



MAKING AN IMPACT FOR GOOD.

2017 Sustainability Highlight Report

Together We Prevail™



Business Insurance
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AS A COMPANY IN BUSINESS FOR MORE THAN 200 YEARS, WE UNDERSTAND WHAT IT MEANS TO BE SUSTAINABLE.

Making an impact for good: addressing environmental, social and economic needs

ENVIRONMENT	SOCIAL		GOVERNANCE
			
Environmental Stewardship	Communities & Giving	Diversity & Inclusion	Ethics & Governance

**ENVIRONMENTAL
STEWARDSHIP**

As an insurance company, we understand the risks that environmental challenges present to people and communities. As stewards of the environment, we are committed to mitigating climate change and reducing our carbon footprint incrementally each year.

**COMMUNITIES
& GIVING**

We help individuals and communities prevail by building safe, strong and successful neighborhoods through targeted philanthropic investments, by partnering with like-minded national and local organizations, and by harnessing the power of our more than 18,500 employees to engage in their communities.

**DIVERSITY
& INCLUSION**

We are committed to building an inclusive and engaging culture where people are respected for who they are, recognized for how they contribute and celebrated for growth and exceptional performance. We value the diversity of our employees' skills and life experiences and invest deeply in their development so they can deliver on our strategy and propel our company forward.

**ETHICS
& GOVERNANCE**

We believe that doing the right thing every day is core to our character – and we are proud of our reputation for being a company that places ethics and integrity above all else.

On the Cover

Photo from The Hartford Ski Spectacular of U.S. Paralympian Keith Gabel and participant Lilly Biagini.

LETTER FROM OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Christopher J. Swift
Chairman and Chief Executive Officer

At The Hartford, our 2017 sustainability performance was characterized by growth and change, as we amplified our efforts to make a positive difference for our stakeholders. Making an impact for good is core to how we operate every day, and throughout 2017 we matched commitment with results, evidenced by our inclusion in the Dow Jones Sustainability Index for a sixth year.

“ The Hartford’s go-forward sustainability strategy is built around measurable goals intended to both create long-term shareholder value and contribute positively to society at large. ”

Fostering and safeguarding human achievement has been our business for over two hundred years. This unwavering purpose defines us and the way we operate, influencing every decision and everyone we touch – our customers, employees, partners, and neighbors. In an increasingly fractured world, companies like ours can no longer stay on the sidelines with regard to important issues that impact us all. People want to work for, invest in, and do business with organizations that operate with integrity and support their values.

Building on our proud history of doing the right thing, you can count on The Hartford to engage on issues when we can make a difference and influence change, and to demonstrate our positive impact on society. This is an expectation held by all of our stakeholders – most persuasively by our 18,500 employees, who want their work to have meaning beyond the policies we write – and we will deliver.

HOW WE WILL DO MORE

The Hartford’s go-forward sustainability strategy is built around measurable goals intended to both create long-term shareholder value and contribute positively to society at large. Our strategy focuses on the environment, our workforce, and the communities where we live and work.

REDUCING OUR IMPACT ON THE ENVIRONMENT

The Hartford has led the insurance industry in recognizing that climate change is a very real risk to policyholders, businesses, and the overall economy. We are proud to have cut our company's greenhouse gas emissions by 66% since 2007, and we plan to further reduce our carbon footprint by at least 2.1% a year. To achieve this, we will take a number of additional measures by 2022, including:

- Reducing our non-biodegradable non-recyclable solid waste (e.g., plastic products and computer hardware) from our facilities by 20% and eliminating the use of Styrofoam.
- Reducing our facilities' energy use by 15% through energy efficient building management, and striving to reach our goal of 100% renewable energy by 2030.
- Reducing our water use by 15%.
- Doubling the percentage of hybrid or electric fleet vehicles, and moving to 100% electric for campus shuttles and security vehicles.



100% electric shuttles
and security vehicles used
on campus by 2022

PROMOTING A DIVERSE AND INCLUSIVE WORKFORCE THAT IS COMPENSATED FAIRLY

The Hartford must attract and retain the industry's top talent to continue to grow and innovate. To fully understand and respond to the needs of our customers, we need a diverse workforce. In addition, employees want to feel valued and respected for who they are, free to apply their skills and passion to meaningful work, and be paid fairly and recognized for their contributions. That is why we are committed to ethical, unbiased treatment for all employees and will continue building, enhancing, and sustaining an inclusive, supportive culture at The Hartford. To keep pace with the rapidly evolving market, customer and workforce demands, we will focus on diversity and inclusion and equitable compensation:

Diversity and Inclusion

We're proud of the industry-leading position The Hartford has taken in diversity and inclusion. However, we know that there is always more to do, and that commitment starts at the top. We are extremely proud that, currently, 33% of our Board of Directors are women and 17% are people of color, and we will continually exceed best practices in board diversity. Throughout the remainder of our company, from senior leadership roles through to our front line, we are committed to consistent, year-over-year progress in our workforce representation.

Specifically, by 2022 we will rank in the top quartile in the insurance industry for representation of women and people of color through three levels of reporting to the CEO, and will continue to invest in talent strategies supporting this goal.

Diversity and Inclusion on the Board of Directors



17% are people
of color
33% are women

Compensation

Compensation is one of the most fundamental representations of how a company values its people's contributions. The Hartford is committed to fair pay, specifically pay equity for women and people of color. For the past decade, we have regularly analyzed and adjusted our compensation practices to ensure fairness, equity, and market competitiveness. Beginning this year, the Board of Directors Compensation Committee will be updated annually on compensation equity. We understand that as markets and talent pools shift over time, this goal will require ongoing attention, and we will continue to make sure that every employee is treated fairly and compensated appropriately for the contributions he or she makes to the company.

DOING WELL BY DOING GOOD

Our desire to make a positive difference in the world is both the right thing to do and a business imperative. We operate in a complex, interconnected world; when our customers, employees and neighbors prosper, so do we. That is why in 2018 we've increased our community investments, including doubling our corporate contributions and incentivizing employee donations and volunteerism. Through these efforts, we will positively impact the lives of 10 million people from 2018 through 2022 with an emphasis in five areas:



positively impact
the lives of
10MM people
from 2018 to 2022

Fire Safety

A home fire is reported in the U.S. [every 90 seconds](#). Among the most vulnerable are children. In an effort to prevent fires and save lives, we will educate three million children about the importance of fire safety through our signature Junior Fire Marshal® program. This education initiative will bring the total number of children deputized since the program's inception 71 years ago to more than 115 million by 2022.



115 MM
Junior Fire Marshals
deputized by 2022

Opioid Addiction

The opioid crisis is ravaging communities across the country, including many places that our employees and customers call home. [1 in 5](#) people who start a short-term prescription of opioids become long-term users – a statistic that becomes more worrying when you consider that a third of all Americans have been prescribed opioid painkillers during their lives. Because The Hartford is a leading writer of workers' compensation and group disability insurance in America, we see the human impact of this tragedy every day. That is why we instituted a comprehensive strategy that has reduced the use of opioids among our workers' compensation claimants by nearly 40% since 2015.

Disability

Individuals with disabilities face far greater obstacles to healthy living than the general population. According to the Centers for Disease Control and Prevention and Bureau of Labor Statistics, individuals with disabilities are more likely to be [unemployed](#) and [inactive](#).

The Hartford's Ability Philosophy is based on the belief that every person is capable of full productivity in work

and in life. Through our founding partnership with U.S. Paralympics and longstanding support for the



Paralympic movement, we promote training and athletic opportunities across the United States for people with disabilities, and have seen firsthand the power of adaptive sports as a catalyst for improved health and inclusion. That is why The Hartford will provide access to adaptive sports and adaptive equipment to nonprofit organizations across the country that serve youth and adults with disabilities to help them lead active lives.

1MM+
SMALL BUSINESS
CUSTOMERS

+



their employees

+



access to addiction
prevention and
educational resources

We will launch a program to provide our one million small business customers and their employees with access to addiction prevention and educational resources. We also continue to work with lawmakers to influence public policy and implement legislative solutions to help combat this crisis. Our industry is advocating aggressively for the adoption of meaningful reforms, including strict durational and dosage limitations, implementation of drug formularies, and the strengthening of prescription drug monitoring programs that allow doctors and pharmacists to monitor prescriptions in real time. These proven approaches work to reduce the number of opioid prescriptions.

“ At The Hartford, we believe that by empowering others to achieve their full potential we unlock our own. ”

Youth

Education and employment are directly correlated. Alarming, 13% of young adults are unemployed nationally, and many more lack the capabilities needed for 21st century careers. That is why we are invested in helping young people build skills and lay the foundation for a successful future. We are proud to work with inspirational partners like the Boys & Girls Clubs of America to open 30 College and Career Centers around the nation. Our ongoing support of Junior Achievement helps build financial literacy and inspire the next generation of business leaders. We also partner with local community colleges to create a path to meaningful careers through our own apprenticeship programs, building a self-sustaining pipeline of diverse talent as we contribute to stronger communities.



City of Hartford

As employers, customers and neighbors, The Hartford is committed to the economic vitality of Connecticut's capital city and our hometown. Over the next five years, we are prepared to invest more than \$30 million in a comprehensive and sustainable city of Hartford in the areas of education, community support services, and neighborhood revitalization to help drive the city's resurgence and provide its inhabitants with a culture and environment in which they can thrive.

MAKING AN IMPACT FOR GOOD

At The Hartford, insurance is more than a contract. We come to work every day to foster and safeguard human achievement and to demonstrate that we are worthy of others' trust and confidence. To enable individuals, businesses and communities to have the confidence they need to seize each opportunity and pursue their unique ambitions. It is a promise to protect long-term potential from the peril and risks that are part of life. And when unexpected challenges do arise, the promise of a strong support system can be the difference between surviving and prevailing.

The Hartford's origin story is rooted in this promise and has been for 208 years. Part of what makes The Hartford different is our relentless dedication to practice our business in a sustainable way. It requires an ongoing dialogue with our stakeholders to understand their concerns and address some of today's most pressing issues. At The Hartford, we believe that by empowering others to achieve their full potential we unlock our own.

We are excited about achieving more in the next five years of our sustainability journey, and look forward to sharing our progress with you – the people who want to work for, invest in, and buy from an organization that shares their values.

Thank you for your interest in The Hartford and our work to make a positive impact on society.

Sincerely,

Christopher J. Swift
Chairman and Chief Executive Officer

“ We are excited about achieving more in the next five years of our sustainability journey, and look forward to sharing our progress with you. ”



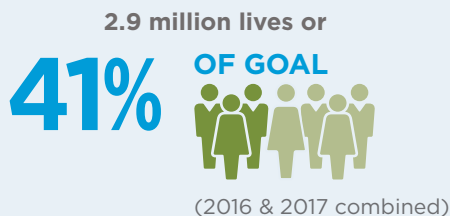
SOCIAL IMPACT STRENGTHENS OUR REPUTATION

The Hartford is committed to creating conditions to help individuals and neighborhoods thrive. Through strategically aligned philanthropic programs, increased volunteerism and the continued generosity of our employees, we'll help build safe, strong and more successful communities.

GOAL

Positively impact the lives of 7 million people by year-end 2020.

PROGRESS



Perceptions of our philanthropic commitment, combined with our proven track record as an active community partner, continue to:

- Strengthen our reputation as a company known for doing the right thing.
- Positively influence stakeholder purchasing, investment and employment decisions.
- Help attract and retain top talent.

PROGRESS TOWARD OUR GOAL

We continue to make progress toward our goal through:

- Targeted philanthropic investments.
- Partnerships with like-minded national and local organizations.
- Harnessing the power of our employees to engage in their communities.

Together, we're helping individuals and neighborhoods prevail by building safe, strong and more successful communities.

“ The Hartford is considered a shining example of what corporate philanthropy should look like. I know of no company that has cared more about the education, housing, public safety and quality of life of its neighbors than has The Hartford. ”

— Ted Carroll, President,
Leadership Greater Hartford



SAFE COMMUNITIES

The Hartford has a proud history of supporting organizations that make a difference in their communities. From teaching children about fire safety to rebuilding homes, The Hartford is committed to helping protect people, their families and the things that are most important to them. Examples of ways we're helping to [create safer communities](#) are highlighted below.

TEACHING FIRE PREVENTION AND SAFETY

Unique to The Hartford, our [Junior Fire Marshal® program](#) has taught fire prevention and safety to millions of children across the country since its beginning in 1947.

In honor of the program's 70th anniversary in 2017, The Hartford proudly committed:



\$2MM

- To expand the program through grants to school districts and fire departments in the 100 U.S. cities with the highest home fire risk.*



1.5MM

- To reach and educate an additional 1.5 million children living in those cities by the end of 2019.

PROGRESS IN 2017

Program reached nearly

12,000
classrooms



and

350,000
students

110MM

Children deputized
as Junior Fire Marshals
since 1947



Fire Safety House

To reinforce the program's life-saving lessons, The Hartford created a mobile fire safety house that visits schools in cities across the country, immersing students in fire safety demonstrations using state-of-the-art technology to simulate home fire situations.

“ We're proud of our heritage and the legacy of the Junior Fire Marshal program, but there is still more we can do to help build safer communities. Our goal is to empower everyday kids to become everyday heroes by providing them with the tools and training to reduce fire risk in their homes and be safe. ”



— Chris Swift
Chairman and CEO



* Based on The Hartford Home Fire Index



BUILDING SAFE NEIGHBORHOODS

- **Restoring properties:** We continue to support the Northside Institutions Neighborhood Alliance (NINA) by helping to restore and renovate blighted properties near our home office in Hartford, Conn.



- **Helping people recover after catastrophes:** After Hurricane Harvey and Hurricane Irma made landfall in the Atlantic region in the fall of 2017, The Hartford was there helping our customers take the first steps toward rebuilding their homes, small businesses and communities. While our team guided customers through the claims process, our Mobile Response Unit offered a comfortable place to eat a warm meal, charge a cell phone or connect with loved ones.
- **Constructing homes in partnership with Habitat for Humanity:** In addition to financial support, employees volunteered nearly 1,100 hours to help build more than 40 homes in 12 neighborhoods across the country.

STRONG COMMUNITIES

Communities become stronger when basic needs are met. The Hartford fosters stability and neighborhood vitality by providing access to food and support services to those in need. Examples of programs helping to [strengthen the communities](#) where we live and work include:

FIGHTING HUNGER



16 offices participated

38 hunger-fighting organizations supported

735,000 meals provided to communities nationwide

1,600+ employees donated and/or walked to support Foodshare in Hartford, Conn.

300 bags of produce and herbs harvested from a community garden maintained by employees in our Hartford, Conn. office and donated to a local nonprofit to help feed the community.

300 pounds of food collected in Overland Park, Kan.

16,000 meals packaged in Lake Mary, Fla.



HOLIDAY GIVING



- **2,787 gifts** donated by employees to families in need.
- **2,367 cards** shipped to troops with hand-written messages of support from employees.

DONATING BLOOD AND BONE MARROW

- **1,185 employees** donated blood through the American Red Cross and similar organizations.
- **178 employees** registered for the Be the Match National Marrow Donation Program, through a nationwide bone marrow registry drive.

SUPPORT FOR THE CITY OF HARTFORD

Headquartered in Hartford, Conn., for more than 90 years, The Hartford has a proud history of supporting the local community:

- **Helping youth find meaningful employment** through our support of Hartford Youth Service Corps, an organization focused on providing youth in need of employment meaningful opportunities to earn a living through community service-based projects directly impacting the neighborhood.
- **Supporting the city of Hartford** through a joint effort with Aetna and Travelers in 2017, announcing a willingness to pledge a combined \$50 million to the city over five years in support of important community institutions like the public library, city law enforcement and recreation centers.

“The Hartford has been an economic driver in our community for over two centuries, and they’re now showing that business can be a force for great good. We need more corporations like them leading by example.”

– Ojala Naeem, Managing Director, reSET

EMPLOYEES GIVING BACK

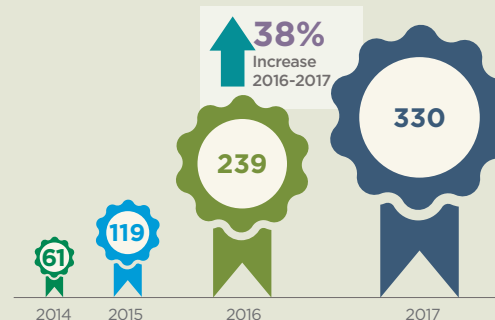
The Hartford’s employees exhibit exceptional character every day, embracing the opportunity to give their time, talent and generosity in support of the communities where they live and work.

134,615 volunteer hours
valued at **\$3.25MM**

400+ top talent employees were engaged to lead employee giving programs, building skills and advocacy.

\$1.9MM+ donated by employees in 2017, including nearly \$198,000 to disaster relief for the 2017 hurricanes and wildfires.

EMPLOYEES EARNING A PRESIDENTIAL VOLUNTEER SERVICE AWARD



Employees earn this national recognition for volunteering 100+ hours in the community.



SUCCESSFUL COMMUNITIES

The Hartford is committed to nurturing the well-being of America's neighborhoods, enriching the lives of people and businesses to help create more successful communities. Through our national programs and partnerships, we're inspiring generations of business leaders, supporting under-served neighborhood business owners, and helping people with disabilities achieve their full potential. Our success is measured by the impact of our activities, which include:

INVESTING IN AMERICA'S FUTURE THROUGH NATIONAL PARTNERSHIPS

Our [national partnerships](#) with Junior Achievement, USA and Boys & Girls Clubs of America provide young people with the tools and resources they need to be successful beyond high school – a critical step in creating more [successful communities](#).



Junior Achievement, USA (JA USA)



The Hartford is the title sponsor of JA Company Program®, offering students the opportunity to launch their own small business while learning the basics of entrepreneurship, financial literacy and business success.

37,142 students have participated in the JA Company Program through 1,942 JA Companies, since our partnership with JA USA began in 2014.



Boys & Girls Clubs of America (BGCA)

In April 2017, The Hartford announced a three-year partnership with BGCA, including a \$3 million donation in support of workforce development programming.



The Hartford is the founding partner of the college and career centers framework, a workforce development initiative providing teens opportunities to explore career paths and prepare for their next steps after high school.

30 college and career centers will open inside local clubs beginning with centers in the city of Hartford and Kansas City in 2017.

70,000 teens will also be reached through enhanced CareerLaunch digital resources each year.

“We are thrilled to partner with The Hartford, whose expertise as a national employer will be invaluable to the teens we serve as they look ahead and create a plan for the future.”

– Jim Clark, President and CEO of BGCA

Back to School Program

1,780 backpacks were filled with school supplies by our employees in 15 offices, who participated in a back to school campaign to help students nationwide.





FINANCIAL INCLUSION THROUGH SMALL BUSINESS SUPPORT

2,500 loans were disbursed

to small business owners that don't have access to traditional sources of capital, through our partnerships with nonprofit organizations Accion and LiftFund.

- Our 3-year, \$1.4 million commitment, made in 2015, continues in support of AARP Foundation's Work for Yourself@50+SM program. Through this initiative, we help educate and inspire older Americans interested in developing their own small businesses by equipping them with the training and skills they need to achieve their goals.

**40** small businesses were supported

by [HartMobs](#), which are groups of our employees, friends, family and business partners who come together to purchase our customers' products or services. We hold these events in-person across the country and online to show appreciation for our customers and help raise the visibility of their business.



For 24 consecutive years, we've sponsored The Hartford Ski Spectacular. Held in December, Ski Spectacular is organized by Disabled Sports USA. It's one of the nation's largest winter sports events for individuals with disabilities.

U.S. Paralympics

Athletes with disabilities are the ultimate example of what it means to prevail. They've inspired us to support the Paralympic Movement in the United States for 20+ years and to become a [founding partner of U.S. Paralympics](#), a division of the United States Olympic Committee, in 2003.



Official Disability Insurance Sponsor





DIVERSITY FUELS LONG-TERM SUCCESS

The Hartford and the insurance industry face challenges attracting and retaining the talent needed to continuously evolve and meet the changing dynamics of the marketplace. This challenge is fueled by a combination of factors, including a loss of industry expertise due to retirements, low perceptions of insurance careers and high employee expectations.

To help combat these issues, The Hartford continues to develop strategic initiatives to benefit our company, our employees and the insurance industry, including those highlighted here.

GOAL

Be the insurance industry leader in diversity and inclusion*, enabling us to attract and leverage top talent to meet our business goals in an increasingly diverse environment

*As measured by external third parties, achievement on top company listings, and internal assessments

PROGRESS

The Hartford continues to receive third-party recognition for our commitment to Diversity & Inclusion (D&I) including:



Named the Top Insurance Company for Diversity & Inclusion at the Insurance Business Awards

Additional D&I recognition earned can be found on page 16.

IMPROVING OUTCOMES AS AN EMPLOYER AND BUSINESS PARTNER

As research consistently shows, companies that build a workforce to reflect and leverage the diversity of their customer base are more innovative and achieve better outcomes. The Hartford recognizes the rapid evolution in the makeup of our customers and in the talent pools we hire from. Attracting and developing talent that best serves our customers is a top priority.



The Hartford also understands that companies must provide an experience that meets an employee's unique needs in order to maximize their potential and motivate them to achieve business goals. This is particularly important for talent that's demographically under-represented in the insurance industry.

DIVERSITY & INCLUSION IN ACTION

Convening, Collaborating and Coalescing the Insurance Industry Around D&I

As an industry leader, The Hartford will continue focusing on [strategic D&I initiatives](#) that create monumental change and enable The Hartford to stand out as an employer and business partner of choice by:

- Enhancing the insurance industry's brand and image.
- Creating an inclusive work environment deemed best-in-class in the insurance industry.
- Driving collaboration across the industry and willingly sharing best practices.





TAKING PUBLIC ACTION IN SUPPORT OF EQUALITY

- CEO Action for Diversity & Inclusion™ Pledge: The Hartford's Chairman and CEO Chris Swift joined pledge to actively support more inclusive workplaces (2017)
- Catalyst CEO Champions for Change (2017)
- AARP Employer Pledge (Ongoing since 2012)
- White House Equal Pay Pledge (Dec. 2016)
- U.S. Supreme Court Amicus Brief for Marriage Equality (2016)
- Business Insurance CEO D&I Commitment Statement (Sept. 2016)
- Urged North Carolina to Repeal Discriminatory Law



UNIQUE NEW APPRENTICESHIP PROGRAM PREPARES STUDENTS FOR INSURANCE CAREERS

The Hartford successfully brought the [Apprenticeship Program](#) to life through partnerships with Capital College in Hartford, Conn., and Rio Salado College in metro Phoenix, Arizona in 2017. Through these partnerships and others in development, The Hartford plans to onboard 200 apprentices by 2020.

The Two-Year Apprenticeship Program Offers:

- Insurance-specific curriculum
- Paid on-the-job training and full benefits package
- Mentoring support
- Tuition assistance through available grants

Students who successfully complete the program:

- Earn an associate degree, and
- Become eligible for full-time employment with The Hartford

Through this innovative program, The Hartford is enhancing student perceptions about careers in the insurance industry and helping to attract the top talent we need to best serve our customers.

In November 2017, Jobs for the Future (JFF) recognized The Hartford's Apprenticeship Program as a new industry model with the "Excellence in Apprenticeship and Work-Based Learning" award.



“ This new program is an innovative way to develop Connecticut's insurance talent and provide promising careers for our residents. It supports our communities and helps the state expand into non-traditional apprenticeships to help grow our major industry sectors. This unique partnership promises to build a stronger economy by promoting post-secondary education and creating pathways to good paying jobs. ”

- Dannel P. Malloy, Connecticut Governor



ILLUSTRATING OUR COMMITMENT

Insurance Industry Charitable Foundation (IICF)



Women in Insurance Conference:

The Hartford was a returning sponsor and planner of this conference, using the platform to deliver thought leadership to participants.

Simmons Leadership Conference: We participated in this premier women's leadership conference that attracts more than 3,400 middle- and senior-level women from companies across the country and around the globe.

The Conference Board, Diversity & Inclusion

Conference: Susan Johnson, The Hartford's Chief D&I Officer, spoke on a panel about "Courageous Conversations."

National African American Insurance Association:

Building on our national and local board leadership roles, we helped establish a chapter of this association in Hartford. We're also leading efforts to grow the organization nationally.

Independent Insurance Agents and Brokers of

America (Big I) Diversity Task Force: We remain actively involved in this task force.

RECEIVING RECOGNITION FOR OUR D&I EFFORTS

The Hartford is consistently recognized for our inclusive culture and for providing a workplace that meets the unique needs of our employees.



Named "A Best Place to Work for LGBTQ Equality" for the 10th year, receiving a **perfect score** on the Corporate Equality Index from the Human Rights Campaign Foundation



Diversity Best Practices Inclusion Index Company



Best Employers for Healthy Lifestyles - Platinum



Top Military Friendly Employer



Bloomberg Gender Equality Index



"Best Places to Work" from the 100% Disability Equality Index (DEI)



2020 Women on Boards



Top 100 Remote Work - Flexjobs



The Insurance Industry Charitable Foundation (IICF) honored The Hartford's Chief Claims Officer, John Kinney, with the "Inclusion Champion Award" in recognition of his work to advance diversity in the insurance industry



EMBEDDING D&I IN OUR CULTURE

Employee Resource Groups (ERGs) Make Our Company Stronger

At The Hartford, ERGs are vital – for both employees and our company. Employees share unique perspectives on a variety of topics and their diverse thinking helps to influence and improve our workplaces, businesses and communities.



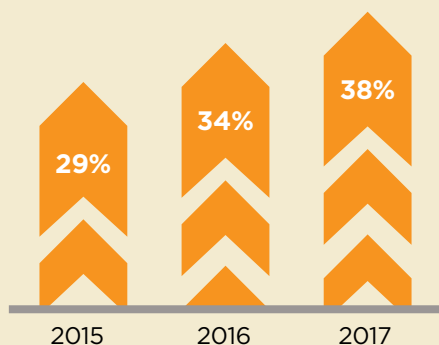
8 ERGs and Growing

- Asian Pacific Professionals Network
- Black Insurance Professionals Network
- Flex-Abilities Network
- Gay, Lesbian, Bisexual and Transgendered Organization Benefitting Everyone
- Hispanic Leadership Network
- Military Community Network
- Professional Women's Network
- Young Professionals Stepping Up
- Mature Professionals Network (launching in 2018)



STEADY RISE IN ERG MEMBERSHIP

% of employees participating in an ERG



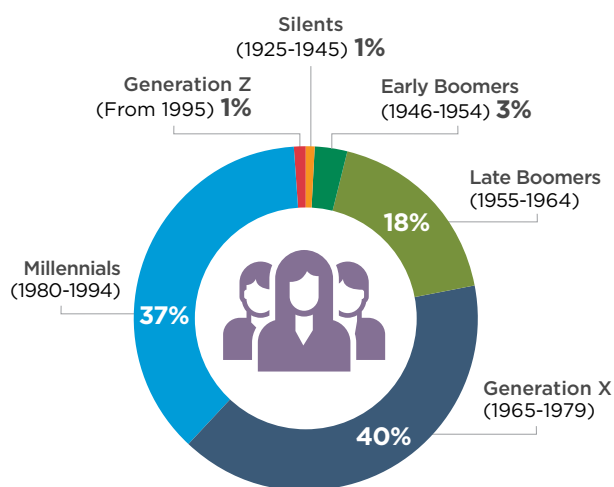


D&I PROGRAMMING AND TRAINING

- More than 90% of employees and managers completed “Appreciating Differences & Managing Inclusion” training to:
 - » Understand the importance of diversity in the workplace.
 - » Motivate them to actively promote workplace inclusion.
- Launched the Network Expansion Program to engage, develop and retain top talent leaders of color through impactful relationships and a demonstrated commitment to their development. The program focuses on enhanced inclusive leadership through two-way learning and expanded appreciation of differences.

OUR WORKFORCE

Generational Workforce Breakdown by Birth Year



DIVERSITY ON BOARDS OF DIRECTORS

(as of May 2018)

Board Gender Diversity at The Hartford



Women: 4



Men: 8

Women on Boards of Directors*



The Hartford



All S&P 500 Companies

Women Chairing Board Committees

Women chair 20% of audit committees and 17% of compensation committees at S&P 500 companies.* At The Hartford, women chair both committees.

People of Color on the Board

17% (2)

At The Hartford

17%

At Top 200 S&P 500 Companies*

*According to the 2017 Spencer Stuart Board Index



UNCOMPROMISING COMMITMENT TO ETHICAL BUSINESS CONDUCT

At The Hartford, we aspire to be an exceptional company celebrated for financial performance, character and customer value. We believe that the strong governance practices and responsible corporate behaviors described here are central to this vision and contribute to our long-term performance.

GOAL

Maintain industry-leading ratings* for our uncompromising commitment to compliant and ethical business conduct

*As assessed by internal sources (employee survey scores) and external objective sources (Ethisphere, Bloomberg, NYSE and LRN)

PROGRESS

10
TIMES

Named one of the World's Most Ethical Companies by the Ethisphere Institute in 2017 and 2018, reflecting a strong ethics and compliance program that emphasizes:

- Leadership accountability
- Prevention of ethical lapses and compliance issues



BUILDING TRUSTED RELATIONSHIPS

With Customers

Operating with integrity gives our customers peace of mind and the confidence to trust that The Hartford will:

- Protect them with appropriate products and services.
- Help them prevail if disaster strikes.
- Do the right thing for them and/or their business.

With Employees

Our annual employee survey shows that employees overwhelmingly believe The Hartford shows a commitment to ethical business decisions and conduct:



96% of our employees believe that The Hartford shows a commitment to ethical business decisions, **14 points above the top 25%** benchmark of global companies.*

93% of our employees say they can report unethical conduct without fear of reprisal, **15 points above the top 25%** benchmark of global companies.*

With Partners

Conducting business ethically and with integrity is critical to earning the trust of our shareholders, distribution partners, vendors and the communities in which we live and work.

*Source: 2017 annual employee survey; benchmarks provided by IBM Kenexa



CODE OF ETHICS AND BUSINESS CONDUCT

The Hartford's [Code of Ethics and Business Conduct](#) reinforces our values by:

- Requiring all employees and members of the Board of Directors to engage in honest and ethical conduct in performing their duties.
- Providing guidelines for the ethical handling of actual or apparent conflicts of interest.
- Providing mechanisms to report unethical conduct.

Employees

Our code of ethics guides employees to choose a course of action consistent with The Hartford's core values – every time. The code is reinforced during an annual Ethics and Compliance Week, highlighting the importance of appropriate business conduct and operating with integrity. Robust training is available to all employees and managers, including new hires, both in-person and online.

47,000+ training hours on ethics and compliance were completed by employees through our career development site.

100% of employees certify annually that they have read, understood and will adhere to code policies.

Board of Directors

We have adopted a Code of Ethics and Business Conduct for members of the Board of Directors (the “Board Code of Ethics”) and a Code of Ethics and Political Compliance. Directors certify their compliance with the Board Code of Ethics annually.



Vendor Partners

The Hartford is committed to partnering with suppliers that share our values and invest in sustainability practices that align with The Hartford's principles. We diligently review these practices in the selection and ongoing evaluation of our suppliers to ensure they:

- Comply with all applicable laws and regulations.
- Act ethically at all times.

The Hartford's [Vendor Code of Ethics and Business Conduct](#) outlines the ethical behavior and responsible business practices we expect our suppliers to uphold.

“Doing the right thing every day is core to The Hartford's character. Character is central to our company's vision to be exceptional.”

- The Hartford's Code of Ethics and Business Conduct

Reporting Concerns and Suspected Violations

We encourage employees and members of the Board of Directors to report suspected code violations and concerns in one of the following ways:

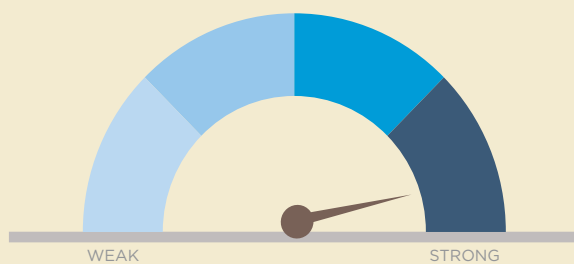
- EthicsPoint – an independent, third-party service provider – online or by phone.
- The employee's manager or their Compliance Officer, Employee Relations, the Chief Ethics & Compliance Officer, The Hartford's Ombudsman, or The Hartford's Fraud Hotline.





ASSESSING OUR ETHICS PROGRAM

LRN, a third-party advisory firm focused on the increasingly complex ethical and regulatory environment, assessed our ethics program in 2017.



WHAT WAS ASSESSED

RATING

Our ethics and compliance program

Highly mature

Our ethical culture

Very strong

LRN CONCLUSION

The Hartford's ethics program is:

“very well designed and effectively implemented,” as validated by “extremely favorable LRN survey results.”

STRENGTHENING SAFEGUARDS

Cyber Security and Privacy

We continue to take measures to strengthen cyber security and privacy including:

- **Building a defense strategy** using multiple security measures to protect the integrity of the company's information. This strategy aligns to the National Institute of Standards and Technology (NIST) Cyber Security Framework and provides preventative, detective and responsive measures that collectively protect the company.
- **Strengthening defenses against malicious software;** advancing identity and access management practices; enhancing network security monitoring and data loss prevention capabilities; and standardizing third-party security management processes.
- **Data security policies and systems are regularly audited** by using independent third parties to assess and test our defenses.



100% of employee emails are sent using the data classification standard implemented in 2016, helping to identify and protect personally confidential and highly restricted documents.



100% of our employees are trained on security practices annually.



Compliance Risk Assessment

We conduct an annual compliance risk assessment for each of the company's business areas. Primary goals include:

- Identifying the most significant compliance risks.
- Performing analysis to detect, prevent and remediate compliance gaps.
- Creating and implementing action plans for continuous improvement.

Monitoring the Business Environment

We regularly monitor the business environment to identify new or changing laws, regulations, business trends and other events with the potential to significantly affect our business operations.



Anti-Corruption

The Hartford takes a risk-based approach to anti-corruption.

100% of operations assessed for corruption related risks by a team of compliance professionals

This assessment helps:

- Ensure our full compliance with laws and regulations designed to combat money laundering and terrorist financing.
- Prevent the use of company funds, assets or resources for unlawful or corrupt purposes.

Compliance with all laws and regulations, including those concerning the provision and use of products and services in 2017:

NO

- **Material Fines Paid**
- **Non-Monetary Sanctions Imposed**
- **Corruption Incidents**

Business Continuity

The Hartford is dedicated to business resiliency and believes effective planning is critical to reducing business disruption. Our robust business continuity strategy is consistent with industry best practices, providing reasonable assurance that we're prepared for – and can recover from – emergencies and disasters. Our recovery strategy includes:

- **Maintaining multiple data centers** in geographically dispersed locations and **investing in redundant equipment** to support the recovery of critical infrastructure and applications by reducing single points of dependency.
- **Comprehensive testing** to validate resiliency capabilities for relevance and effectiveness, including:
 - » Business Resumption Plans and Application Disaster Recovery plans, according to established framework.
 - » Emergency Response Plans for each office are required to be exercised at least annually.
- **Conducting evaluations annually** to help ensure resiliency strategy adheres to all established policies and procedures.



GOVERNANCE BEST PRACTICES

The Board and management regularly consider best practices in corporate governance and shareholder feedback, and modify our governance policies and practices as warranted. Our current best practices include:



Independent Oversight

- Majority independent directors
- Independent key committees (Audit, Compensation, Nominating)
- Strong and engaged independent Lead Director



Engaged Board/ Shareholder Rights

- Directors elected annually
- Majority vote standard (with plurality carve-out for contested elections)
- Proxy access right
- Director resignation policy
- Over-boarding policy limits total public company boards including The Hartford to five for non-CEOs and two for sitting CEOs
- Rigorous Board and committee self-evaluation conducted annually
- Meaningful Board education and training on recent and emerging governance and industry trends
- Annual shareholder engagement on governance and sustainability issues



Good Governance

- Board diversity of experience, tenure, age and gender
- Annual review of CEO succession plan by the independent directors with the CEO
- Annual Board review of senior management long-term and emergency succession plans
- Stock-ownership guidelines of 6x salary for CEO and 4x salary for other named executive officers
- Annual Nominating Committee review of the company's political and lobbying policies and expenditures



Commitment to Sustainability

- Board oversight of sustainability matters; Nominating Committee oversight of sustainability governance framework
- Sustainability Governance Committee comprised of senior management charged with overseeing a comprehensive sustainability strategy and ensuring that the full Board is briefed at least annually



REDUCING OUR ENVIRONMENTAL IMPACT

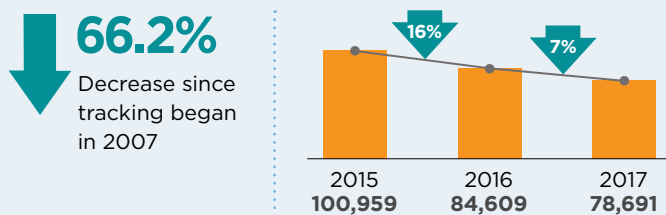
Environmental challenges present risks to the people and businesses we insure. At The Hartford, we take our responsibility to educate and prepare our customers for this changing world seriously. In addition, we understand the importance of reducing our impact on the environment, conserving natural resources in the face of climate change and reducing our operating costs in the process. In 2017, we demonstrated our [commitment to environmental stewardship](#) through a variety of actions and initiatives highlighted here.

GOAL

Reduce our total scope 1, 2 and 3 Greenhouse Gas Emissions (GHGe), achieving a reduction of at least 2.1% of GHGe each year, resulting in a minimum decrease of 25.7% by 2027 and 46.2% by 2037 (using 2015 as the base year)

PROGRESS

Reducing Our GHG (in Tons of CO₂E):



Our GHG emissions data is verified by WSP, an independent third party, in accordance with the ISO 14065 International Standard.



GIVING BACK THROUGH THE HARTFORD ENVIRONMENTAL ACTION TEAM (HEAT)

- 150% growth in membership, with more than 500 employees participating across the company.
- 82 employee volunteers planted 250 trees and bushes at the city of Hartford's Parker Memorial Park to celebrate Arbor Day.
- A Memorial Day tree-planting ceremony held on our Hartford, Conn., campus honored the Tuskegee Airmen.

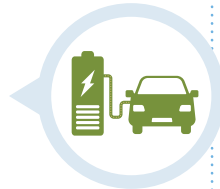
“ The Hartford has created immense value, leading to the planting of well over 5,000 trees. Their work with KNOX is a beacon locally for their commitment to the global environment. ”

– Ron Pitz,
Executive Director at KNOX



REDUCING OUR COMMUTER FOOTPRINT

- **10%+** of our fleet vehicles are hybrids.
- **Free electric vehicle** charging stations are available at our Conn. campuses.
- **Nine employees** purchased Nissan Leaf vehicles, with a bonus rebate incentive, following two successful electric/hybrid vehicle ride-and-drive events.



300,000 lbs of CO₂ saved
as a result of our annual employee Alternative Commuter Challenge.

REDUCING PAPER CONSUMPTION

735 metric tons recycled
including 100% of recycling bin paper from our offices.

2.4% reduction in paper consumption over 2016 resulting in an
84% reduction since 2009 program inception.



19.8MM sheets of paper saved
through responsible printing.

99% of our domestically procured paper is Forest Stewardship Council (FSC) certified.

RECYCLING E-WASTE THROUGH A ZERO-LANDFILL PROCESS

16,155 electronic devices recycled =
3.9MM+ lbs of e-waste not in landfills.

400+ personal electronic devices recycled by employees in seven offices during a biannual e-cycling drive organized by HEAT.



2017 RENEWABLE ENERGY USAGE

49% of The Hartford's total energy consumption came from renewable energy sources.





PROTECTING OUR CUSTOMERS BY MITIGATING RISKS



Climate change and the catastrophic impact of extreme weather events can cause dangerous overloads on the insurance system. In 2017, The Hartford responded to a record number of catastrophes using predictive tools to plot the path of the storms. This technology enabled us to properly staff call centers and send mobile response teams directly into impacted areas to help our customers more quickly.

PROMOTING ENVIRONMENTAL SUSTAINABILITY THROUGH OUR MUTUAL FUNDS BUSINESS

After joining the UN Principles for Responsible Investment (UNPRI) in 2016, Hartford Funds:



- Published the first Responsible Investment Transparency Report in 2017.
- Launched The Hartford Global Impact Fund in 2017, investing in companies that seek to address major social and environmental challenges like health, clean water and alternative energy.
- Launched the Environmental Opportunities Fund, investing in companies that promote environmental sustainability, in 2016.

RESPONSIBLE PRODUCT OFFERINGS

- **Insurance Products.** We offer many products that help customers avoid GHG emissions. We also offer premium discounts to encourage the purchase of hybrid or electric vehicles and the use of energy-efficient equipment.
- **Renewable Energy.** We offer uniquely designed products that provide end-to-end coverage for the solar, wind, fuel cell and biomass industries.



As of 12/31/17, The Hartford has **\$700MM** invested directly in utility-grade solar, wind and hydroelectric power generation facilities.



\$7MM+ earned in premiums from our renewable energy practice in 2017.





ADDITIONAL ACTIONS

- **David Robinson, General Counsel**, spoke on a panel hosted by the United Nations Environmental Principles for Sustainable Insurance (PSI) Initiative and Munich Re, USA.
- [Our Climate Change Statement](#) aligns with the 5th Assessment of the Intergovernmental Panel on Climate Change (IPCC).
- **Paris Agreement**. As one of the first companies to publicly urge the U.S. administration to remain committed to the Paris Agreement, we continue to pledge our support for this agreement and the ambitious efforts to combat climate change outlined within.



RECOGNITION OF RESPONSIBLE ACTIVITY

Received an A- grade and recognized in the "Leadership" category by CDP, a grade only achieved by 18% of responding companies.



Named February 2017 Partner of the Month by CT *rides*.



Successfully applied for two [Climate Leadership Awards](#), announced in early 2018, for Excellence in Greenhouse Gas Management:

- Goal Setting
- Goal Achievement



CLIMATE
LEADERSHIP
AWARDS **2018**

Excellence in Greenhouse Gas Management
(Goal Setting Certificate) Recipient



CLIMATE
LEADERSHIP
AWARDS **2018**

Excellence in Greenhouse Gas Management
(Goal Achievement Award) Winner

Earned the Lighting Energy Efficiency in Parking (LEEP) Award from the U.S. Green Building Council.



Selected as an "Exemplary Performance Recognized Participant" for Highest Absolute Annual Savings for Troffer Lighting New Construction in the U.S. Department of Energy Better Buildings Challenge – Interior Lighting Campaign, 2017.





THE HARTFORD AT A GLANCE

KEY FACTS

- **Founded:** 1810
- **Employees:** Approximately 18,500
- **Headquarters:** Hartford, Conn.
- **U.S. Locations as of 12/31/17:**
The Hartford writes business across the United States and has 100+ offices located throughout the country.

FINANCIAL HIGHLIGHTS

(as of 12/31/17)

- **2017 revenues:** \$17.0B
- **Shareholder equity:** \$13.5B

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

A PROUD HISTORY OF DOING GOOD

- The Hartford was named to the 2017 Dow Jones Sustainability Indices for the **sixth year** in a row in recognition of our commitment to sustainability.
- For **70 years**, The Hartford's Junior Fire Marshal program has taught fire safety education to children and helped keep families safe. We've deputized more than 110 million Junior Fire Marshals since the program began in 1947.
- Through a **30-year** partnership with AARP, The Hartford has conducted industry-leading research to help people age well and has developed insurance products and services designed to serve and protect AARP's nearly 38 million members.
- The Hartford has proudly supported U.S. Paralympic athletes for more than **20 years**, and became a founding partner of U.S. Paralympics, a division of the United States Olympic Committee, in 2003. We remain a proud partner of the organization today.
- Since **2012**, The Hartford's employees have held HartMobs, which are groups of our employees, friends, family and business partners who come together to purchase our small business customers' products or services. We hold online and in-person events across the country to show appreciation for our customers and raise the visibility of their small business.

To learn more about The Hartford and our commitment to sustainability, visit TheHartford.com/about-us.



THE HARTFORD IS THE OFFICIAL DISABILITY INSURANCE SPONSOR OF U.S. PARALYMPICS.

The Hartford is a leader in property and casualty insurance, group benefits and mutual funds. With more than 200 years of expertise, The Hartford is widely recognized for its service excellence, sustainability practices, trust and integrity. More information on the company and its financial performance is available at TheHartford.com.

The Hartford Financial Services Group Inc., (NYSE: HIG) operates through its subsidiaries under the brand name, The Hartford, and is headquartered in Hartford, Conn. For additional details, please read The Hartford's legal notice.

Business Insurance
Employee Benefits
Auto
Home