

GRI-referenced Content Index

Dated as of December 17, 2021



“As a company on the move, we take great pride in our commitment to be a socially responsible organization – one that makes a real difference in our communities, governs its actions with the utmost integrity, and acknowledges the impact the environment has on our business.”

John C. Roche
President and Chief Executive Officer
The Hanover Insurance Group, Inc.

GRI-referenced content index

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

General disclosures

Organizational profile - GRI 102

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| 102-1 | Name of the organization The Hanover Insurance Group, Inc. (NYSE: THG) The organization is sometimes referred to as “The Hanover” within this content index. |
| 102-2 | Activities, brands, products and services For a description, please see The Hanover Insurance Group, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (the “Form 10-K”), Part I, Item 1 - Business |
| 102-3 | Location of headquarters The Hanover Insurance Group, Inc. 440 Lincoln Street Worcester, Massachusetts USA 01653 |
| 102-4 | Location of operations “See” The Hanover Insurance Group, Inc. Form 10-K, Part I, Item 2 - Properties, page 32. The Hanover’s significant operations are in the United States. |
| 102-5 | Ownership and legal form The Hanover is a publicly traded stock corporation” (NYSE: THG) domiciled in the State of Delaware that operates through a number of property casualty and other subsidiaries. For a complete list of entities within the group, see Exhibit 21 of the Form 10-K. While the vast majority of the entities within The Hanover’s group of companies are insurance companies and related entities, The Hanover Insurance Group, Inc.’s wholly owned subsidiary, Opus Investment Management, Inc. (“Opus”), is a SEC-registered investment advisor that manages assets on behalf of The Hanover and third-party institutional investor clients. |
| 102-6 | Markets served The Hanover offers its products exclusively in the United States. We are licensed to sell property and casualty insurance in all 50 states, as well as the District of Columbia. Throughout the United States, we actively market commercial lines products in 37 states and the District of Columbia and personal lines policies in 20 states. Opus’ investment clients include institutional clients domiciled in the United States. See the “Lines of Business” section of Part I, Item 1 - Business, pages 4-15 in the Form 10-K . |
| 102-7 | Scale of the organization As of December 31, 2020, The Hanover had: <ul style="list-style-type: none"> • Approximately 4,300 employees; • 2020 revenues of \$4.827 billion; • 2020 net income of \$358.7 million; and • Shareholders’ equity of \$3.202 billion <p>See GRI 102-4 and 102-6 above for information on scope and geography of operations.</p> |

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| 102-8 | Information on employees and other workers As of December 31, 2020, The Hanover had approximately 4,300 employees. All of our employees are at-will. The Hanover does not collect data regarding temporary employees, as these individuals are employed by third-party staffing firms during their temporary employment. Permanent employee data is compiled and stored by workforce intelligence personnel. Employee gender composition for all permanent employees: <ul style="list-style-type: none"> • 58% female employees • 40% male employees • 2% undeclared Employee regional breakdown for all permanent employees: <ul style="list-style-type: none"> • Northeast: 2,315 employees • Southeast: 518 employees • Midwest: 1,119 employees • West: 355 employees Employment type for permanent employees is: <ul style="list-style-type: none"> • Full-time female: 58% • Part-time female: <1% • Full-time male: 39% • Part-time male: <1% • Full-time undeclared gender: 2% • Part-time undeclared gender: <1% |
| 102-9 | Supply chain The Hanover engages third-party suppliers to support our company strategy to provide specialized product and service capabilities through distinctive partnerships with many of the best independent insurance agent and brokers in the country with a customer-driven focus. The Hanover Sourcing Procurement and Relationship Consultants Office contracts with approximately 1,400 suppliers, which represent all aspects of our personal lines, core commercial lines and specialty businesses, as well as various functions across enterprise-wide programs. Distribution is exclusively through independent agents and brokers. |
| 102-10 | Significant changes to the organization and its supply chain None. |
| 102-11 | Precautionary Principle or approach See the “Risks” section of Part I, Item 1 - Business (page 3) and the “Risk Factors” section, Part I, Item 1A of the Form 10-K for a description of how The Hanover manages risk and applies the precautionary approach. The company has an appointed Chief Risk Officer and a dedicated risk function. See GRI 103-2 below (Economic Performance) for additional information on risk management and mitigation. |

102-12

External initiatives

Our CEO, Jack Roche, joined a growing coalition of more than 750 CEOs in signing the [CEO Action for Diversity & Inclusion pledge](#), reinforcing the company's commitment to promote diversity and inclusion in the workplace and to foster a culture based on trust and respect.

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

With that, we updated our grant making process, awarding grants on a quarterly review cycle to established non-profits focused on expanding their reach and deepening their impact through proven and/or innovative approaches that align with our mission and at least one of our funding priorities in our key geographies.

In 2020, The Hanover awarded \$500,000 in grants to respond to COVID-19-related issues locally and nationally. In addition, we funded an additional \$1,000,000 to non-profit organizations that aligned with our new mission and funding focus.

In addition, we continue our external impact through our volunteer commitments and service as leaders on non-profit community boards and leadership committees. During the pandemic we positioned leaders to serve in key positions that helped to address the impact of the pandemic on food insecurity, housing stability, workforce development, education, childcare and mental health. For additional information, see 203-2.

102-13

Membership of associations

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

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

Strategy

102-14

Statement from senior decision-maker

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

102-15

Key impacts, risks, and opportunities

See “Board’s Role in Risk Oversight,” page 19 in the [2021 Proxy Statement](#) and see the “Risks” section of Part I, Item 1 - Business (page 3) and the “Risk Factors” section, Part I, Item 1A of the [Form 10-K](#).

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

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

In addition, sustainability efforts afford us the opportunity to engage, attract, motivate and encourage the health of a diverse work force, including the following programs:

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

Ethics and integrity

102-16

Values, principles, standards, and norms of behavior

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

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

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| 102-17 | Mechanisms for advice and concerns about ethics |
| <p>The Hanover’s Code of Conduct outlines our company’s expectations for business and professional conduct that is aligned with our values, principles and standards of behavior. By establishing our standards and expectations for conduct, the Code of Conduct also helps us recognize and address ethical issues. In order to ensure that each employee is familiar with these standards of behavior, avoid ethical issues and educate employees on how to report concerns, The Hanover requires that all new employees be trained and each employee bi-annually participate in a training course and annually certify compliance with the Code of Conduct.</p> <p>We have an alert line maintained by an independent, third-party service for communicating anonymously and confidentially with the Board of Directors (the “Board”), the Audit Committee, our general auditor and our general counsel.</p> <p>The Hanover also maintains a webpage with information on how the Board can be contacted directly.</p> | |

Governance

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| 102-18 | Governance structure |
| <p>For a general discussion of the corporate governance structure of our organization, including committees of the Board, please see “Corporate Governance,” pages 7-21 in the 2021 Proxy Statement or on our our website.</p> <p>Oversight of ESG-related risks and opportunities is the responsibility of both the entire Board and committees of the Board. In general, ESG-related oversight is codified in the charter of the Board’s Nominating and Corporate Governance Committee; however, certain aspects of ESG are overseen by the Compensation and Human Capital and Audit committees. Oversight of issues related to human capital management, corporate culture and human capital development (including policies and practices relating to inclusion and diversity) are the responsibility of the Board’s Compensation and Human Capital Committee and are contained in the committee’s charter. Additionally, oversight of the company’s risk management policies and procedures and data security and privacy are the responsibility of the Audit Committee and are contained in the committee’s charter.</p> <p>Similarly, the Board, directly or through its standing committees, oversees risks related to the company, including climate-related risks and other material ESG risks. The Board regularly receives reports and presentations from key members of the enterprise risk management group and management, including the company’s CEO, Chief Financial Officer, Chief Risk Officer, Chief Information Security Officer, Chief Privacy Officer, Chief Actuary, and General Counsel on matters which, in its or management’s view, merit attention from a risk management perspective, such as catastrophe risks, insured exposure aggregation levels, ex-catastrophe underwriting risk, reinsurance levels and creditworthiness of our reinsurers, the investment portfolio, litigation and regulatory matters, capital considerations, growth plans, matters relating to human capital management, and other material ESG risks.</p> <p>Climate-related opportunities, to the extent that they are material to the organization, are integrated into our business plans and strategy, and are overseen by the Board as part of its regular review of The Hanover’s strategic objectives.</p> | |

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| 102-19 | Delegating authority |
| <p>The Board has oversight responsibility of the company’s executive leadership team and their management of ESG topics. The executive leadership team has established a cross-disciplinary management committee known as the ESG Council, which is headed by our EVP and General Counsel and comprised of leaders across the organization involved in ESG matters. The ESG Council has a formal written charter that establishes its mission to support the company’s ongoing commitments and initiatives related to ESG, corporate social responsibility, sustainability, and other policy matters relevant to the company and its stakeholders. The council assists the company in: (a) developing general strategy relating to ESG matters, (b) creating, implementing, and monitoring initiatives and policies based on that strategy, (c) the drafting and coordination of communications with employees, investors and other stakeholders with respect to ESG matters, (d) monitoring and assessing developments relating to, and improving the company’s understanding of ESG matters, and (e) efficient, timely and accurate disclosure of ESG matters to internal and external stakeholders. The ESG Council’s primary charge is one of oversight, such that the primary responsibility and ultimate decision-making with respect to the company’s underlying programs and policies remains with the senior executives, business units and functions currently responsible for such matters.</p> | |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics |
| <p>See disclosure in GRI 102-19 above and GRI 102-32 below.</p> | |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics |
| <p>Input from stakeholders, including our insureds, independent insurance agents and brokers, the community, employees, regulatory bodies, investors, industry associations, and suppliers are critical to The Hanover’s success, and many of our sustainability priorities come from interactions with these groups. Investor relations facilitates conversations with investors, The Hanover’s executive leadership team, and the Board of Directors. See GRI 102-53 for investor relations contact information. In addition, see the “Shareholder Engagement” and the “ESG, Sustainability and Corporate Responsibility” sections on pages 19 and 20-21, respectively, of the 2021 Proxy Statement.</p> <p>See GRI 102-17 on means provided to facilitate communications directly to our Board.</p> | |
| 102-22 | Composition of the highest governance body and its committees |
| <p>See the “Corporate Governance” section, pages 6-21, and in particular the “Board Profile and Diversity” sub-section, pages 11-12, in the 2021 Proxy Statement. All our directors other than the CEO are independent. Six of our 11 independent directors are gender or racially diverse.</p> | |
| 102-23 | Chair of the highest governance body |
| <p>See “Board Leadership Structure,” page 13 in the 2021 Proxy Statement. Neither the Chair of the Board nor the Vice Chair of the Board are officers of the Company and are each independent. The Company has separated the CEO and Chair positions since 2002.</p> | |
| 102-24 | Nominating and selecting the highest governance body |
| <p>See “Consideration of Director Nominees,” pages 16-17 in the 2021 Proxy Statement, as well as Appendix A – Excerpt from Our Corporate Governance Guidelines Relating to Director Independent Standards, also included in the 2021 Proxy Statement.</p> | |

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| 102-25 | Conflicts of interest |
| | See “Related-Person Transactions,” pages 9-10 in the 2021 Proxy Statement . |
| | Conflicts of interest for all employees are disclosed and assessed as part of our annual Code of Conduct certification process. See GRI 102-25 above for more information. The results and any significant findings disclosed as part of the Code of Conduct certification process are reported to the Board on an annual basis. |
| | In addition, each member of the Board and each of our executive officers are required to complete a director/officer questionnaire on an annual basis. This questionnaire requires disclosure of board memberships, related party transactions, conflicts of interest with our independent accountants and compensation consultant, among other topics. We have no cross-board or controlling shareholders or related-party transactions requiring approval or disclosure. |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy |
| | See GRI 102-18, 102-19 and 102-32. |
| 102-27 | Collective knowledge of highest governance body |
| | The Nominating and Corporate Governance Committee (NCGC) maintains a comprehensive skills and experience matrix for evaluating the background and skill set of the Board on both an individual director and collective basis. The matrix details the key competencies, demographic information, and outside public company board, committee, committee chair and CEO experience. The NCGC tracks each director’s level of current and developing expertise across the key competencies in order for the Board to oversee the long-term success of the Company and to align with the Company’s goal of being a premier property and casualty company in the independent agency channel. The categories of key competencies include, among other things: property and casualty insurance (beyond company Board service), senior management, financial services, finance/accounting, investments/capital markets, technology, and governance. The Board seeks director candidates whose skills, experience, and expertise can augment the key competencies that the company has identified. The matrix is also designed to track diversity measures. |
| 102-28 | Evaluating the highest governance body’s performance |
| | See “Nominating and Corporate Governance Committee,” page 16 in the 2021 Proxy Statement for an overview of how the Board evaluates its performance. In addition, the election of directors is subject to a vote by our shareholders, making each director accountable to our shareholders. |
| 102-29 | Identifying and managing economic, environmental, and social impacts |
| | See GRI 102-18 and 102-19 above. |
| 102-30 | Effectiveness of risk management processes |
| | For climate-related investment risks, we utilize guidelines published by external resources such as Principles for Responsible Investment, Principles for Sustainable Insurance and Global Coal Exit List to inform our investment professionals and help them to develop and maintain a better understanding of the investment implications of ESG factors. For underwriting risk management processes, see GRI 103-2. The ESG Council (see GRI 102-19) plans to evaluate both investment and underwriting metrics into The Hanover’s ESG strategy to ensure effective management of climate risk. |

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| 102-31 | Review of economic, environmental, and social topics |
| | A total number of 10 Board and 34 Board committee meetings were held during 2020. Material economic, environmental, and social topics are reviewed routinely at Board and committee meetings. The Audit Committee is primarily tasked with reviewing economic and risk-related matters; the Nominating and Corporate Governance Committee is responsible for assessing material economic, environmental, and social risks; and the Compensation and Human Capital Committee reviews the company’s strategies, policies and practices relating to corporate culture and human capital development, including policies and practices relating to inclusion and diversity. |
| | At a management level, the ESG Council reviews and oversees ESG topics (see GRI 102-19). |
| 102-32 | Highest governance body’s role in sustainability reporting |
| | The Board and the Nominating and Corporate Governance Committee, as part of their regular meetings, receive presentations and updates on material ESG matters, including The Hanover’s efforts in sustainability reporting. In addition, members of the executive leadership team, including the General Counsel, Chief Human Resources Officer and Chief Financial Officer serve on the ESG Council (see GRI 102-19) and oversee the preparation and public reporting of the company’s ESG disclosures. ESG reporting is codified in the charter of the ESG Council. |
| 102-33 | Communicating critical concerns |
| | See GRI 102-17 above and see “Communicating with the Board,” page 17 in the 2021 Proxy Statement . |
| 102-34 | Nature and total number of critical concerns |
| | As disclosed in GRI 102-17 above, we have an alert line maintained by an independent, third-party service for communicating anonymously and confidentially with the Board, the Audit Committee, our general auditor and our General Counsel. We assess and respond to all submissions to the alert line. We also provide information to facilitate direct communication with our Board. |
| | As required by the rules and regulations of the SEC, material developments to the organization are reported publicly on forms filed with the SEC. See the note preceding this index for a discussion of the methodology used to identify topics for inclusion in this report and how this methodology differs from materiality, as defined and reported in our filings with the SEC. |
| 102-35 | Remuneration policies |
| | See “Executive Compensation,” pages 26-54 in the 2021 Proxy Statement . |
| 102-36 | Process for determining remuneration |
| | See “Executive Compensation,” pages 26-54 in the 2021 Proxy Statement . |
| 102-37 | Stakeholders’ involvement in remuneration |
| | See “Item 2,” page 23 of 2021 Proxy Statement and also see “Executive Compensation,” pages 26-54 in the 2021 Proxy Statement . |
| 102-38 | Annual total compensation ratio |
| | The Hanover has operations almost exclusively in the United States. See “CEO Pay Ratio,” page 54 in the 2021 Proxy Statement . |
| 102-39 | Percentage increase in annual total compensation ratio |
| | See GRI 102-38 above. |

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| 102-40 | List of stakeholder groups |
| | The Hanover’s stakeholder groups include: insureds, independent insurance agents and brokers, the communities in which we operate, employees, governmental authorities, investors, contractors, suppliers and industry associations. These stakeholders are critical to the company’s success. |
| 102-41 | Collective bargaining agreements |
| | None. |
| 102-42 | Identifying and selecting stakeholders |
| | The Hanover identifies stakeholders as the insureds who purchase policies, independent agents and brokers with whom we work to serve insureds, our employees, the regulatory bodies that oversee and regulate our operations, our investors, the suppliers with whom we partner to provide our services, the residents of the communities in which we operate, and the industry associations with which we collaborate to align our business to industry best practices. |
| 102-43 | Approach to stakeholder engagement |
| | Examples of routine stakeholder engagement include: customer communications and notices; informational bulletins and press releases; agent communications; events and in-person site visits; employee meetings; inter- and intranet website postings with extensive information and resources; round tables and crowdsourcing campaigns; civic engagement and community service projects; and investor calls, presentations, and our annual meeting of shareholders. |
| 102-44 | Key topics and concerns raised |
| | We value the perspectives and opinions of our stakeholders and, where practical and economically feasible and consistent with our CARE values (Collaboration, Accountability, Respect, Empowerment), we incorporate their feedback on key topics into our approach. |
| 102-45 | Entities included in the consolidated financial statements |
| | In 2020, we reported on our financial statements that we conduct our ongoing business operations through three operating segments. These segments are commercial lines, personal lines, and other, serving our customers through various property and casualty insurers as well as other subsidiaries, including Opus. For a complete list of entities see Exhibit 21 of Form 10-K . |
| 102-46 | Defining report content and topic boundaries |
| | This GRI-referenced content index was prepared by a cross-disciplinary team responsible for The Hanover’s ESG disclosures and reviewed by the ESG Council. For more information on the ESG Council, see GRI 102-19. The Hanover used the Global Reporting Initiative Sustainability Reporting Standards of 2018 to develop this report. In determining the content of the report, The Hanover’s team considered the company’s core values and experience, as well as the reasonable expectations and interests of the company’s stakeholders, The Hanover’s insureds key among them. |
| 102-47 | List of material topics |
| | The Hanover used the GRI definition of materiality as one of its reporting principles. For all material aspects identified, the related data and performance information in this GRI-referenced content index cover The Hanover’s consolidated operations as a company, unless otherwise noted. See the note preceding this index for a discussion of the methodology used to identify topics for inclusion in this report and how this methodology differs from materiality, as defined and reported in our filings with the SEC. |
| 102-48 | Restatements of information |
| | None. |

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| 102-49 | Changes in reporting |
| | This GRI-referenced content index includes a cross-reference to the Task Force on Climate-related Disclosures (TCFD) framework to identify the GRI KPIs that are also responsive to the TCFD. There have been no other changes in reporting since the publication of The Hanover’s last GRI-referenced content index in December 2020. |
| 102-50 | Reporting period |
| | This GRI-referenced content index features quantitative and qualitative data for 2020, as updated where indicated. |
| 102-51 | Date of most recent report |
| | Our last GRI-referenced content index was dated December 10, 2020. |
| 102-52 | Reporting cycle |
| | This is the second year that we have prepared a GRI-referenced content index and third report. Our initial report was published on February 20, 2020 and updated in December 2020. Going forward we expect to publish an annual report in the fourth quarter of the year. |
| 102-53 | Contact point for questions regarding the report |
| | Oksana Lukasheva, Senior Vice President, Investor Relations and Corporate Finance olukasheva@hanover.com 508.855.2063 |
| 102-54 | Claims of reporting in accordance with the GRI Standards |
| | This GRI-referenced content index has been prepared referencing GRI standards. |
| 102-55 | GRI content index |
| | The GRI content index is reflected in this table. |
| 102-56 | External assurance |
| | The Hanover did not employ an external organization to audit this GRI-referenced content index. However, our independent, registered accounting firm audits certain financial information in the Form 10-K , included via URL links within this content index. In addition, our internal audit department reviewed the supporting documentation for disclosures of certain KPIs in this GRI-referenced index. |

Economic Topics

Management Approach - GRI 103

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| 103-1 | Explanation of the material topic and its boundary |
| | The Hanover generates and distributes economic value by delivering on our promise to compensate a customer after suffering a covered loss. The subsequent disclosures related to economic performance have been included for presentation due to the volatility and significance each presents to The Hanover. While we aim to create a strong financial base to be resilient in the face of external events, our results may fluctuate as a result of cyclical or non-cyclical economic changes in the property and casualty insurance industry and other events outside our control, such as severe weather and terrorism. |
| | Industry catastrophe models assume an increase in frequency and severity of certain weather or other events, such as fires, hurricanes and other natural disasters, whether as a result of global climate change or otherwise. Due to geographical concentration in our property and casualty business within the United States, changes in economic, regulatory and other conditions in the regions where we operate, whether due to environmental, social or governance factors could have a significant negative impact on our business as a whole. |

For information about The Hanover’s 2020 economic performance, see the [Form 10-K](#).

The management approach and its components

The Hanover seeks to monitor and control risk exposure through an enterprise-wide risk management framework. Six major sources of risk are monitored and modeled, which include environmental and social factors, such as climate change, increased weather severity, and human capital development, among others.

The six major sources of risk we monitor and model are:

- Catastrophe underwriting risk;
- Ex-catastrophe underwriting risk;
- Reserve risk;
- Investment risk;
- Credit risk; and
- Operational risk

The Hanover’s risk governance is robust, with business unit risk structures supported by an enterprise risk management (ERM) function. The ERM function, in partnership with the Enterprise Risk Management Group (ERMG), is responsible for identifying, monitoring, and analyzing material, corporate-level risks and emerging issues. Together, the team classifies, assesses, and manages risks, ensuring proper governance across the enterprise. ERMG membership includes people from each functional area of the organization spanning underwriting, business units, technology, legal, human resources, finance, internal audit, compliance, actuarial, claims and facilities. A risk register is maintained, and each risk is assessed in terms of its likelihood of materialization, its mitigated financial magnitude, and the time horizon over which it might exist or emerge. Every risk in the risk register is owned by a member of ERMG, and the risk team meets with each risk owner to capture new risks and review and refresh risk assessments at a minimum annually, and up to quarterly, for the most material risks.

Climate change and weather severity is the number one risk on The Hanover’s current and emerging risk register, and is tracked, researched, analyzed, and reported by the ERM function. Regular updates are provided to the corporate Group Risk Committee (GRC), Aggregation Working Group, ERMG, Investment Committee, and ESG Council (see GRI 102-19). The Chief Risk Officer presents on the ERM program, including updates to The Hanover’s top current and emerging risks, to the Audit Committee of the Board five times per year, and to the Board of Directors annually. The risk function closely follows the research and analysis being conducted by several industry bodies, universities, and weather experts. We constantly analyze historical data and trends to identify possible signs of climate change impacting both catastrophe and non-catastrophe weather-related losses.

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

The Aggregation Working Group is responsible for exposure management as well as monitoring and managing catastrophe risk and risk concentrations as they relate to each peril and region – hurricane, other wind, winter storm, earthquake, hurricane-induced precipitation, flood, wildfire, and terrorism. The Underwriting Committee is responsible for assisting executive management in exercising its oversight of the underwriting risks and controls that have a material impact on the company. The committee conducts

research on underwriting topics, reviews performance against established risk tolerances, and directs actionable items toward the appropriate businesses. The GRC considers the current and emerging risks and mitigation actions underway for each of the six major sources of risk. All members of the executive leadership team are members of the GRC, along with the Chief Risk Officer, Chief Actuary, and Treasurer. The committee meets quarterly, and the results are reported to the Board of Directors.

Investment risk is managed internally through our Opus subsidiary. The ERM function works in close collaboration with Opus to monitor matters in relation to asset allocation, financial market risk and liquidity risk. The Chief Investment Officer reports to the Board twice a year. See GRI 102-30 and “Other Topics, Investments” for more information on The Hanover’s investment metrics and published investment policy.

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

Economic Performance - GRI 201

201-1

Direct economic value generated and distributed

Please refer to the [2020 Financial Supplement](#) for details on The Hanover’s 2020 economic performance. An updated Financial Supplement is published quarterly. In addition, financial information on the basis required to be reported by the company’s financial regulators (“statutory reporting”) is made regularly available on [our website](#).

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

201-2

Financial implications and other risks and opportunities due to climate change

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

Risks

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

For more information, The Hanover’s climate change risk factors can be found under the heading “Risks Related to Weather Events, Catastrophes and Climate Change” in the [Form 10-K](#) beginning on page 19.

Opportunities

Climate change offers an opportunity for The Hanover to strengthen its financial resilience by managing its exposure footprint and containing the severity of a 1-in-250, or extreme loss event, within a specified risk tolerance. By establishing resiliency to climate change, we believe that we can maintain a strong

financial foundation and can continue to deliver on our promise to our insureds. To manage exposure concentrations, the risk team created a business planning tool to evaluate catastrophe costs, including fully allocated reinsurance and catastrophe capital costs, and to assess profit opportunities across business units, business lines and geographies. Business leaders have actively used this tool to strategize where and how to grow industries, lines of business, and coverages to ensure catastrophe capacity is allocated efficiently across the organization to manage tail risk contributions and generate profitable growth. To manage catastrophe aggregation, the organization established catastrophe risk appetites that ensure risk is within established risk tolerances. The ERM team produces a proforma catastrophe risk distribution to inform the business plan. In addition, sensitivity tests using catastrophe models like AIR and RMS are utilized to assess the impact of climate change on our exposure. The risk function is also in the process of developing climate-related scenarios to understand financial impacts over time.

We purchase facultative, property per-risk and catastrophe treaty reinsurance to protect our most heavily concentrated areas, as well as to mitigate possible impact from extreme events. The proforma risk distribution and catastrophe risk appetites inform reinsurance purchasing decisions. We will continue to evaluate our rate structure, underwriting guidelines, and coverage offerings in response to changes in weather patterns, as well as developments in building and community resilience. We have developed green building training materials for underwriting and loss control staff, and provide various offerings, as described in GRI 102-15, to encourage policyholders to reduce losses caused by climate change-influenced events. We acknowledge the role insurers have in encouraging weather resilient building practices and are active participants in the Insurance Institute for Building and Home Safety (IBHS).

The Hanover also recognizes that ESG factors play an important role and are one of several considerations in the fundamental investment analysis performed by Opus Investment Management, Inc. We believe integration of these factors will lead to better investment decisions with respect to the sustainability of an investment and its risk and return profile. See GRI 102-30 and “Other Topics, Investments” for more information on The Hanover’s investment metrics and published investment policy.

201-3

Defined benefit plan obligations and other retirement plans

For a description of defined benefit plan obligations, see our disclosure of The Hanover Insurance Group Pension Benefit Obligations, page 62 in the 2020 Form [Form 10-K](#).

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

- [The Hanover Insurance Group Cash Balance Pension Plan](#)
- [The Hanover Insurance Group Retirement Savings Plan](#)
- [The Hanover Insurance Group Non-Qualified Retirement Savings Plan](#)
- The Hanover Insurance Group Excess Benefit Retirement Plan

For a description of the level of participation in these plans by our named executive officers, see the compensation disclosures in the [2021 Proxy Statement](#).

201-4

Financial assistance received from government

The Hanover did not receive financial assistance from any government in 2020.

Indirect Economic Impacts - GRI 203

203-2

Significant indirect economic impacts

Infrastructure investments and services supported by our asset management subsidiary, Opus, have an indirect economic impact through the investments it makes in community infrastructure projects across the United States through a portion of our municipal portfolio, low-income housing tax credits, and real estate-related investments.

In-kind contributions in the community -

In response to the great need that arose for technology for public school students, isolated elder/seniors and employees, The Hanover developed a new program to provide refurbished laptops in the community. This program was a great success, and The Hanover plans to build on it and expand it more broadly. In addition, we continue to demonstrate an indirect economic impact through our volunteer commitments and service as leaders on non-profit community boards and leadership committees that have an economic impact on our community. This was demonstrated during the pandemic as we positioned leaders to serve in key positions that helped to address the impact of the pandemic on food insecurity, housing stability, workforce development, education, childcare and mental health.

Jack Roche, The Hanover’s President and CEO, served on the Worcester Together Fund advisory board that helped to distribute over \$11 million across the community. Dennis Kerrigan, EVP and General Counsel, served on the Worcester Economic Recovery Committee with the mayor to support the sustainability of the small businesses through the pandemic. Kimberly Salmon, President of the Hanover Insurance Group Foundation and head of Community Relations, was appointed to chair the Mayor’s Mental Health Taskforce, an ongoing community effort to support continued access to mental health resources and care.

Anti-corruption - GRI 205

205-1

Operations assessed for risks related to corruption

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

205-2

Communication and training about anti-corruption policies and procedures

We have adopted an anti-bribery and anti-corruption position as part of our [Code of Conduct](#). These provisions are applicable to all employees, officers and directors of the company. Each year we undergo a Code of Conduct certification process that requires every employee to certify his/her compliance with the Code of Conduct, including the provisions regarding anti-corruption. In addition, approximately 90 employees whose roles within the organization necessitate it are provided training on Office of Foreign Assets Control (OFAC) and Anti-Money Laundering compliance.

Environmental Topics

Management Approach - GRI 103

| | |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 103-1 | Explanation of the material topic and its boundary |
| | <p>The Hanover recognizes the risks that climate change poses to our environment, the implications of increased weather severity on our customers, and the impact our employees have on the environment as they perform their job functions and commute to and from work. Actions that we can take to reduce our environmental impact help to mitigate these risks. The subsequent disclosures related to environmental topics have been included for presentation due to the volatility and significance each presents to The Hanover. See the note preceding this index for a discussion of the methodology used to identify topics for inclusion in this report and how this methodology differs from materiality, as defined and reported in our filings with the SEC.</p> <p>For information about The Hanover’s key risk factors, see the Form 10-K, beginning on page 17.</p> |
| 103-2 | The management approach and its components |
| | <p>The Hanover is committed to a multi-year strategy to assess, reduce, and mitigate the energy use, carbon footprint and emissions of its physical operations. Please refer to the GRI KPI 100 series for a description of our risk management practices. See GRI KPI 103-2 under ‘environmental topics’ for more information on our risk management practices.</p> |

Energy - GRI 302

302-1

Energy consumption within the organization

The energy consumed by The Hanover-owned properties is primarily generated by non-renewable sources. In 2020, we consumed 11.1 million KWH of electricity* and approximately 265,000 therms of natural gas, both of which were provided by public utilities. Electric use at our corporate headquarters campus in Worcester, Mass., which represents 84% of the electricity consumed by Hanover-owned properties, is offset through the purchase of wind credits directly from our electricity provider. Credits are purchased for a three-year period based on estimated electric use at the facility. In 2020 purchased credits offset 100% offset of electricity use at our Worcester campus.

2018 has been selected as our base line year based on the availability of consistent data and reporting.

| Item | 2018 | 2019 | 2020 |
|-------------------------------|------------|------------|------------|
| Energy consumption | | | |
| Worcester & Howell | | | |
| KWH Worcester | 14,112,000 | 14,149,505 | 9,314,769 |
| KWH Howell | 2,269,890 | 2,075,124 | 1,760,360 |
| Total KWH | 16,381,890 | 16,224,629 | 11,075,129 |
| % offset by Wind Credits | 86% | 87% | 84% |
| | | | |
| Therms Worcester | 334,173 | 322,350 | 273,800 |
| Therms Howell | 75,012 | 72,664 | 74,032 |
| Total Therms | 409,185 | 395,014 | 347,832 |

**Our 2020 electric use at the Worcester campus is an estimate. Due to problems with the meter, total actual consumption data is not available. Both information provided by the utility and historic data were used to create this estimate.*

302-4

Reduction of energy consumption

Through energy efficient lighting and HVAC upgrades completed in 2020, The Hanover expects to save approximately 83,000 kilowatt hours per year and approximately 2,400 therms at our Worcester campus on a go-forward basis.

| Item | 2018 | 2019 | 2020 |
|------------------|---------|-------|--------|
| Energy Reduction | | | |
| KWH | 131,000 | 2,061 | 83,227 |
| Therms | - | 4,527 | - |

Water and Effluents - GRI 303

| 303-1 | Water withdrawal | | | | | | | | | | | | | | | | |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|------|------|-------------------|--|--|--|-------------------------------------|-----------|-----------|---------|----------------------------------|---------|---------|--------|
| | The Hanover does not have a water recycling program | | | | | | | | | | | | | | | | |
| 303-5 | Water consumption | | | | | | | | | | | | | | | | |
| | In 2020, The Hanover used approximately 702,100 cubic feet of water at our corporate headquarters in Worcester, Mass., and 92,654 cubic feet of water at our Howell, Mich. site, both of which are primarily comprised of office space. While water conservation programs continue to be implemented, opportunities for material reductions in water use are unlikely. | | | | | | | | | | | | | | | | |
| | <table><tr><th>Item</th><th>2018</th><th>2019</th><th>2020</th></tr><tr><td>Water Consumption</td><td></td><td></td><td></td></tr><tr><td>Water Consumption Worcester (cu ft)</td><td>1,252,600</td><td>1,252,600</td><td>702,100</td></tr><tr><td>Water Consumption Howell (cu ft)</td><td>187,996</td><td>191,485</td><td>92,654</td></tr></table> | Item | 2018 | 2019 | 2020 | Water Consumption | | | | Water Consumption Worcester (cu ft) | 1,252,600 | 1,252,600 | 702,100 | Water Consumption Howell (cu ft) | 187,996 | 191,485 | 92,654 |
| Item | 2018 | 2019 | 2020 | | | | | | | | | | | | | | |
| Water Consumption | | | | | | | | | | | | | | | | | |
| Water Consumption Worcester (cu ft) | 1,252,600 | 1,252,600 | 702,100 | | | | | | | | | | | | | | |
| Water Consumption Howell (cu ft) | 187,996 | 191,485 | 92,654 | | | | | | | | | | | | | | |

Emissions - GRI 305

305-1

Direct (Scope 1) GHG emissions

In 2020, direct greenhouse gas (GhG) emissions from natural gas used for heating The Hanover’s corporate headquarters campus in Worcester, Mass. and our Howell, Mich. location were:

Carbon Dioxide: 1,758 mT
Sulphur Dioxide: 19 lbs.
Nitrogen Oxide: 3,048 lbs.

Changes to emission levels are considered significantly less than the 2018 baseline. This is primarily due to the reduced in-building population at both the Worcester and Howell locations due to adjusted work arrangements as a result of COVID-19.

| Item | 2018 | 2019 | 2020 |
|----------------------------------|-------|-------|-------|
| GHG emissions | | | |
| From natural gas use (Worcester) | | | |
| Carbon Dioxide (mT) | 1,773 | 1,710 | 1,453 |
| Sulphur Dioxide (lbs.) | 20 | 19 | 16 |
| Nitrogen Oxide (lbs.) | 3,074 | 2,965 | 2,518 |
| From natural gas use (Howell) | | | |
| Carbon Dioxide (mT) | 398 | 386 | 393 |
| Sulphur Dioxide (lbs.) | 4 | 4 | 4 |
| Nitrogen Oxide (lbs.) | 690 | 668 | 681 |
| Total Direct GhG Carbon Dioxide | 2,171 | 2,096 | 1,846 |
| Total Direct GhG Sulphur Dioxide | 25 | 24 | 21 |
| Total Direct GhG Nitrogen oxide | 3,764 | 3,633 | 3,199 |

Note: For 2020 we have added reporting for our Howell, Mich. location. Our Worcester, Mass. and Howell, Mich. locations are our only owned properties.

305-2

Energy indirect (Scope 2) GHG emissions

Indirect greenhouse gas (GhG) emissions from utility-provided electricity in 2020 at The Hanover's corporate headquarters campus in Worcester, Mass. and our Howell, Mich. location were:

Carbon Dioxide: 4,542 mT

Sulphur Dioxide: 4,327 lbs.

Nitrogen Oxide: 9,212 lbs.

Changes to emission levels are considered significantly less than the 2018 baseline. This is primarily due to the reduced in-building population at both the Worcester and Howell locations due to adjusted work arrangements as a result of COVID-19.

| Item | 2018 | 2019 | 2020 |
|-------------------------------|-------|--------|-------|
| GHG emissions | | | |
| From electric use (Worcester) | | | |
| Carbon Dioxide (mT) | 5,172 | 5,590 | 3,680 |
| Sulphur Dioxide (lbs.) | 2,822 | 2,830 | 1,863 |
| Nitrogen Oxide (lbs.) | 9,878 | 11,320 | 7,452 |
| From electric use (Howell) | | | |
| Carbon Dioxide (mT) | 1,202 | 1,016 | 862 |
| Sulphur Dioxide (lbs.) | 3,178 | 2,905 | 2,465 |
| Nitrogen Oxide (lbs.) | 2,270 | 2,075 | 1,760 |

| | | | |
|----------------------------------|--------|--------|-------|
| Total Direct GhG Carbon Dioxide | 6,374 | 6,606 | 4,542 |
| Total Direct GhG Sulphur Dioxide | 6,000 | 5,735 | 4,327 |
| Total Direct GhG Nitrogen oxide | 12,148 | 13,395 | 9,212 |

305-3

Other indirect (Scope 3) GHG emissions

Other greenhouse gas (GhG) emissions were calculated for business travel and use of company fleet vehicles. GhG emissions were determined using information provided by our travel partner, miles traveled, and average vehicle fuel efficiency of fleet models provided by vehicle manufacturers. 2018 emissions were used as our baseline for consistency. Travel and fleet GhG emissions for 2020 were:

Carbon Dioxide: 2,905 mT

Sulphur Dioxide: 361 lbs.

Nitrogen Oxide: 6,515 lbs.

| Item | 2018 | 2019 | 2020 |
|---------------------------------------|--------|--------|-------|
| GHG emissions | | | |
| GhG From Travel (corporate and fleet) | | | |
| Carbon Dioxide (mT) | 10,974 | 10,357 | 2,905 |
| Sulphur Dioxide (lbs.) | 1,270 | 1,323 | 361 |
| Nitrogen Oxide (lbs.) | 23,675 | 23,650 | 6,515 |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--|
| 305-4 | GHG emissions intensity | |
| Based on the building rentable square feet (sf), the GHG emissions intensity for The Hanover's corporate headquarters campus in Worcester, Mass. and our Howell, Mich. location in 2020 were: | | |
| Carbon Dioxide 0.007 mT / sf | | |
| Sulphur Dioxide 0.0047 lbs. / sf | | |
| Nitrogen Oxide 0.0135 lbs. / sf | | |
| Changes to emission levels are considered significantly less than the 2018 baseline. This is primarily due to the reduced in-building population at both the Worcester and Howell locations due to adjusted work arrangements as a result of COVID-19. | | |

| Item | 2018 | 2019 | 2020 |
|----------------------------------------|--------|--------|--------|
| GHG emissions intensity | | | |
| Worcester Campus (Travel not included) | | | |
| Carbon Dioxide (mT/sf) | 0.0086 | 0.0091 | 0.0064 |
| Sulphur Dioxide (lbs./sf) | 0.0035 | 0.0035 | 0.0024 |
| Nitrogen Oxide (lbs./sf) | 0.0161 | 0.0178 | 0.0122 |
| Howell Campus (Travel not included)) | | | |
| Carbon Dioxide (mT/sf) | 0.0115 | 0.0100 | 0.0105 |
| Sulphur Dioxide (lbs./sf) | 0.0228 | 0.0208 | 0.0206 |
| Nitrogen Oxide (lbs./sf) | 0.0212 | 0.0197 | 0.0204 |

305-5

Reduction of GHG emissions

As a result of projects completed in 2020 that were designed to reduce gas (Scope 1) and electricity (Scope 2) use at The Hanover’s corporate headquarters campus in Worcester, Mass. and our Howell, Mich. location, The Hanover reduced the following greenhouse gases in 2020:

Scope 1 (direct) GhG reductions:

Carbon Dioxide: - 13 mT
Sulphur Dioxide: - 0.2 lbs.
Nitrogen Oxide: - 22 lbs.

Scope 2 (indirect) GhG reductions:

Carbon Dioxide: - 33 mT
Sulphur Dioxide: - 16.7 lbs.
Nitrogen Oxide: - 67 lbs.
These reductions will be maintained on a go-forward basis

| Item | 2018 | 2019 | 2020 |
|------------------------------------------------------------------|--------|--------|--------|
| GHG emission reduction (Worcester & Howell) | | | |
| Carbon Dioxide (mT) | 48 | 12 | 46 |
| Sulphur Dioxide (lbs.) | 26 | 1 | 17 |
| Nitrogen Oxide (lbs.) | 92 | 20 | 89 |
| | | | |
| Total GhG intensity, (no travel) | | | |
| Carbon Dioxide | 0.0201 | 0.0191 | 0.0153 |
| Total GhG intensity, (no travel) | | | |
| Sulphur Dioxide | 0.0263 | 0.0244 | 0.0200 |
| Total GhG intensity, (no travel) | | | |
| Nitrogen oxide | 0.0373 | 0.0374 | 0.0297 |

305-6

Emissions of ozone-depleting substances

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

305-7

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

Nitrogen oxide and sulphur dioxide emissions for our Worcester, Mass. and Howell, Mich. sites are reported as part of our Scope 1, Scope 2 and Scope 3 disclosures (see 305-1, 305-2 and 305-3 above). Because The Hanover is not a manufacturer, no additional NOx, SOx, or other significant air emissions are produced.

Effluents and Waste - GRI 306

306-2

Waste by type and disposal method

Any hazardous waste produced by The Hanover is from standard maintenance activities at our owned facilities and is considered immaterial, as evidenced by the fact that the Massachusetts Department of Environmental Protection has classified The Hanover’s Worcester headquarters, the largest of our owned properties, as a very small quantity generator (VSQG) of hazardous waste. All hazardous waste disposal is managed by a third-party specialist.

For non-hazardous waste generated in 2020 at The Hanover’s corporate headquarters campus in Worcester, Mass., we took the following steps to reduce and recycle non-hazardous waste:

- The recycling and composting program, which managed approximately 110 tons of single-stream, co-mingled recycling, 5 tons of composted material, and 53 tons of construction and demolition materials associated with building renovation projects, which diverted 70 percent of the total waste stream away from landfills;
- The cafeteria program, which offers 100 percent compostable and/or recyclable dining materials;
- A comprehensive paper shredding and recycling program. This program extends to all The Hanover-owned properties; and
- An electronics-waste recycling program that includes clearing all computer hard drives of sensitive data prior to recycling.

Additionally, in conjunction with The Hanover strategic plan, we strive to identify new ways to leverage technology to reduce paper, resources and gas/carbon emissions.

| Item | 2018 | 2019 | 2020 |
|---------------------------------------------|------|------|------|
| Waste produced (Worcester) | | | |
| Waste (tons) | 181 | 140 | 72 |
| Recycling - single stream (tons) | 114 | 152 | 110 |
| Recycling - Construction & Demolition | 23 | 39 | 53 |
| Compost (tons) | 17 | 12 | 5 |

Social Topics

Management Approach - GRI 103

103-1

Explanation of the material topic and its boundary

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

For information about The Hanover’s key risk factors, see the [Form 10-K](#), beginning on page 17. In addition, please see the Employees and Human Capital Resources section of the [Form 10-K](#).

103-2

The management approach and its components

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

- A current state analysis of inclusion and diversity through the entire organization;
- The development of a comprehensive inclusion and diversity strategy and communications plan;
- The founding of a diverse employee inclusion and diversity council to advise personnel and our executive leadership;
- Training on unconscious bias and inclusive leadership; and
- Creation of numerous business resource groups for women and underrepresented populations.

Further, accountability for inclusion and diversity has been established by incorporating oversight of inclusion and diversity as part of our larger corporate culture into the charter of the Compensation and Human Capital Committee of the Board, and by linking inclusion and diversity initiatives into incentive compensation metrics for our CEO and entire executive leadership team.

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

Employment - GRI 401

401-2

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

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

In 2020, we launched a Hanover CARES matching gift program as a response to the social justice movement and a COVID-19 matching gift fund. These programs were both timely and responsive to the current community needs.

The CARES matching gift program was launched to address the social and racial justice movement following the George Floyd unrest. This program was developed and informed by our business resource groups to have the greatest impact.

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

These programs helped to revise our existing educational matching gift program to be more inclusive and in alignment with our new mission and funding priorities. This also helped us to reduce the minimum employee gift amount to be matched to make it accessible for all to participate.

In addition, we also provide annual competitive scholarships to children of Hanover employees.

401-3

Parental leave

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

Labor/Management Relations - GRI 402

402-1

Minimum notice periods regarding operational changes

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

Occupational Health and Safety - GRI 403

403-1

Occupational health and safety management system

The Hanover has established a safety committee that meets quarterly to review, discuss and implement action plans and training to mitigate potential safety risks. Less than 1% of our workforce is considered to be exposed to higher-than-average occupational risk. It is also the responsibility of every employee at The Hanover to adhere to the [Code of Conduct](#) and to ensure the safety of themselves and their co-workers.

403-2

Hazard identification, risk assessment, and incident investigation

See GRI 403-1.

403-3

Occupational health services

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

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

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

403-4

Worker participation, consultation, and communication on occupational health and safety

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

403-5

Worker training on occupational health and safety

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

403-6

Promotion of worker health

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

We offer wellness programs that cater to the physical, financial, mental and social well-being of our employees. Additionally, at our corporate headquarters in Worcester, Mass. we provide an onsite medical clinic that provides urgent care, preventive care, annual flu shots and disease management programs.

Training and Education - GRI 404

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 404-1 | Average hours of training per year per employee |
| <p>The Hanover is committed to building a strong culture of continuous learning and development. We offer robust opportunities that range from soft skill building to expanding technical skillsets. Learning is available to every employee at the company. We also offer reimbursement for tuition and education-related fees, including professional and industry designations.</p> <ul style="list-style-type: none">Approximately 2,626 training hours completed on compliance and ethics in 2020. Unlike 2019, the total hours do not reflect training for Code of Conduct as all employees are required to participate on a bi-annual basis. See 102-17.Nearly 93% of employees have completed educational workshops on the topic of unconscious bias to foster an environment of inclusion and belonging, and managers have completed an additional learning on inclusive leadership.In 2020, employee development and learning averaged 15 hours per employee. <p>Not included in this information is a significant amount of both technical and informal training that occurs within each business unit.</p> | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs |
| <p>See GRI 404-1.</p> | |
| 404-3 | Percentage of employees receiving regular performance and career development reviews |
| <p>Each employee, regardless of gender or role, is formally evaluated and receives a performance discussion annually. In addition, performance connections take place between manager and employee on an ongoing basis to discuss goals, overall performance, development opportunities, and demonstration of leadership and corporate values.</p> | |

Diversity and Equal Opportunity - GRI 405

| | |
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| 405-1 | Diversity of governance bodies and employees |
| <p>Corporate Governance Principles</p> <p>The Hanover is committed to building an inclusive culture where we appreciate our differences, reinforce inclusive behaviors at all levels, and live the CARE (Collaboration, Accountability, Respect, Empowerment) culture, because we believe that when our employees feel accepted and engaged, our business thrives.</p> <p>The following displays the composition of our governance bodies and overall workforce:</p> <p>Board of Directors:</p> <ul style="list-style-type: none">Gender diversity – Four of our 11 (36%) non-employee Board members are female. A woman chairs our Board, and one of the three (33%) standing Board committees is chaired by a woman.Racial/ethnic diversity – Two of our eleven (18%) non-employee Board members are racial/ethnically diverse, and one of the three (33%) standing Board committees is chaired by a person of color.Age diversification – Our Board members range in age from 57 – 73 (as of 9/1/21); See the 2021 Proxy Statement for more information. <p>Executive officer:</p> <ul style="list-style-type: none">Gender diversity – Two of our nine executive officers are female.Age diversification<ul style="list-style-type: none">56% Baby Boomers (born between 1946-1964)44% Generation X (born between 1965-1979) <p>The Hanover has approximately 4,300 employees. All employee gender composition:</p> <ul style="list-style-type: none">58% female employees40% male employees2% undeclared <p>All employee age breakdown:</p> <ul style="list-style-type: none">25% Baby Boomers (born between 1946-1964)35% Generation X (born between 1965-1979)36% generation Y (born between 1980-1994)4% Generation Z (born between 1995-2012) <p>See GRI 103-2 under ‘employment topics’ for more information on our inclusion and diversity practices.</p> <p>For additional information on inclusion and diversity initiatives, and workforce diversity and other demographic information, see The Hanover’s inaugural Inclusion and Diversity Report, which is available on our website.</p> | |

Human Rights Assessment - GRI 412

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| 412-2 | Employee training on human rights policies or procedures |
| <p>Human rights are integral to our core company value of respect. Our company is built on the principle of doing the right thing by our customers, employees, agent partners, and the communities we work in. The Hanover is committed to an equal opportunity workplace that is free of discrimination and harassment based on national origin, race, color, religion, gender, ancestry, age, sexual orientation, gender identity, disability, marital status, veteran status, genetic information, or any other status protected by law.</p> <ul style="list-style-type: none">• We support our employees with:<ul style="list-style-type: none">– Corporate business resource groups;– Unconscious bias training (See GRI 404-1);– An anti-discrimination policy;– Anti-harassment and inclusion policies, and accompanying training to employees; and– An anonymous reporting hotline and dedicated website to help employees report concerns and maintain anonymity (See GRI 102-17). <p>We have also received numerous designations:</p> <ul style="list-style-type: none">• Recognized as a Best Place to Work for LGBTQ Equality• Received 100% on the Human Rights Campaign’s annual Corporate Equality Index• Named to the Forbes list of “Best Mid-Size Employers”• Recognized as one of the most reputable companies in the industry by Reputation Institute | |

Local Communities - GRI 413

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| 413-1 | Operations with local community engagement, impact assessments, and development programs |
| <p>100% of our major operations, including our corporate headquarters and claims offices, have community engagement programs.</p> <p>The pandemic pushed us to rethink our community engagement programs in 2020, with most of the workforce working remotely. A collaboration with the Business Resource Groups at The Hanover helped to keep team members connected, regardless of whether they were working in-person or remotely.</p> <p>Separate from that, we had a significant impact locally in Worcester, Mass. where The Hanover is headquartered. We joined the efforts of Worcester Together Fund, helping to raise/distribute over \$11 million in three funding phases – Rapid Response, Recovery and Reimagining. Our CEO, Jack Roche, served on the leadership committee. The Hanover’s employees also served as members of Worcester Together Response teams to address the escalated needs in the community, addressing food insecurity, housing instability, mental/behavioral health, supporting the homeless community, opening a women-only shelter, workforce, senior isolation, establishing education, refugee/immigrant/undocumented resources, community health, and vaccine equity targeted at assisting those at the highest risk, among other priorities. This work began on March 16, 2020, and continues as of the date of this report.</p> <p>In addition, members of The Hanover’s executive leadership team served on Worcester’s Economic Recovery Committee that was organized to support all business, non-profit organizations, and the medical community through the pandemic.</p> <p>We also developed a new intern community experience, separating our summer interns into 12 working groups and pairing them with non-profits in the community that are working to address educational barriers, social determinants of health, workforce/workplace development and community safety. The interns submitted grant proposals on behalf of the non-profit with which they were partnered. Four of the non-profits were selected to receive an unrestricted grant to continue their programs, and the remaining eight received a smaller contribution to recognize and demonstrate our appreciation for their commitment to our community.</p> <p>Finally, The Hanover also has played an active role in the year-long Community Health Needs Assessment for Greater Worcester to be published in 2021.</p> | |

Public Policy - GRI 415

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| 415-1 | Political contributions |
| <p>The Hanover Code of Conduct outlines our policy on the company’s political contributions and activity.</p> <p>The Hanover Insurance Group Foundation only supports 501(c)(3) tax-exempt organizations or groups operating under a fiscal agent of a tax-exempt non-profit. The foundation will not make grants for endowments, medical or academic research, scholarships, sectarian or religious purposes, or to support candidates for political office. Additionally, private non-operating foundations, 509(c)(4) organizations, and Section 509(a)(3) Type III non-functionally integrated organizations are not eligible to apply.</p> | |

Customer Privacy - GRI 418

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| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data |
| <p>The Hanover collects information, including personal information, so that we may offer quality products and services to our customers. We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. To safeguard that information, we maintain physical, electronic and procedural safeguards designed to protect the confidentiality and integrity of all non-public, personal information, including but not limited to Social Security numbers, driver’s license numbers and other personally identifiable information. The Hanover’s data security framework is aligned to standards developed by the National Institute of Standards and Technology (NIST). We utilize the NIST framework for understanding, managing, and expressing cybersecurity risk to internal and external stakeholders. We also incorporate the NIST framework to help identify and prioritize actions for reducing cybersecurity risk and for aligning policy, business, and technological approaches to managing that risk. Our dedicated information security function, overseen by our Chief Information Security Officer, conducts regular internal security audits, vulnerability assessments and penetration testing of the company’s systems, products and practices affecting customer data.</p> <p>In addition, the company’s information security function regularly undertakes information security awareness and training exercises designed to enhance awareness and prevent, mitigate or prepare for a response to a cybersecurity threat. A full-time member of the information security team dedicated to awareness and training leads these initiatives. Legal compliance with information security and data privacy rules and regulations is the responsibility of attorneys in the Office of the General Counsel, including a dedicated information security and privacy attorney.</p> <p>Data privacy and cybersecurity risk is one of the risks identified and managed by our enterprise risk management (ERM) function. See GRI 103-2 for more information. Additionally, data privacy and cybersecurity risk are overseen like other risks facing the company by our Board in accordance with its risk oversight function. See GRI 102-15 for more information. Oversight of information security risk and monitoring of the company’s information security programs and cybersecurity efforts are codified in the charter of the Audit Committee. The Audit Committee is comprised entirely of independent directors. The Audit Committee/Board receives formal presentations on information security from the company’s Chief Information Security Officer approximately five times a year, and additional updates related to information security programs or data incidents are communicated to the Board, Audit Committee or Audit Committee Chair on an as-needed basis, as dictated by the circumstances and as required under our organization’s formal data incident response plan.</p> <p>As a regulated entity, The Hanover and its group of affiliated companies are subject to, and must adhere to ongoing cybersecurity regulations, including regulations promulgated by federal and state authorities, including the New York Department of Financial Services.</p> <p>The Hanover’s privacy policies and notices are publicly disclosed and available at the privacy center on our website. These notices and policies provide transparency to our data privacy practices and provide information on how individuals may obtain additional information.</p> | |

In 2020, and since 2018 when we started reporting under the GRI framework, there were no substantiated complaints concerning breaches of customer privacy received from either outside parties or regulatory bodies. Additionally, in the last three years, there were no expenses incurred from information security breach penalties and settlements from outside parties or regulatory bodies. The company maintains a comprehensive cybersecurity risk insurance policy from an unaffiliated third-party insurer.

Investment Policy

| Not applicable | Responsible investment policy |
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| | <p>The Hanover has published an Environmental, Social and Governance (ESG) Investment Policy in which we commit to avoid new investments in the securities of companies that will rely on coal for more than 25% of their fuel to generate electricity after 2025. Existing investments that exceed this threshold will be phased out by 2025. Additionally, we will not make new investments in the securities of companies in the coal and tar sands industries that will generate more than 25% of their revenue from mining or processing thermal coal after 2025, (ii) are in the process of developing, or have plans to develop, any new coal mine, new coal plant or new coal infrastructure, and (iii) will have more than 25% of their oil reserves in tar sands and/or will generate more than 25% of their revenue from the shipment of tar sands oil after 2025.</p> |

TCFD Table

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

| TCFD RECOMMENDATION | CORRESPONDING GRI KPI |
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| 1) Describe the Board's oversight of climate related risks and opportunities | 102-18; 102-19 |
| 2) Describe management's role in assessing and managing risks and opportunities | 103-2 |
| 3) Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term | 201-2 |
| 4) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning | 201-2 |
| 5) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | 201-2 |
| 6) Describe the organization's processes for identifying and assessing climate-related risks | 102-30 |
| 7) Describe the organization's processes for managing climate-related risks | 102-30 |
| 8) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management | 102-30 |
| 9) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process | 102-30 |
| 10) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks | 305-1; 305-2; 305-3 |
| 11) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets | See "Other topics," Investments |