webinars, which had more than 376,000 registrations and replay views.

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 2023 to influence the outcome of ballot measures. Travelers is currently not a member in, nor does it make payments¹ 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 of dues paid by Travelers to trade associations and/or social welfare organizations, where such dues totaled \$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®

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



SMALL BUSINESS – BIG OPPORTUNITY®

Small Business Advocacy



TRAVELERS INSTITUTE®

Travelers Institute University Tours



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 annually

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.

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 2023, in keeping with our culture of wellness, we continued to promote 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 600 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 2023, it hosted webinars focused on employee health and safety through the [Wednesdays with Woodward®](#) series. These webinars included:

- [Total Worker Health: Are You Looking at the Full Picture?](#)
- [Crash and Learn LIVE Edition with IIHS](#)
- [ADAS in the Wild](#)

The Travelers Institute also hosted sessions discussing the health, including the mental health, of workers at a number of industry conferences in 2023. Among others, these included the Risk Management Society's 2023 Global Conference, one of the largest and widely recognized risk management industry gatherings, as well as the WTW Construction Risk Management Conference and the International Risk Management Institute Annual Convention.

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](#), located within our [Claim University](#) Campus in Connecticut, provides specialized services to our business customers to assess employee exposures to potentially harmful environments and work toward the prevention of occupational illnesses. Our laboratory has been nationally accredited by the American Industrial Hygiene Association since 1976. Our 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 2023, 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 Impairment 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

The impact of opioid addiction is a complex and pressing issue that poses significant challenges for the workforce and economy. The Center for Disease Control (CDC) reports that more than 50,000 people died in 2022 from drug overdoses and that opioids played a role in more than 80% of those deaths. Additionally, the CDC reports that with respect to almost two-thirds of overdose deaths, there was at least one opportunity for intervention, highlighting the importance of early recognition and involvement.¹

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 by 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 110,000 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 2014.

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 [CustomCare](#)SM.

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](#).

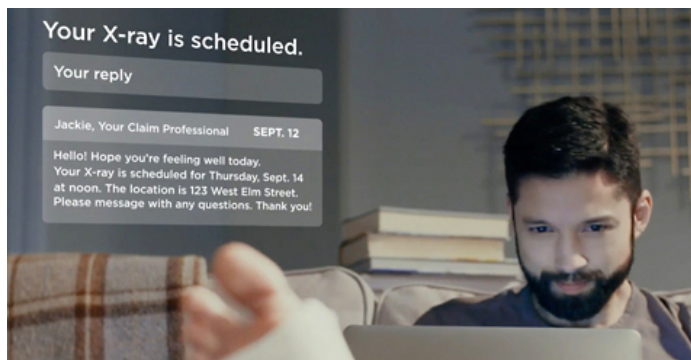
¹ Center for Disease Control State Unintentional Drug Overdose Reporting System (SUDORS), data updated December 2023.

Illustrative Initiatives



TRAVELERS MEDICAL ADVANTAGE®

ConciergeCLAIM® Nurse: Helping Injured Employees Return to Work



TRAVELERS MEDICAL ADVANTAGE®

MyTravelers®: Secure and Convenient Access from Anywhere



CUSTOMCARE™ 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

Shattering the Stigma

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 rightsize capital and grow book value per share over time. Executing this financial strategy has produced industry-leading returns over time, and 2023 was no exception.

HIGHLIGHT

\$40.2B

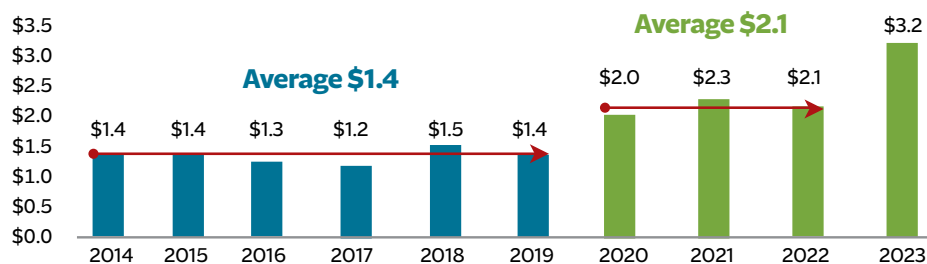
of net written premium in 2023, an increase of approximately 14% over 2022

2023 Results

Travelers delivered core income of \$3.1 billion, or \$13.13 of core income per diluted share, generating a core return on equity of 11.5%, a meaningful spread above both the 10-year Treasury and our cost of equity. We produced these very strong results notwithstanding elevated industrywide catastrophe losses and a personal lines operating environment that, while improving, was difficult during the year.

We delivered a record \$3.2 billion of after-tax underlying underwriting income, an increase of more than 55% compared to the prior year, and an underlying combined ratio that improved 250 basis points to an excellent 89.5%. This year's outstanding underlying underwriting results are even more impressive when considered in their historical context. As illustrated by the following chart, over the past four years, we have taken our underlying underwriting income to an entirely new level and sustained it there.

Underlying Underwriting Income¹ (in billions, after-tax)



¹ Excludes the impact of net prior year reserve development and catastrophe losses.

Turning to the top line, today's production generates tomorrow's earned premiums. In 2023, we delivered record net written premiums of \$40.2 billion, up 14% compared to the prior year. This represents the 14th consecutive year of net written premium growth. All three of our business segments contributed to this strong top-line performance, with Business Insurance up 16%, Bond & Specialty Insurance up 3% and Personal Insurance up 13%. We remain very well positioned to continue to profitably grow our business. Importantly, our growth has not come from competing margin away. As demonstrated by our continued strong margins, we have grown by successfully investing in the franchise value – products, services and experiences – that our customers want to purchase and our distribution partners want to sell, and, of course, through excellent execution by our field organization.

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.

This is exactly what we saw in 2023. Net investment income increased by more than 12% to a very strong \$2.4 billion after-tax. From a fixed income perspective, we benefited throughout 2023 from very strong cash flow and the trend of higher interest rates, which began in 2022. For 2024, we expect to earn approximately \$2.6 billion after-tax on our fixed income portfolio, our highest level ever.

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. In other words, evaluating risk and reward is at the heart of what we do.

Our culture alone is a significant competitive advantage, and one that we believe is very hard to replicate. A critical component of this 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 immediately evident, they will continue to drive our performance over time.

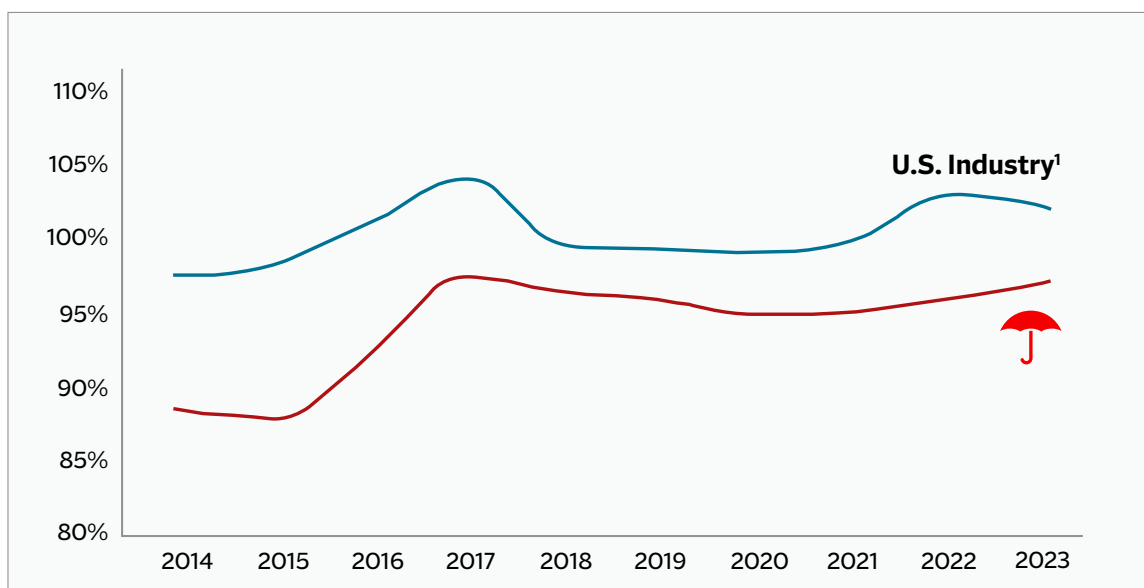
As a result of our thoughtful risk and reward approach to catastrophe management, our share of catastrophe losses over time has been significantly below our market share. This outperformance is the result of our prudent and integrated approach to managing our catastrophe exposures through portfolio, underwriting and pricing actions.

We continue to make significant investments in advanced capabilities to ensure that our underwriters have the tools and insights necessary to develop a comprehensive view of catastrophe risk. As just a few examples, in 2023, we:

- Introduced new, internally developed storm surge underwriting capabilities, providing a granular view of storm surge risk to inform underwriting decisions at the point of sale.
- Invested in new climate research to deepen our understanding of changing climate conditions related to peak catastrophe perils.
- Enhanced our view of the risks related to tornado/hail to align with the latest science and implemented a new tornado/hail catastrophe model that includes new variables to improve risk segmentation and better reflect current weather trends.

While weather and catastrophe losses continue to be a major challenge for the industry, we are confident that we are making the necessary investments to maintain our underwriting excellence and achieve target returns over time.

Combined Ratio¹—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 2014 to 2023. Data as of 5/10/24, 99% of companies have filed for 2023. Used with permission.

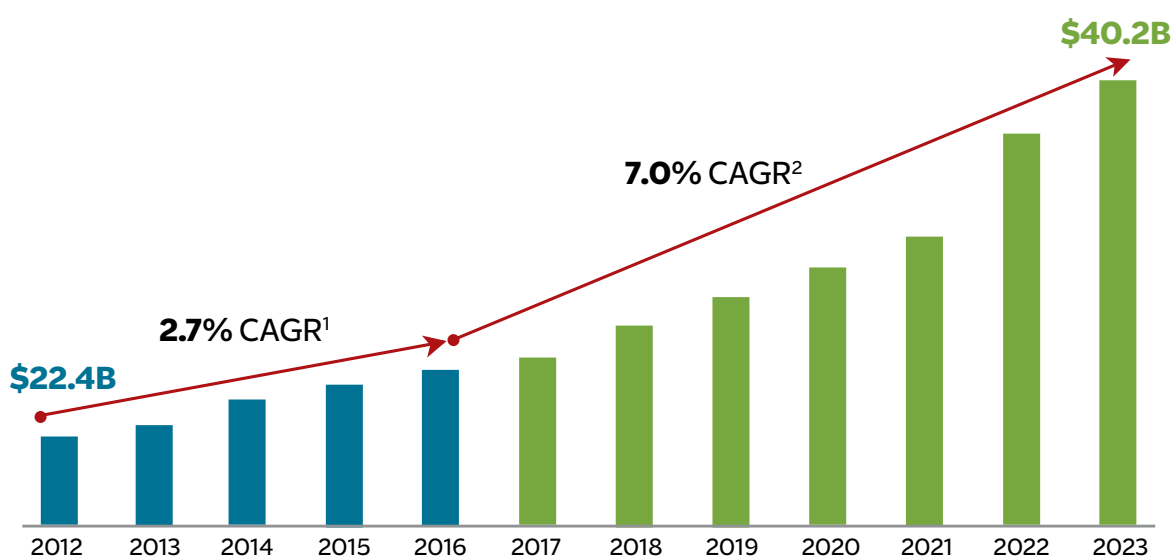
¹ Statutory Combined Ratio. Copyright © 2024, S&P Global Market Intelligence. Used with permission.

2023 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 more than doubled our rate of growth, sustained strong underlying underwriting margins and meaningfully lowered our expense ratio. That has resulted in record levels of underlying underwriting income, cash flow from operations and invested assets excluding net unrealized investment gains (losses).

We have not grown by underpricing the business or compromising our underwriting discipline. We have grown by investing in the products, services and experiences that our customers want to buy and our distribution partners want to sell. We have also grown through excellent execution and hard work on the part of our outstanding field organization.

Accelerating Net Written Premium Growth

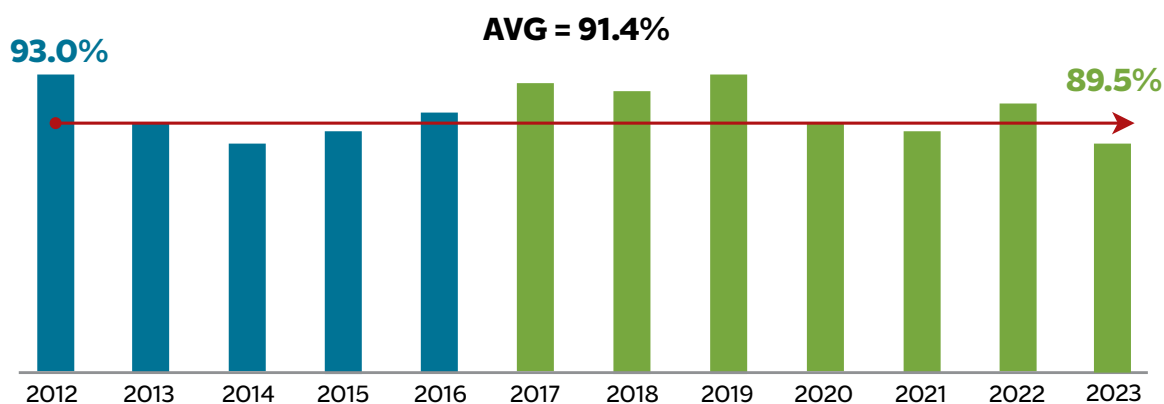


Bar chart displaying Accelerating Net Written Premium Growth from 2012 through 2023, showing an increase from \$22.4 billion in 2012 to \$40.2 billion in 2023. Compound annual growth rate from 2012 through 2016 was 2.7%, and from 2016 through 2023 was 7.0%.

¹ Represents growth from 2012 through 2016.

² Represents growth from 2016 through 2023.

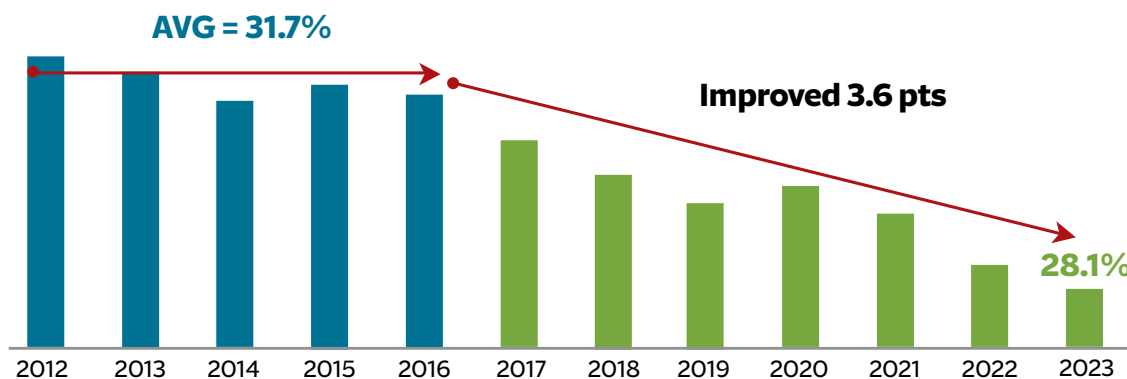
Consistently Strong Underlying Profitability¹



Bar chart displaying Consistently Strong Underlying Profitability from 2012 through 2023. In 2023, the underlying combined ratio was 89.5%. In 2012, the underlying combined ratio was 93.0%. The average across 2012 to 2023 was 91.4%. This data excludes the impact of catastrophe losses and net prior year reserve development.

¹Underlying combined ratio, which excludes the impact of catastrophe losses and net prior year reserve development.

Improving Expense Ratio



Bar chart displaying Improving Expense Ratio from 2012 through 2023. The average between 2012 through 2016 was 31.7%. The ratio improved 3.6 points from the average to 28.1% in 2023.

Higher Underlying Underwriting Income¹ (after-tax)

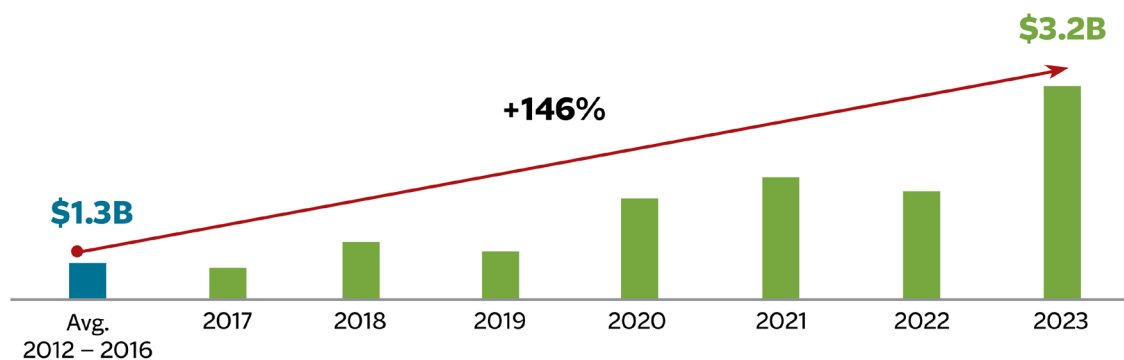
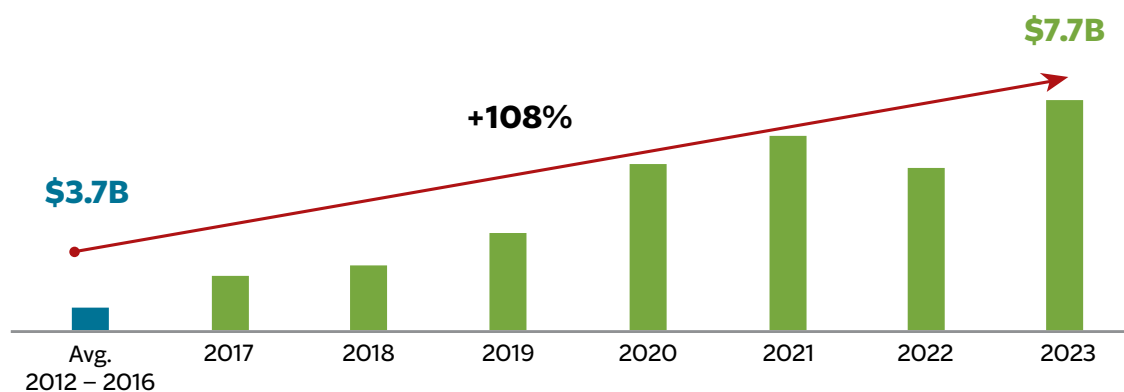


Chart displaying Higher Underlying Underwriting Income after-tax from 2012 through 2023. The increase from 2012 through 2023 was 146%, representing an increase from an average of \$1.3 billion from 2012 to 2016, to \$3.2 billion in 2023. This data excludes the impact of net prior year reserve development and catastrophe losses.

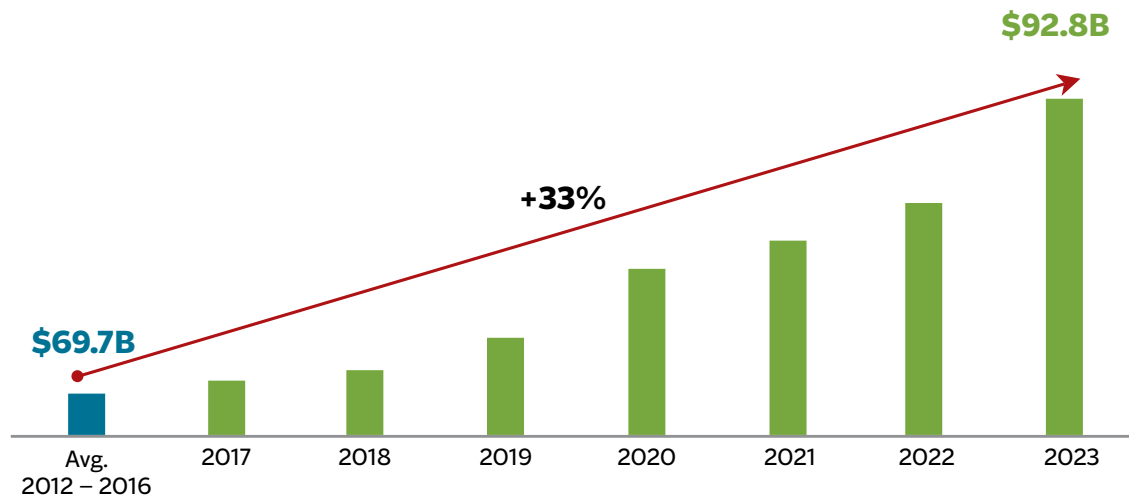
¹Underlying underwriting income, which excludes the impact of net prior year reserve development and catastrophe losses.

Higher Cash Flow from Operations



Bar chart displaying Higher Cash Flow from Operations from 2012 through 2023. The increase from 2012 through 2023 was 108%, representing an increase from an average of \$3.7 billion between 2012 to 2016, to \$7.7 billion in 2023.

Growing Invested Assets¹



Bar chart displaying Growing Invested Assets from 2012 through 2023. The increase from 2012 through 2023 was 33%, representing an increase from an average of \$69.7 billion between 2012 to 2016, to \$92.8 billion in 2023. Invested assets excludes net unrealized investment gains (losses).

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

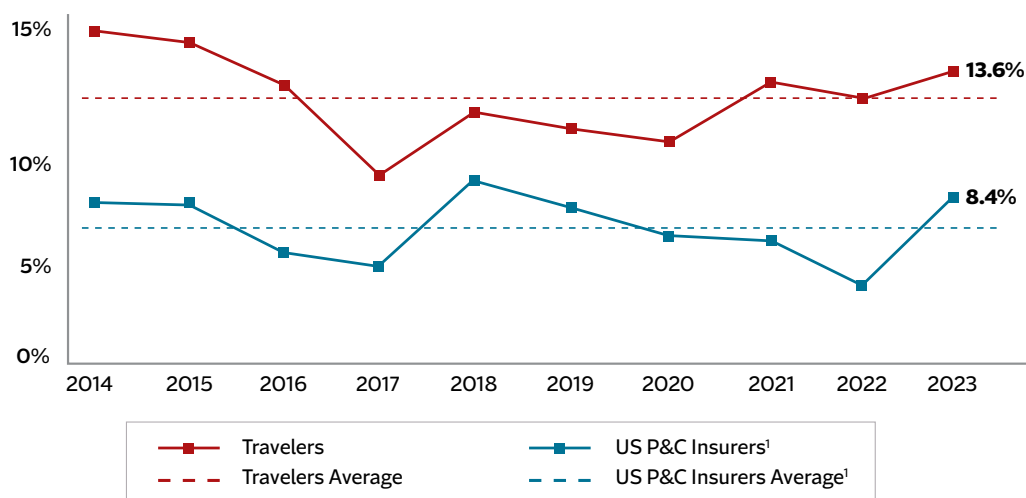
Consistent and Successful Long-Term Financial Strategy Delivers Shareholder Value

It is always 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.
- 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 has moved closer to that level after years of historic lows, the upward trajectory over the past couple of years will take time to earn into our fixed income portfolio, with approximately 10% of the fixed income portfolio maturing each year. In any event, we always seek to deliver industry-leading returns over time.

Return on Equity



Line graph displaying Return on Equity for Travelers compared to U.S. P&C Insurers. Travelers is at 13.6% in 2023, compared to U.S. P&C Insurers at 8.4%. Travelers' return on equity exceeds the average return on equity for the industry in each of the past 10 years. The 2023 Forecast is sourced from Conning, Inc., used with permission. S&P historical data used with permission.

¹ 2023 Forecast: © 2024 Conning, Inc., as published in Conning's Property-Casualty Forecast & Analysis by Line of Insurance, 2023 Q4 edition. Used with permission. Historical data: © 2024 S&P Global Market Intelligence LLC. Used with permission.

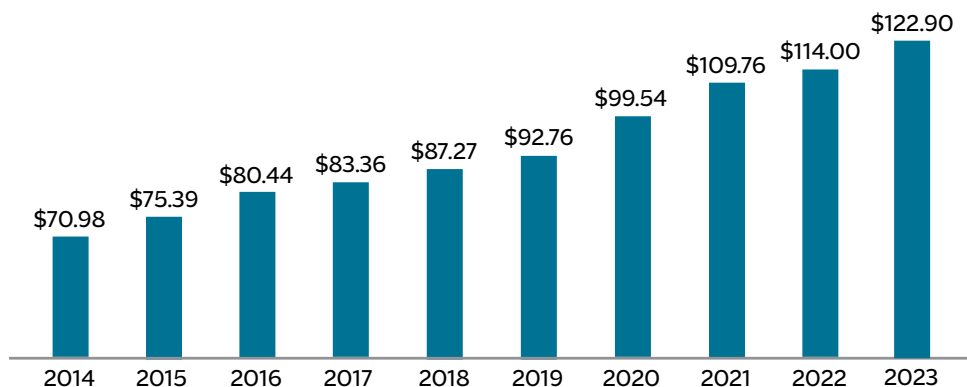
Our 2023 return on equity of 13.6% and core return on equity of 11.5% again meaningfully exceeded the average return on equity for the domestic P&C industry of 8.4%, according to estimates from Conning, Inc., a global investment management firm and insurance research provider. As shown in the chart above, 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 low level of 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 4% and 6%, respectively, over the last 10 years.

Adjusted Book Value Per Share¹

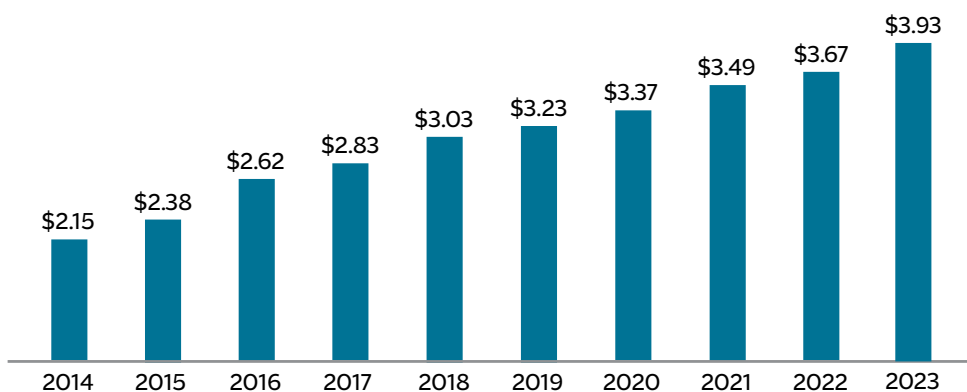


Bar chart displaying Adjusted Book Value Per Share steadily increasing from 2014 through 2023. In 2023, the value was \$122.90, compared to \$114.00 in 2022. This chart excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity.

¹Excludes 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 2014 through 2023. In 2023 dividends per share were \$3.93, compared to \$3.67 in 2022.

Notably, since we began our share repurchase program in 2006, we have returned approximately \$55 billion of excess capital to our shareholders, including through \$41 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 meaningfully 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 drive 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 nearly two decades – 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.

	2023	2022	2021	2020	2019
Earned Premiums	\$37,761	\$33,763	\$30,855	\$29,044	\$28,272
Total Revenues	\$41,364	\$36,884	\$34,816	\$31,981	\$31,581
Core Income	\$3,072	\$2,998	\$3,522	\$2,686	\$2,537
Net Income	\$2,991	\$2,842	\$3,662	\$2,697	\$2,622
Net Income Per Diluted Share	\$12.79	\$11.77	\$14.49	\$10.52	\$9.92
Total Investments	\$88,810	\$80,454	\$87,375	\$84,423	\$77,884
Total Assets	\$125,978	\$115,717	\$120,466	\$116,764	\$110,122
Shareholders' Equity	\$24,921	\$21,560	\$28,887	\$29,201	\$25,943
Return On Equity	13.6%	12.2%	12.7%	10.0%	10.5%
Core Return on Equity	11.5%	11.3%	13.7%	11.3%	10.9%
Book Value Per Share	\$109.19	\$92.90	\$119.77	\$115.68	\$101.55
Dividends Per Share	\$3.93	\$3.67	\$3.49	\$3.37	\$3.23

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

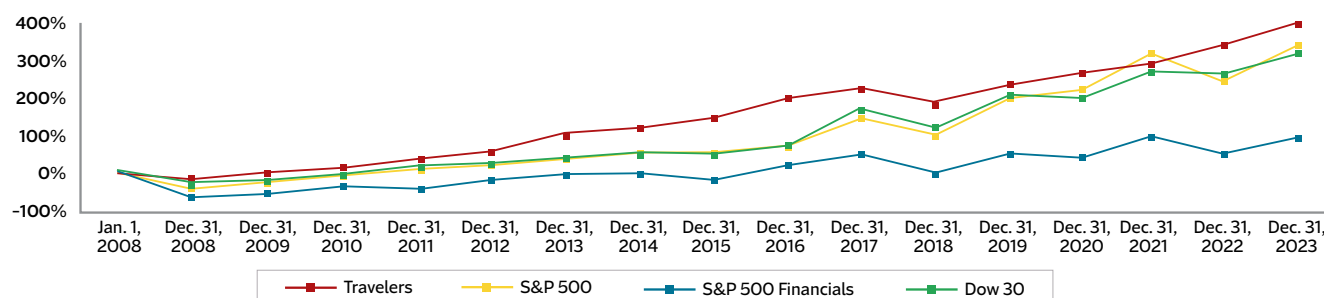
Deliberate and Disciplined Execution

Strong Top Line Performance	7% CAGR 2016–2023
Accelerating Net Written Premium Growth	3% CAGR 2012–2016
Strong Margins	89.5% 2023
Consistently Strong Underlying Combined Ratio¹	91.4% Average 2012–2023
Productivity and Efficiency	>3 Point Improvement
Optimizing Operating Leverage	Expense Ratio 2016–2023
Dividend Growth	7% CAGR 2012–2023
19 Consecutive Years of Dividend Increases	
Adjusted Book Value Growth ²	
Long Track Record of Growth	7% CAGR 2012–2023
in Adjusted Book Value Per Share	
¹ Excludes the impact of catastrophes and net prior year reserve development	
² Excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity	

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 S&P 500, the S&P 500 Financials and the Dow 30.

Total Return to Shareholders¹



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 2023. 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 2023.

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 total return reflects the successful 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,	
	2023	2022
Net income	\$12.79	\$11.77
Adjustments:		
<i>Net realized investment losses, after-tax</i>	0.34	0.65
Core income	\$13.13	\$12.42

Reconciliation of Shareholders Equity to Adjusted Shareholders' Equity

	As of December 31,					
(Dollars in millions)	2023	2022	2021	2020	2019	2018
Shareholders' equity	\$24,921	\$21,560	\$28,887	\$29,201	\$25,943	\$22,894
Adjustments:						
<i>Net unrealized investment (gains) losses, net of tax, included in shareholders' equity</i>	3,129	4,898	(2,415)	(4,074)	(2,246)	113
<i>Net realized investment (gains) losses, net of tax</i>	81	156	(132)	(11)	(85)	(93)
<i>Impact of changes in tax laws and/or tax rates¹</i>	—	—	(8)	—	—	—
Adjusted shareholders' equity	\$28,131	\$26,614	\$26,332	\$25,116	\$23,612	\$22,914

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)	2023	2022	2021	2020	2019
Net income	\$2,991	\$2,842	\$3,662	\$2,697	\$2,622
Average shareholders' equity	\$22,031	\$23,384	\$28,735	\$26,892	\$24,922
Return on equity	13.6%	12.2%	12.7%	10.0%	10.5%
Core income	\$3,072	\$2,998	\$3,522	\$2,686	\$2,537
Adjusted average shareholders' equity	\$26,772	\$26,588	\$25,718	\$23,790	\$23,335
Core return on equity	11.5%	11.3%	13.7%	11.3%	10.9%

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

As of December 31,									
(Dollars in millions, except per share amounts)									
2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Shareholders' equity									
\$24,921	\$21,560	\$28,887	\$29,201	\$25,943	\$22,894	\$23,731	\$23,221	\$23,598	\$24,836
Less: Net unrealized investment gains (losses), net of tax, included in shareholders' equity									
(3,129)	(4,898)	2,415	4,074	2,246	(113)	1,112	730	1,289	1,966
Shareholders' equity, excluding net unrealized investment gains (losses), net of tax, included in shareholders' equity									
\$28,050	\$26,458	\$26,472	\$25,127	\$23,697	\$23,007	\$22,619	\$22,491	\$22,309	\$22,870
Common shares outstanding									
228.2	232.1	241.2	252.4	255.5	263.6	271.4	279.6	295.9	322.2
Book value per share									
\$109.19	\$92.90	\$119.77	\$115.68	\$101.55	\$86.84	\$87.46	\$83.05	\$79.75	\$77.08
Adjusted book value per share									
\$122.90	\$114.00	\$109.76	\$99.54	\$92.76	\$87.27	\$83.36	\$80.44	\$75.39	\$70.98

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)											
2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net income											
\$2,991	\$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											
81	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											
3,072	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											
(2,436)	(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											
337	277	235	232	214	248	179	78	193	159	61	171
Underwriting income											
973	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											
(113)	(512)	(424)	(276)	47	(409)	(378)	(510)	(617)	(616)	(552)	(622)
Impact of catastrophes											
2,361	1,480	1,459	1,274	699	1,355	1,267	576	338	462	387	1,214
Underlying underwriting income											
\$3,221	\$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 Investment Gains (Losses)

As of December 31,											
(Dollars in millions)											
2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Invested assets											
\$88,810	\$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											
(3,970)	(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)											
\$92,780	\$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 2023. 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) and the recommendations of the Task Force on Climate-related Financial Disclosures ([TCFD](#)). 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 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 2023, we again took an integrated approach to our shareholder engagement efforts, including with respect to governance, compensation practices, financial performance, corporate strategy and sustainability matters. Through these efforts, in 2023, we engaged with shareholders representing more than 40% of the company's outstanding shares. Topics of discussion included, among others, board composition and refreshment; our comprehensive climate strategy and the board's oversight of that 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 long-term approach to human capital management, including our numerous diversity and inclusion initiatives; our unique corporate culture; and our executive compensation program. 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 and is informed by the Integrated Reporting Framework (maintained by the International Financial Reporting Standards (IFRS) Foundation). Additionally, this site contains reports generally aligned with the following 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.

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 strategies, 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 2023.

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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Illustrative Initiatives

CONNECTICUT INVENTION CONVENTION

Inspiring the Next Generation of Inventors



In 2023, more than 150 Travelers employees across the nation served as volunteers and judges at the Connecticut Invention Convention (CIC), an entrepreneurial competition among innovative students in grades K-12. Travelers sponsored the Safe Home and Safe Car Awards, which our Claim organization presented at the CIC State Finals – an event in which more than 11,000 young inventors participated.

- **The Travelers Safe Car Award** was given to a sixth grader for her "Forget Me Not" invention, which uses a hair scrunchie with a sensor to alert parents that a child is still in the car.
- **The Travelers Safe Home Award** was given to an eighth grader for her "Lucas System" invention, named after a classmate who died with his grandfather in a house fire. The student created a device to illuminate an entire exit, and the trim leading up to it, facilitating evacuation in case of a fire.

Since 2021, the CIC has brought innovation programs to more than 30,000 students statewide. In 2023, it had the most diverse class of inventors in 40 years of operation, with more than 38% of students identifying as inventors of color, and more than 55% identifying as female. In addition, more than 85% of CIC inventors came from below-median-income communities.

Community Benefits

- Invention provides students with a unique means to discover new skill sets and creatively apply these skills in real-life settings.
- Our partnership with CIC encourages students to innovate and develop products that could positively affect their community in the future.

Travelers Benefits

- Our partnership with CIC provides employees with opportunities to leverage their professional capabilities, such as team building and presentation skills, which helps further develop Travelers' talent base.
- Through our partnership with CIC, employees are exposed to the innovation mindset; innovation is essential to our business, helping us experiment, learn and create exciting new solutions that make Travelers stand out in the market.
- Employees have expressed satisfaction with the company making investments in the next generation, which deepens engagement and boosts retention.

INVESTING IN COLLEGE ACCESS AND SUCCESS

OppNet, uAspire and Hartford Promise



To help high school students in under-resourced communities gain access to college and find a career path, Travelers partners with three organizations: uAspire, The Opportunity Network (OppNet) and Hartford Promise. These partners connect students and their families with scholarships, college and career planning tools, career coaching and post-graduate employment opportunities. The results have helped thousands of students in New York City, Hartford, Massachusetts, California and other locations throughout the United States pursue their college and career dreams.

uAspire

Since 2021, Travelers has served as the sponsor of uAspire's Financial Aid Series to help address the financial aid and affordability needs of college students. Founded in 1985 as a scholarship organization, uAspire has more than 35 years of experience directly supporting students and practitioners, with specific expertise in serving low-income students who are the first generation in their families to attend college. uAspire advises students in California, Massachusetts and New York, and trains counselors on college affordability across the country. Travelers volunteers are contributing to uAspire's mission, too. As part of the program, Travelers employees are trained to provide students with financial aid awareness and help them research available scholarships.

The Opportunity Network

Travelers partners with OppNet to provide college access and professional mobility opportunities for students from economically disadvantaged communities. OppNet's Career Fluency[®] curriculum, geared toward high school and college students, bridges the gap between academic learning in the classroom and achievement in college and careers. The six- to eight-year direct-service program serves more than 1,000 students recruited from New York City public high schools. By the time students graduate from college, they are equipped with the education, skills and expertise to leverage their personal and professional networks and to help them secure jobs in their fields of interest. Travelers previously partnered with OppNet through the [Travelers EDGE[®]](#) career-pipeline program. Through our expanded partnership, Travelers employees also support OppNet as volunteers throughout the year. They participate in events such as speed networking, mock interview workshops and industry-specific career exposure panels.

Hartford Promise

Travelers is a founding partner of Hartford Promise, a scholarship and integrated college success program for Hartford public school graduates. Believing that all students should have access to higher education, Hartford Promise seeks to “level the playing field” for Hartford students and families, many of whom do not have the resources or even the expectation of going on to college. Since its inception, Hartford Promise has awarded \$9 million in scholarship dollars to more than 1,000 scholars.

The organization's Integrated College Success Model, inspired by the *Travelers EDGE* program, is designed to markedly increase a student's opportunities and success after high school, including by removing financial barriers through scholarships and recognizing that many Hartford Promise scholars will be first-generation and low-income college students.

The model is designed to bring Hartford Promise Scholars the critical support, transition services and key relationships that research shows are integral to college success. Hartford Promise's programs and services “reach back” into the Hartford public school system by strengthening the college-going culture; raising awareness of the program; helping students become college aware and college focused

at the onset of their high school careers, and helping students stay on track for college admission. Hartford Promise's model also “reaches forward” by staying closely engaged with students and building strong college/university partnerships.

Community Benefits

- UAspire, OppNet and Hartford Promise help ensure that higher education is affordable and accessible for first-generation college students and/or students in need.
- Students receive college preparation, retention and transition support, thus making college entrance and completion more attainable.
- Students build their professional and personal networks and leverage social capital for success in college and the professional world.

Travelers Benefits

- Through these partnerships, Travelers gains exposure to a pool of college graduates to tap into as future talent.
- These partnerships provide employees with opportunities to leverage their own professional capabilities, such as team mentoring and presentation skills, which helps further develop Travelers’ talent base.
- Employees have expressed satisfaction with the company making investments in the next generation, which deepens engagement and helps drive retention.

FEATURED SERVICE PROJECT

There's No Place Like Home



In recent years, factors like inflation, higher rent prices, lack of affordable housing and the pandemic have contributed to the rise in homelessness in the United States and abroad. For this year's featured service project, we partnered with local organizations dedicated to addressing the issue of rising homelessness in our communities.

In 2023, approximately 1,200 Travelers employees across the United States, Canada and Europe supported our nonprofit partners by volunteering 2,200 hours. They volunteered by working in communal gardens, organizing shelter supplies, helping families move into permanent housing, restoring and distributing furniture, and preparing or serving lunches. We also partnered with the United Way to assemble health and hygiene kits for those at risk of, or currently experiencing, homelessness.

In addition, through Girl Scouts of Greater New York's Troop 6000, which aims to bring the full Girl Scout experience to girls living in New York City's temporary housing system, Travelers employees and community organizations hosted a health and wellness fair for 300 girls and their families.

Our 2023 service project:

- Included activities in 16 markets in the United States, Canada and Europe.
- Involved 1,200 Travelers employee volunteers.
- Resulted in 3,920 health and hygiene kits packed.

Community Benefits

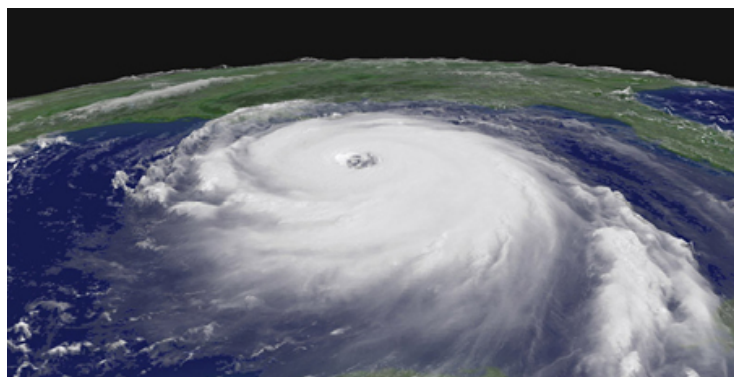
- Individuals and families facing housing insecurity receive support and resources to help with housing, job readiness, safety, and health and wellness, leading to more stable and secure communities.

Travelers Benefits

- Through their volunteer efforts in service of our communities, employee volunteers were also able to further develop their team building, networking and project management skills.
- In addition to its positive impact on communities, these partnerships benefit Travelers by driving stability and security in the places where we operate.

IBHS SPONSORSHIP

Supporting Research in Severe Weather Readiness and Response



Travelers has partnered with the Insurance Institute for Business & Home Safety (IBHS) for more than 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 on which we have collaborated with IBHS:

- In 2023, IBHS released a report evaluating the performance of Florida's building code during Hurricane Ian. Key takeaways were that newer construction performed very well and was much less likely than older construction to experience damage, especially in the areas that experienced the highest wind speeds. These results should serve as a lesson to other states that building codes are a very important and cost-effective risk mitigation tool to reduce the impacts of weather and climate-related risks.
- 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.

WILDFIRE DEFENSE SERVICES

Protecting Our Customers from Increased Wildfire Risk



In the last five years, there have been more than 290,000 wildfires in the United States that burned more than 32 million acres.¹ Nine of the 10 costliest wildfires in U.S. history have occurred since 2017.²

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 intervention 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, it is estimated this loss intervention service has saved us millions of dollars in potential losses since 2019. 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.

¹ National Interagency Fire Center, 2023.

² Insurance Information Institute, 2023.

TRAVELERS FORTIFIES COMMUNITIES

Building Strong, Resilient Communities



Resiliency is 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 most 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 more than 100 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. Since then, SBP has built 377 homes in eight states and certified 52 staff members in FORTIFIED building practices with Travelers funding. Overall, the organization has built 506 homes to FORTIFIED standards.¹

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 allowed the organization to provide training about climate-resilient construction best practices; support 10 nonprofits and builders in Kentucky, Louisiana and Mississippi in building to FORTIFIED standards; and recruit additional FORTIFIED evaluators.

Team Rubicon

In 2018, Travelers provided funding for Team Rubicon to begin piloting a rebuilding response model that would focus on both large-scale natural disasters and 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.

¹ Data from SBPUSA.org.

Team Rubicon is committed to building its capacity for incorporating FORTIFIED standards into its rebuilding program. In 2022, Travelers entered into a new three-year commitment to provide \$1.8 million to the Rebuild program, while supporting Team Rubicon's Ready Reserve general operating fund, which allows the organization to deploy resources when disasters strike. To date, Team Rubicon has rebuilt more than 220 homes in 13 communities across the United States.

In 2023, Travelers funding helped Team Rubicon serve the LAD communities of Selma, Alabama, where Team Rubicon has been rebuilding since 2021, and Port Lavaca, Texas. Team Rubicon was able to rebuild 12 homes in these areas, and every home in these areas that needed a new roof received a FORTIFIED roof.

The benefits of Travelers' funding continue 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 600 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 52 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. Learn more about [Travelers Fortifies Communities](#).
- 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](#)

TRAVELERS INSTITUTE®

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. Since its inception, the Travelers Institute has hosted 15 in-person events, as well as three webinars with respect to disaster preparedness. Following extreme weather events like Superstorm Sandy, the Travelers Institute also initiated an event series called [Insurance Essentials: Your Questions Answered](#) to help individuals make informed decisions when selecting personal insurance policies.

In 2023, the Travelers Institute's [Wednesdays with Woodward®](#) webinar series hosted the Deputy Director of the National Hurricane Center, Jamie Rhome, for a look at managing the risk of increasing hurricane catastrophes. The webinar panel included the Chief Resilience Officer for Broward County, Florida, Dr. Jennifer Jurado, who explained how resiliency is approached at the local level, including with respect to sea level rise and building design standards. A catastrophe risk management expert from Travelers rounded out the group to discuss how we can help our clients mitigate the impact of storm surge.

RELATED RESOURCES

- Travelers Institute® Webinar: [Storm Warning: Managing the Risk of Increasing Hurricane Catastrophes](#)
- Travelers Institute® Webinar: [Weathering the Storm: A Behind the Scenes Look at the Insurance Institute for Business & Home Safety](#)

TRAVELERS EDGE®

Transforming Tomorrow's Workforce



Travelers EDGE®, our signature career pipeline program, provides students with a unique, holistic approach to college and career readiness. Through partnerships with high schools, colleges, universities and community-based organizations, *Travelers EDGE* increases access to higher education and provides students with opportunities to excel, thereby helping to broaden the pool of talent seeking careers at Travelers or in the insurance industry. The program helps high school students prepare for post-secondary education, funneling a strong pipeline of future leaders to college and beyond. Once enrolled in college, *Travelers EDGE* scholars benefit from a broad range of services, including scholarships and financial support, career and business mentoring from employees, internships and job shadowing, and professional development workshops.

Since the program's inception in 2007, *Travelers EDGE* has supported more than 600 scholars, 341 of whom have graduated from college. This [video](#) honors the achievements of our *Travelers EDGE* scholars and alumni.

Community Benefits

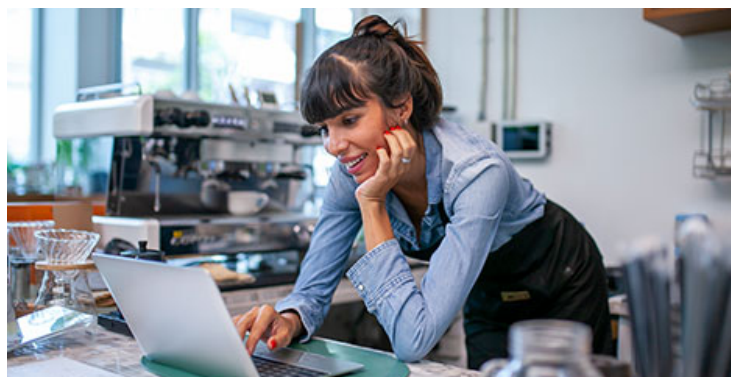
- Since the inception of *Travelers EDGE*, 606 students have been *Travelers EDGE* scholars, and 68% (413) of scholars have successfully attained a bachelor's degree or are currently on track to do so.
- During the 2022–23 academic year, *Travelers EDGE* helped 86 students through a direct scholarship or stipend and helped more than 21 students complete a bachelor's degree.
- Over the past five academic years, 88% of all graduates were employed at graduation or shortly after. Of those, 78% entered careers in the insurance and financial services industry.

Travelers Benefits

- Since the program's inception, 130 *Travelers EDGE* graduates have been hired by the company.
- For the 2022–2023 academic year, 62% (13 of 21) *Travelers EDGE* graduates were hired full time by Travelers. Of those who accepted full-time positions at Travelers, 77% (10 of 13 hired) were admitted into the company's leadership and technical development programs.
- Travelers employees 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 the company.

SMALL BUSINESS SUPPORT

Empowering Small Business Owners to Succeed



We invest substantial resources to support small businesses, including those led by women, minorities and veterans, by leveraging our employees' expertise and partnering with nonprofit entrepreneur support organizations (ESOs) that aim to accelerate businesses' success.

In 2023, we continued to contribute funds to nonprofit ESOs in Hartford, St. Paul and nationally to provide small business owners with training, infrastructure support, technical assistance and help in broadening their networks. The ESOs, which reached more than two million small businesses, include the following:

- **Access to Capital for Entrepreneurs, Inc. (ACE)**, which supports entrepreneurs throughout the state of Georgia.
- **Black Innovation Alliance**, which provides support to drive, amplify and elevate the work of technologists, innovators and entrepreneurs through the support of Innovation Support Organizations (ISOs).
- **D'Aniello Institute for Veterans and Military Families**, which provides entrepreneurship and small business assistance through its "Women Igniting the Spirit of Entrepreneurship (V-WISE)" program for women veterans and military spouses/partners.
- **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 in Minnesota who are Black, Indigenous or people of color.
- **Neighborhood Development Center**, a community-based nonprofit organization operating in the lowest-income neighborhoods in Minneapolis/St. Paul. The organization believes that residents, small businesses and neighborhood groups in all communities have the talent, energy and ideas to engage in and revitalize their own communities through entrepreneurship.
- **Resource**, a collaborative driven by Village Capital and the Black Innovation Alliance to provide educational and financial resources to ESOs founded by and focused on entrepreneurs who are Black, Indigenous or people of color.
- **Social Enterprise Trust, Inc. (reSET)**, which provides capacity building to social entrepreneurs in Hartford to help them launch and grow.
- **TruFund**, which provides small business enterprises with financing and training toward owning commercial properties through its Real Estate Acquisition Program.
- **Women's Business Development Council (WBDC)**, which provides technical assistance, advice and microgrant opportunities for women-owned small businesses throughout Connecticut.

Travelers further advocated for the small business ecosystem in 2023 by featuring Travelers-supported small businesses and ESOs in social media campaigns honoring National Small Business Week and National Veterans Small Business Week.

In 2023, Travelers also continued to provide virtual workshops to our nonprofit partners' small business clients. We 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: [Cyber Readiness: 5 Critical Steps for Your Organization](#)
- Travelers Institute Webinar: [Mental Well-Being in the Workplace](#)

Community Benefits

- Small 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.

TRAVELERS CHAMPIONSHIP®

Our Signature Community Event



The [Travelers Championship®](#) golf tournament is a PGA TOUR Signature Event, and it 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 \$28 million to support more than 900 [local charities](#). In 2023, the tournament generated \$3 million for more than 180 local charities, including the primary beneficiary, [The Hole in the Wall Gang Camp](#), which provides medically-supervised summer camps and programs free of charge to children with serious illnesses and their families.

The *Travelers Championship* has also given many other important causes a platform that helps bring awareness to their organizations and funds to their bottom lines. Examples include:

- **Amy's Angels**, a grassroots organization that provides comprehensive short- and long-term assistance to individuals and their families dealing with the debilitating effects of serious illness or injury.
- **Malta House of Care**, a mobile medical clinic that offers physicals, testing, immunizations, medications and health coaching, among other services, to uninsured adults in Greater Hartford.
- **Special Olympics Connecticut**, an organization that inspires inclusion for people of all abilities through sport while also promoting a healthy lifestyle by offering free health screenings at events and educational resources to improve sports performance and overall health and fitness.
- **The Lustgarten Foundation for Pancreatic Cancer Research**, the largest private funder of the world's preeminent pancreatic cancer researchers.

Another noteworthy charitable event in 2023 was the second annual Charlie Sifford 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. In its first two years, the event has generated \$200,000 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 students of color focusing their education on a golf management program.

Volunteering at the *Travelers Championship* provides employees with a unique opportunity to invest time in the local community alongside their colleagues, while being part of one of the PGA TOUR's biggest events. Travelers employees contributed approximately 20,000 volunteer hours for the *Travelers Championship* in 2023.

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.

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, help them develop financial literacy and prepare them for future success. 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 serves more than 46,000 K-12 students each year. The opening celebration of the new facility took place in October 2022.

In 2023, Travelers provided more than \$250,000 in financial support to nine JA organizations across the country, and employees volunteered to support an additional nine JA’s. In 2023, employees logged 1,409 volunteer hours, supporting 18 JA’s across the United States and Canada. In addition, Travelers sponsored Chicago’s Junior Achievement Inspire Virtual Career Expo, where more than 6,000 students made visits to corporate “booths” to explore career opportunities in a variety of fields, including property and casualty insurance.

Travelers received the U.S. President’s Bronze Volunteer Service Award for the 2022–23 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 1,400 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



National Academy Foundation and ReadyCT

Travelers partners with career readiness organizations such as the 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, as well as career opportunities.

Students in Hartford also have an opportunity to participate in ReadyCT's Get Ready! Immersive Traineeship (G.R.I.T) summer program. During the summer of 2023, 30 students participated in paid project-based experiences with Travelers and collaborated on projects related to marketing/branding, technology and customer experience.

Employees were also able to participate in professional development opportunities. In 2023, several Travelers' employees attended NAF's annual conference in Arizona to learn best practices related to preparing and recruiting early-in-career talent.

Usher's New Look

In 2023, Travelers also continued its partnership with Usher's New Look, a nonprofit that helps students from middle school to college find their career interests through professional development, leadership building, academic support and community involvement. We sponsored the 2023 Disruptivator Summit that brought together 300 students from across the United States to participate in workshops, panels, networking sessions and a job fair. Students also participated in excursions to area businesses, including our offices in Alpharetta, Georgia, where they were taught key professional development skills.

Community Benefits

- Through NAF, ReadyCT and Usher's New Look, 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.

AMERICAN FORESTS PARTNERSHIP

Partnering for a Purpose – Helping to Reforest North America



In just four 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 or conservation of one tree for each Personal Insurance billing account converted to paperless billing.

As of Earth Day 2024, we have funded the planting or conservation of more than five million trees in 17 U.S. states and Canada. Building on that success, we have committed to funding the planting or conservation of 750,000 trees in areas in need of reforestation by Earth Day 2025.

Beyond this campaign's environmental impacts of planting trees and reducing paper consumption, paperless billing provides an added level of convenience for customers by allowing for easy access and retrieval of billing documents, while helping 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 one trillion trees by 2030. More locally, we have helped 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.

In 2023, we expanded our American Forests partnership through [Travantage](#) – a perks program that provides customers with curated information, discounts and offers from a variety of brands. For every offer redeemed within the program terms, Travelers funds the planting of a tree in partnership with American Forests.

To further support our efforts, Travelers employees and independent agents have partnered with local governments, communities, nonprofit organizations and American Forests to plant trees in places like Taft Park in Richfield, Minnesota, historic Colt Park in Hartford, Connecticut, and Rio Grande City, Texas.

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.
- 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 community members to donate refurbished vehicles to those without reliable transportation. Since 2009, the company has donated 64 vehicles to individuals and organizations, including U.S. veterans and active military members, educational institutions and community organizations.

In 2023, Travelers donated 12 vehicles through the Recycled Rides program, benefiting veterans and families in need. In addition, Travelers donated a van to Hands on Hartford to help the organization transport meals and other necessities for people dealing with homelessness and food insecurity in Hartford.

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, in 2020, Travelers began hosting in-person and virtual programs for girls in partnership with Girls Inc., where students and parents have the opportunity to hear from engaging presenters on topics related to personal branding, interview skills and insurance careers.

In 2022 and 2023, Travelers’ St. Louis and Melville offices hosted Girls Inc. summits in partnership with the Travelers Black and African American & Allies Diversity Network. Together, facilitators offered workshops to assist Girls Inc. participants with college preparation and career exploration.

In 2023, three Travelers employees in our Bond & Specialty Insurance business were honored at the 17th annual St. Louis Girls Inc. luncheon. In addition, our Bond & Specialty Insurance group hosted 20 Girls Inc. participants at the women-owned Family Golf and Learning Center in St. Louis. To help increase their confidence through golf, the young women were matched with PGA Golf pros, as well as a Travelers employee who competes in tournaments on the World Long Drive tour in his spare time.

Community Benefits

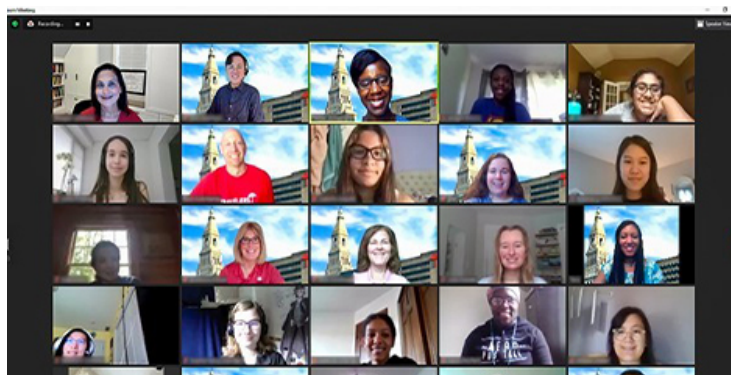
- These programs provide learning and networking opportunities to young women navigating college and career paths.

Travelers Benefits

- These programs are aligned with our commitment to lead the industry in advocating for women in insurance. They also introduce students to Travelers as potential future employees or customers.
- Through their participation in Girls Inc. programs, employees build their own capabilities, such as project management and presentation skills, helping us further 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 2023, 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.

The program engaged the students in a computer science curriculum and workshops taught by Girls Who Code staff and supported by approximately 70 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.

In a survey conducted at the end of the program, 100% of students reported higher confidence in their ability to pursue a career in technology, and 88% indicated that they were likely to apply for a Travelers internship or open position. Since 2020, the Travelers-sponsored Summer Immersion Program has accumulated more than 200 alumni, including five students who were hired at Travelers following a Girls Who Code hiring summit – three as interns and two as full time employees.

Community Benefits

- The program provides 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 introduces students to Travelers as potential future employees or customers, while exposing the company to an additional pool of future talent.
- 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 the next generation, 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 2018, Travelers Art Speaks is an employee-focused program that leverages Travelers' investment in arts and cultural organizations to spark meaningful and thought-provoking conversations with participating employees. This initiative engages participating employees in discussions that help drive civil discourse, encourage deep multicultural exploration and promote unity. More than 5,200 participants have been reached by Travelers Art Speaks experiences.

Through Travelers Art Speaks, employees can enjoy in-person or virtual artistic experiences, followed by discussions led and facilitated by diversity and inclusion professionals, drawing on themes related to diversity and inclusion. Arts and cultural experiences vary; employees are exposed to different forms of artistic expression, including live theater, visual arts, dance, photography and music.

In 2023, Travelers hosted several Travelers Art Speaks events focused on culture and diversity and inclusion:

- **Art & Activism at Tougaloo College.** We hosted an exhibit at the Amistad Center for Art & Culture in Hartford focused on allyship and the intersection of modern art and social justice.
- **Espejos: Clean.** We sponsored a bilingual production at the Hartford Stage. Employees were invited to view the show and participate in a post-performance discussion with the Hartford Stage's artistic director.
- **Shane.** We sponsored a play about reimagining the western frontier at the Guthrie Theater in Minneapolis. Employees were invited to view the show and participate in a post-production discussion with the lead actor and the playwright.
- **Alvin Ailey American Dance Theater.** We hosted a virtual dance demonstration to celebrate Black History Month with the historic dance ensemble.
- **Homage.** We celebrated Juneteenth through a virtual commemoration event featuring an interactive exhibit that explores the significance of Juneteenth through African American historical artifacts.
- **Tuskegee Airmen: Their Untold Stories.** We sponsored a new, permanent exhibit at the New England Air Museum in Connecticut that tells the story of the Tuskegee Airmen and shares their World War II and post-war experiences through their own testimonies and those of their children. Employees were invited to view the exhibit and participate in a discussion with museum staff.

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 and inclusion curricula and building capacity for engaging other audiences in similar discussions.

Travelers Benefits

- Travelers Art Speaks supports the company's 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 89% feel the arts and cultural programs provide an effective tool for communicating themes related to diversity and inclusion.

REDESIGNED MYTRAVELERS® WEB EXPERIENCE

Simplifying the Customer Experience



At Travelers, we believe in the power of feedback, especially for the purpose of optimizing our customers' experiences with us. As with our mobile app redesign in 2021, it was customer feedback that led us to redesign our [MyTravelers®](#) web experience for Personal Insurance customers in 2023.

The new *MyTravelers* web design is based on user research and analytics to help ensure this enhanced digital experience is more intuitive, secure and accessible to all.

Benefits of the enhanced *MyTravelers* web experience include:

- More intuitive navigation features.
- Greater consistency between the mobile app and web experience.
- Enhanced security.

Through both the *MyTravelers* web and mobile app experiences, customers can:

- Manage payments through bill pay and AutoPay options.
- Access, download and print insurance cards.
- File and track claims and chat with a Claim professional.

By understanding consumers' changing expectations, we are constantly evolving our digital experiences to deliver an exceptional customer experience. When it comes to our *MyTravelers* mobile app, the success of our efforts is reflected in our 4.7-star App Store rating based on more than 65,000 reviews through 2023.

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 2023, our CyberWise campaign centered on educating, empowering and enabling employees through multiple learning and engagement mediums. Highlights included physical and digital signage, an interactive infographic and training course to increase cyber knowledge, a capture-the-flag competition that tested technical cyber savviness, a series of humorous video shorts focused on common cyber mistakes and Cyber Hero recognition showcasing employee vigilance to thwart cybercrime. Together, these efforts made for a comprehensive employee awareness campaign to help keep Travelers cyber secure.

In 2023, the Travelers Institute, the public policy division of Travelers, marked National Cybersecurity Awareness Month with the release of a new [Cyber Readiness Hub](#), outlining five critical steps that organizations can take to protect against cyber risks. The Institute also hosted a webinar and two in-person symposia highlighting the cyber readiness hub information.

The webinar, part of the [Wednesdays with Woodward®](#) series, explored critical steps that organizations large and small can take to enhance their cybersecurity, including requiring multifactor authentication, having an incident response plan and investing in back-ups. The symposia, held in Worcester, Massachusetts, and Kansas City, Missouri, were part of our national Cyber: Prepare, Prevent, Mitigate, Restore® series, 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 cyber risk experts from Travelers and cyber breach coaches, who shared insights into the current threat landscape and strategies to help prepare for and respond to a cyber incident.

RELATED RESOURCES

- Travelers Institute® Webinar: [Cyber Readiness: 5 Critical Steps for Your Organization](#)
- Travelers Institute® Webinar: [Cyber Risk Report: A View from the U.S. Government's Lead Cyber Agency](#)
- Travelers Institute® Webinar: [What's Required? Understanding the New Cybersecurity Laws Impacting U.S. Critical Infrastructure](#)

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. The platform enables one-click posting of professional content across the agency's social media channels, along with targeted email distribution and video sharing.

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.

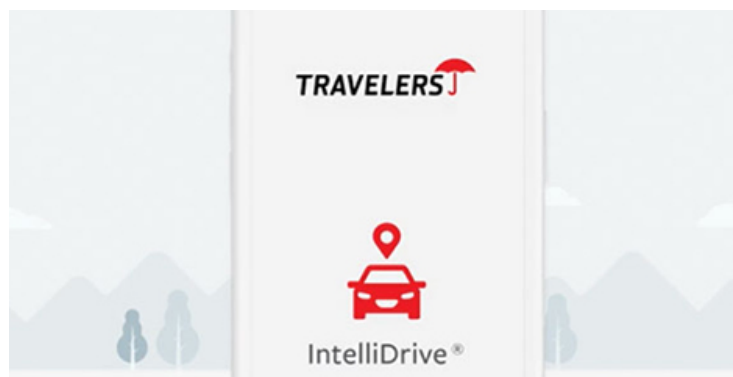
The *toolkitPlus* experience was designed around the user and reflects familiar online shopping behaviors. When agents choose a marketing item to customize and use, they “add it to their cart.” They can put multiple items into their marketing campaign “cart” and “check out” to launch the campaign or 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.

INTELLIDRIVE®

Leveraging Telematics to Encourage Safe Driving



Through consistent feedback and educational tips, our customers can better understand their driving habits by participating in our IntelliDrive® telematics program. They also have the opportunity to influence their auto insurance premium based on the app's assessment of hard braking, rapid acceleration, speed, time of day and distracted driving.

Introduced in 2017, the *IntelliDrive* mobile app is now available in 43 U.S. states and Canada. In most states:

- 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.
- 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 *IntelliDrive*'s success and launched *IntelliDrivePlus*SM in three states. *IntelliDrivePlus* is a continuous driving program that uses a smartphone app to capture data on driving behavior and miles driven. It then 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. Available in three states, this offering:

- Enables eligible connected vehicles to capture driving data beginning from the point of sale, rather than requiring participation through a mobile app.
- Gives customers the opportunity to realize the full benefit of their safe driving immediately, while increasing premiums for riskier drivers up front, as well.

Making an Impact

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 customer engagement.

Participating in a mobile-app telematics program also gives customers the opportunity to influence their premiums by obtaining real-time feedback and tips on safe driving. For example, customers can easily monitor a driving performance dashboard in the app which measures "Distraction-Free Streaks," and encourages them to limit phone use while driving. The app also provides drivers with relevant content from Every Second Matters®, our distracted driving education campaign.

- [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. From the inception of the webinar series and through the end of 2023, the Travelers Institute hosted 103 webinars, with more than 376,000 registrations and replay views. Surveys of our audience show that 93% find our content extremely or very valuable.

Topics covered are based on input from our audiences and Travelers business leaders. Our topic pillars are:

- Career Development
- Cybersecurity
- Disaster Preparedness
- Economic and Public Policy Outlook
- Leadership
- Roadway Safety
- Small Business
- Wellness
- Workforce Risks

Recent programs included:

- [A Conversation with Alan Schnitzer, Travelers Chairman and CEO](#)
- [Making Sense of Emerging AI Capabilities like ChatGPT](#) with Travelers' Senior Vice President and Chief Data & Analytics Officer Mano Mannoochahr and Travelers Vice President, Automation and Artificial Intelligence Accelerator, Girish Modgil
- [Inflation, Interest Rates and the State of the U.S. Economy](#) with Neel Kashkari, President and CEO of the Federal Reserve Bank of Minneapolis
- [The How and Why of D&I](#) with Travelers Chief Diversity & Inclusion Officer Dr. Lauren Young
- [Global Hot Spots and Geopolitical Risks](#) with former U.S. Secretary of Defense Mark T. Esper
- [A Conversation with CVS Health® President and CEO Karen S. Lynch](#)
- [Smart Brevity®: Power Up Productivity with Clearer Workplace Communications](#) with Politico and Axios Co-founder Mike Allen
- [“Who Gets What”- Setting Compensation After Tragedy](#) with Kenneth R. Feinberg
- [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' Vice President of Business Insurance Claim Rich Ives and Travelers' Vice President and Chief Medical Director Dr. Marcos Iglesias, as well as clinical psychologist Dr. Les Kertay

Webinars are [available for replay](#) through the Travelers Institute website.

RELATED RESOURCES

- [Wednesdays with Woodward](#) homepage (which also provides the opportunity to receive Travelers Institute programming invitations)

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 10 cybersecurity education programs in 2023. These included live programs that convened business leaders alongside independent insurance agents and brokers in locations such as Atlanta, Georgia; Portland, Oregon; Kansas City, Missouri; and the New York Stock Exchange. During the live events, more than 1,000 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 the U.S. government's lead cyber agency, the Cybersecurity and Infrastructure Security Agency, and to increase cyber readiness. Combined, these two webinars were viewed more than 5,500 times in 2023.

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 Readiness Hub](#)
- Travelers Institute Webinar: [Cyber Readiness: 5 Critical Steps for Your Organization](#)
- Travelers Institute Webinar: [Cyber Risk Report: A View from the U.S. Government's Lead Cyber Agency](#)

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 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.

2023 TRAVELERS RISK INDEX

Understanding Cyber Risks



In 2023, the Travelers Risk Index, our annual national survey of approximately 1,200 business leaders, found for the ninth straight year that cyber risks remain one of the top three concerns among all businesses. Business leaders are concerned about unauthorized access to financial accounts, 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 employees putting information or systems at risk. 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 cyber 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](#) for a summary of the key findings from the 2023 Travelers Risk Index.

RELATED RESOURCES

- Travelers Institute® Webinar: [Cyber Readiness: 5 Critical Steps for Your Organization](#)
- Travelers Institute® Webinar: [Cyber Risk Report: A View From the U.S. Government's Lead Cyber Agency](#)
- Travelers Institute® Webinar: [What's Required? Understanding the New Cybersecurity Laws Impacting U.S. Critical Infrastructure](#)

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.

Travelers is a member of the Neurodiversity @ Work Employer Roundtable – a collection of cross-industry employers committed to neurodiversity-focused hiring initiatives. These companies comprise a community of employers that work together to create understanding, awareness and supportive systems that provide opportunities for neurodiverse employees to grow and achieve their full potential.

We also partner with local nonprofit organizations, such as Viability and the UCONN Center for Neurodiversity and Employment Innovation, to provide awareness training and job placement assistance 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.

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



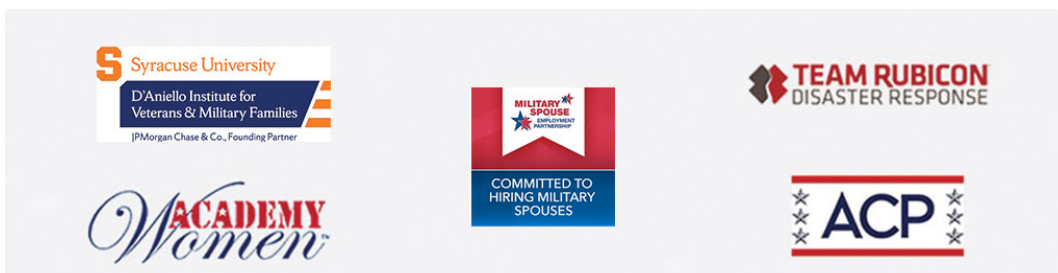
Military veterans can face challenges when transitioning to the civilian workforce. Travelers recognizes the valuable experiences and skills gained through military service that veterans bring to the corporate world and is committed to supporting and helping veterans reintegrate into the workforce.

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 VIQTORY.

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 250 military spouses and 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 300 Travelers employees have completed over 800 mentorships with post-9/11 veterans and military spouses.
- 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 Beyond the Yellow Ribbon company by the Minnesota National Guard in 2021. 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.

In 2023, Travelers continued its partnership with the Institute for Veterans and Military Families to host career readiness programs at military bases throughout the country, as well as support workshops that help veteran small business owners sustain and grow their businesses. In addition, Travelers launched a partnership with Code Platoon, a 15-week boot camp which provides training to veterans and military spouses to become software engineering professionals, and which serves as a recruiting pipeline for Travelers.

OFFICE RENOVATIONS

Boosting Engagement and Saving 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 2023, we have new, more collaborative workspaces for more than 18,000 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. As of year-end 2023, we reduced the square footage of our U.S. leased portfolio by more than 35%.

The new workspace redesign in our U.S. offices is in full swing. As of year-end 2023, we have completed the renovations at our Hartford campus and renovations to field offices are more than 80% 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.

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.

GREENING CLAIMS

Monitoring the Environmental Impact of Our Vehicle Usage



Travelers maintains a fleet of vehicles operated primarily by Claim and Underwriting professionals who spend substantial time on the road. We work to minimize the number of vehicles and regularly evaluate our fleet options and plan to continue to transition our fleet to more environmentally efficient vehicles over time. 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 can reduce the need for third-party ladder assist services, which reduces travel to the claim inspection.

MAKING MENTAL HEALTH A PRIORITY

Shattering the Stigma



One in five U.S. adults experiences mental illness. Unfortunately, the stigma associated with a mental health condition is one of the main reasons why people don't seek the help they need.

Throughout the year, Travelers features speakers and offers activities and resources that can support our employees and their loved ones. During Mental Health Awareness Month, we put a special focus on shattering the stigma associated with mental illness and encourage employees to be champions who support others by wearing green. In 2023, the Travelers tower in Hartford, Connecticut, was also lit in green.

All employees and their family members have access to our employee assistance program, which is available 24/7. Beginning in 2024, we have increased the number of free counseling sessions with a licensed therapist from five to eight.

Additionally, the Travelers Institute®, the public policy division of Travelers, has 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 Outreach



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 2023, 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, Georgia Tech, 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, Western New England University, 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, (GIS) 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 GIS' international and regional conferences; in 2023, the Travelers Institute presented on auto safety at the 52nd Annual GIS International Conference on the topic of telematics and auto safety. Similarly, the Travelers Institute has visited dozens of universities for educational programming on distracted driving, the state of the American economy and more.

INNOVATION IN WORKERS COMPENSATION RECOVERY

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](#).

INNOVATION FOR SAFETY

Leveraging Technology to Improve Worker Safety



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 while on site or by 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 poor posture, a lack of defined safe work practices 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 technology, 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



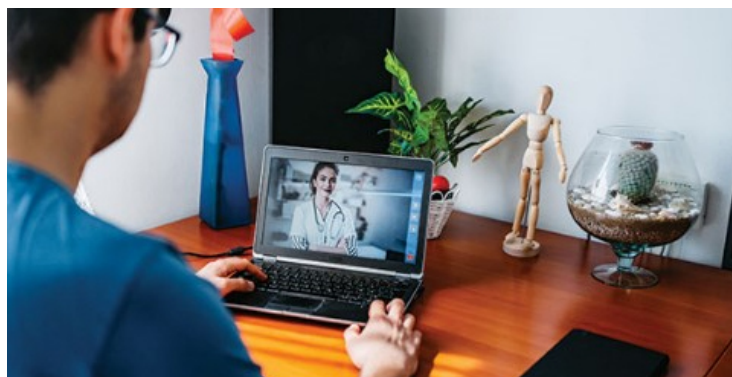
Travelers [Claim University](#) is our state-of-the-art training and skills development facility for our Claim professionals. Opened in 2007, it symbolizes our commitment to our employees and our customers.

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.

CUSTOMCARESM AND WORKERS COMPENSATION INJURY RECOVERY

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 throughout the course of their recovery. While many 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' *CustomCare*SM 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 helps 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 that allows for both virtual and in-person interactions based on the employees' preferences, *CustomCare* delivers an unparalleled claims experience for injured employees 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 coaching 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**, 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](#).

TRAVELERS INSTITUTE®

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 2022, it is estimated that more than 42,500 people lost their lives on U.S. roads.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 2023, 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 95 events — primarily at universities and colleges — 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 2023 and viewed nearly 8,000 times. In June, Wednesdays with Woodward partnered with the Insurance Institute for Highway Safety (IIHS) to conduct a livestreamed vehicle

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), Early Estimate of Motor Vehicle Traffic Fatalities in 2023. April 2024, available at <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/813561>.

crash test at IIHS headquarters. In addition to the crash test, IIHS' Raul Arbelaez walked the audience through the history of the organization, the state of roadway safety and how the organization evaluates vehicle crashworthiness. Another auto safety webinar highlighted the use, safety benefits and limitations of Advanced Driver Assistance Systems (ADAS) and featured Dr. Bryan Reimer, a Research Scientist at the Massachusetts Institute of Technology's (MIT) Center for Transportation and Logistics, founder of the MIT AgeLab and Co-Director of the Advanced Vehicle Technology Consortium at MIT. View these and other select Travelers Institute events [here](#).

- **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 Guides.** In 2023, the Travelers Institute published an interactive guide based on its comprehensive [Every Second Matters: Reducing Distracted Driving. One Voice at a Time](#) report. Both digital publications encourage conversations about the importance of minimizing distracted driving and provide a snapshot of roadway distraction and the traffic fatalities since the pandemic. The guides provide data-driven insights on distracted driving and outline 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.
- **Unfinished Stories.** Travelers worked with the families of victims of distracted driving to honor their loved ones through our [Unfinished Stories](#) campaign. The campaign featured a series of stories imagining what could have been if their lives had not been cut short. 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. Other stories in the series include:
 - [The Treehouse: Howard's Unfinished Story](#)
 - [The Stage: Shreya's Unfinished Story](#)
 - [The Route: Phil's Unfinished Story](#)
- **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 2023, for the second year in a row, the Travelers Institute promoted safe driving awareness during the holiday travel season. From Thanksgiving through New Year's Day, when millions of Americans hit the road to see loved ones, the Institute launched a media campaign providing tips to help drivers to stay safe on the roads. Through this initiative, the Travelers Institute participated in 28 television and radio interviews which were syndicated across the United States resulting in 714 airings. Media outlets also posted the coverage to their websites, and a post-campaign multi-media release was picked up by top tier publications.

In total, the campaign reached an audience of more than 67 million people.

- **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 more than 15,000 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: [Crash and Learn LIVE with IIHS](#)
- Travelers Institute® Webinar: [ADAS in the Wild](#)

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, regional Federal Reserve Banks, the Small Business & Entrepreneurship Council and the National Association of Women Business Owners, as well as community banks and angel investors.

In 2023, the Travelers Institute was joined by representatives from the U.S. Small Business Administration and the Cybersecurity & Infrastructure Security Agency at 10 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 detailing the five critical cybersecurity steps for organizations.

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 and inclusion; and how to connect to Gen Z customers. In 2023, the webinar series also featured a special session marking National Small Business Week with an expert panel, which included a representative from the U.S. Small Business Administration and the head of Travelers' small commercial underwriting team. The webinar shared practical advice for managing business risk through economic uncertainty.

RELATED RESOURCES

- Travelers Institute® Webinar: [Advancing Disability Inclusion in the Workplace](#)
- Travelers Institute® Webinar: [An Insurance Agent's Field Guide to Gen Z](#)
- Travelers Institute® Webinar: [A Small Business Playbook for Leading Through Uncertainty](#)
- Travelers Institute® Webinar: [Cyber Readiness: 5 Critical Steps for Your Organization](#)

TRAVELERS MEDICAL ADVANTAGE

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 7% fewer days out of work.¹

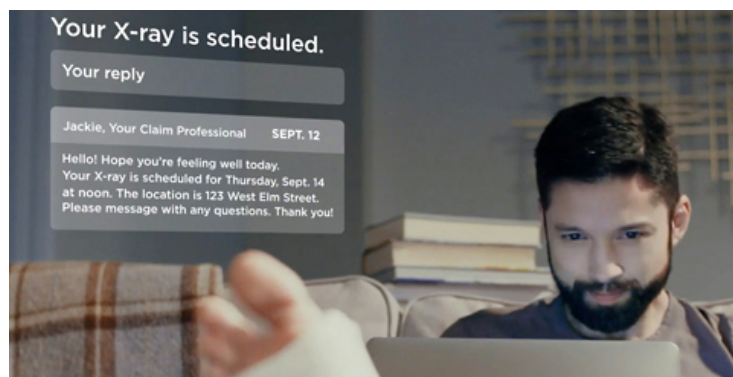
This program can also pair a Spanish-speaking injured employee with a Spanish-speaking nurse, helping to build trust and improve outcomes. When we provide Spanish-language workers compensation Claim and medical professionals, we see a reduction in lost time and claim, legal and medical expenses, with 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, a 14% lower rate of attorney involvement and a 16% improvement in return to work within 30 days.²

¹ Travelers Claim Data – Notice of Loss Years 2016–2023, normalized by nature of injury.

² Travelers Claim Data – Accident Years 2014–2023, 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®. More than five years ago, we introduced our self-service workers compensation claim portal, MyTravelers® for Injured Employees. Usage of the platform has continued to increase, and since 2022, there have been more than two million *MyTravelers* user sessions. 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 through a mobile phone app. By providing companionship to isolated individuals, mentoring disadvantaged youth and engaging in other volunteer activities, employees can also have a positive environmental impact.

As part of our partnership with OnHand, we commit to plant one tree in the “Travelers Europe Forest” for each employee who completes their first volunteering activity. To make an even greater impact from the outset, OnHand and Travelers Europe started the forest in 2021 by seeding two trees for every Travelers Europe employee. At the time, the number of trees in the forest totaled 1,300.

Travelers Europe and OnHand also plant trees for employees who earn them by completing environmental sustainability actions at home. These actions range from eliminating single-use plastics to reducing food waste by cooking meals for the vulnerable. Thanks to employees’ actions in both the United Kingdom and Ireland, the forest grew to include more than 4,500 trees by year-end 2023.

Travelers Europe partners with OnHand to plant trees in global farming communities severely impacted by deforestation, such as those in Mozambique and Nicaragua.