UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 31, 2022

Yafit Cohn
The Travelers Companies, Inc.

Re: The Travelers Companies, Inc. (the "Company")
Incoming letter dated January 18, 2022

Dear Ms. Cohn:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Booth Investments, LLC for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the Company issue a report addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's public disclosures do not substantially implement the Proposal.

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Sanford Lewis

TRAVELERS

The Travelers Companies, Inc.
Yafit Cohn
Chief Sustainability Officer & Group GC
485 Lexington Avenue, 8th Floor
New York, NY 10017
917.778.6764 TEL
888.277.0906 FAX
ycohn@travelers.com

January 18, 2022

VIA E-MAIL

Re: The Travelers Companies, Inc. – Omission of Shareholder Proposal from Proxy Materials Pursuant to Rule 14a-8

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Ladies and Gentlemen:

The Travelers Companies, Inc. ("Travelers" or the "Company") is filing this letter with respect to the shareholder proposal and supporting statement (collectively, the "Proposal") submitted by As You Sow on behalf of Booth Investments, LLC (the "Proponent") for inclusion in the proxy statement and form of proxy to be distributed by the Company in connection with its 2022 Annual Meeting of Shareholders (collectively, the "Proxy Materials").

A copy of the Proposal and accompanying correspondence from the Proponent is attached as Exhibit A. For the reasons stated below, we respectfully request that the Staff (the "Staff") of the Division of Corporation Finance of the Securities and Exchange Commission (the "Commission") not recommend any enforcement action against the Company if it omits the Proposal in its entirety from the Proxy Materials.

Pursuant to Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"), we are submitting this request for no-action relief to the Staff via e-mail at shareholderproposals@sec.gov, and the undersigned has included her name and telephone number both in this letter and in the cover e-mail accompanying this letter. Pursuant to Rule 14a-8(j) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), we are:

1. filing this letter with the Commission no later than 80 calendar days before the date on which the Company plans to file its definitive Proxy Materials with the Commission; and

2. simultaneously providing the Proponent with a copy of this submission.

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel

Rule 14a-8(k) of the Exchange Act and SLB 14D provide that a shareholder proponent is required to send the company a copy of any correspondence that the proponent elects to submit to the Commission or the Staff. Accordingly, we hereby inform the Proponent that if it elects to submit additional correspondence to the Commission or the Staff relating to the Proposal, it must concurrently furnish a copy of that correspondence to the Company. Similarly, the Company will promptly forward to the Proponent any response received from the Staff to this request that the Staff transmits by e-mail or fax only to the Company.

I. The Proposal

The Proposal sets forth the following resolution for adoption by the Company's shareholders:

> BE IT RESOLVED: Shareholders request that Travelers issue a report, at reasonable cost and omitting proprietary information, addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.

II. Basis for Exclusion

The Company respectfully requests the Staff's concurrence that the Company may exclude the Proposal from its Proxy Materials in reliance on Rule 14a-8(i)(10) because the Proposal has already been substantially implemented.

III. Analysis

The Proposal Is Excludable under Rule 14a-8(i)(10) Because It Has Been Substantially Implemented.

Rule 14a-8(i)(10) provides that a company may exclude a shareholder proposal from its proxy materials "[i]f the company has already substantially implemented the proposal." In 1976, the Commission explained that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." Exchange Act Release No. 12598 (Jul. 7, 1976). With respect to its application of the rule, the Staff has advised that "a determination that the [c]ompany has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (Mar. 28, 1991).

The Proposal requests that the Company issue a report that addresses "if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities . . ." As explained below, the Company has already issued a report that includes the requested information.

Travelers is committed to a long-term sustainable approach to protecting the environment, recognizing that being responsible stewards of its shareholders' capital necessarily requires a commitment to take care of all the Company's stakeholders, including the planet. As a core part of the Company's business, Travelers continually monitors, assesses and responds to the risks and opportunities posed by changing climate conditions to provide products and services that both help customers mitigate associated risks and are priced to meet the Company's long-term financial objectives. Travelers also regularly considers new insurance products and services that could be useful to its customers for addressing climate-related risks. Since 2019, the Company has been publishing on its website an annual report that discusses the Company's approach to managing changing climate conditions consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (the "TCFD Report").[1]

The Company is proud of its sustainability efforts and the fact that it is a leader in its industry in publishing an annual TCFD Report. Each year, the Company announces the publication of its TCFD Report with a widely disseminated press release.[2] The TCFD Report can be easily accessed by anyone who visits sustainability.travelers.com (or, alternatively, by clicking the "Sustainability" link on the home page of the Company's corporate website or the "Sustainability" link on the Company's investor relations website). In addition, the Company references its TCFD Report in its proxy statement that is mailed to shareholders each year and published on the Travelers website as well as on the Commission's website.

The TCFD Report addresses, among other things, every element of the Proposal. Specifically, the Proposal requests that the Company issue a report "addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions." Importantly, by including the word "if," the Proposal provides the Company with the option to report that it has decided *not* to measure, disclose, and reduce certain GHG emissions associated with its activities. The TCFD Report not only specifically discloses that it will not measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, it also provides the Company's reasoning for declining to do so.

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[1] *Available at* https://sustainability.travelers.com/downloads/Travelers_TCFDReport2020.pdf. *See also* Exhibit B.
[2] *Available at* https://investor.travelers.com/newsroom/press-releases/news-details/2021/Travelers-Publishes-Its-2020-Sustainability-Report/default.aspx.

With respect to its underwriting and insurance activities, the TCFD Report provides the following discussion regarding its decision not to measure, disclose, and reduce the GHG emissions associated with those activities:

> Understanding climate-related effects on weather perils is part of our fundamental evaluation process, which includes the underwriting and pricing of risks related to many of our products. That said, GHG emissions data for the vast majority of our underwriting portfolio (e.g., personal automobile, homeowners, small and mid-sized businesses) is not readily available and, where it is available, the data quality remains uneven. Accordingly, at this time, we cannot accurately calculate the total emissions of our customers and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our underwriting portfolio. Nonetheless, we believe that we have incorporated the relevant risks into our underwriting process.[3]

While the Proposal mentions "underwriting" and "insuring" as separate activities, they are actually one and the same for purposes of the Proposal. Underwriting is the process by which the Company evaluates the expected financial risk of future loss and, based on that evaluation, determines whether, at what cost and under what terms and conditions to offer insurance coverage to particular customers. By agreeing to "underwrite" a customer, the Company "insures" that customer.

Similarly, with respect to investment activities, the TCFD Report provides the following discussion regarding its decision not to measure, disclose, and reduce the GHG emissions associated with investing activities:

> **Incorporating Climate Considerations in Our Investment Process.** Travelers has established an Investment Policy, approved by the Board of Directors, which reflects a long-term approach to sustainable value creation and requires that Travelers consider ESG factors in the investment process to the extent relevant. We have assigned internally developed ESG scores to all issuers in our fixed income portfolio. Explicitly incorporating ESG factors into our fundamental credit analysis process has resulted in a higher level of awareness and focus on these factors. In certain circumstances, this has led to the exclusion of potential investments and the divestment of portfolio holdings ("negative screening") due to ESG risks where we believed that the expected returns were not consistent with the underlying risks – in other words, where we did not believe we would be appropriately compensated for the risks that we would be assuming.
>
> Consistent with our credit-based approach to investing, we have also recently publicly committed that we will avoid making new debt or equity investments in companies with

[3] TCFD Report, at 9.

significant exposure to thermal coal mining, tar sands or coal-based electricity generation.

GHG emissions data for the substantial majority of segments of our investment portfolio (e.g., municipal bonds, structured bonds, private equity funds) is not readily available and, where it is available, the data quality remains uneven. Accordingly, at this time, we cannot accurately calculate the total emissions of our investment portfolio and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our portfolio. Nonetheless, we believe that we have incorporated the relevant risks into our investment analysis.[4]

For the three activities specified by the Proposal (underwriting, insuring and investing), the Company has reported "if" it intends to "measure, disclose, and reduce the GHG emissions associated with those activities." Because the Company has determined that it is currently unable to measure and thus establish any targets to reduce the GHG emissions associated with its underwriting and investment portfolios, the Proposal's reference to the Paris Agreement's 1.5°C goal, requiring net zero emissions, is rendered irrelevant. As demonstrated, the Company's TCFD Report goes beyond substantial implementation and fully implements the Proposal by addressing each requested element.

The chart below provides a side-by-side comparison of the elements of the Proposal and how the Company has addressed each element, providing only the directly relevant language from the TCFD Report:

Elements of the Report Requested by the Proposal	How the Company's TCFD Report Addresses Each Element
"issue a report"	The Company's TCFD Report is publicly available at https://sustainability.travelers.com/downloads/Travelers_TCFDReport2020.pdf.
"address[] if and how [Travelers] intends to measure, disclose, and reduce the GHG emissions associated with its	"[A]t this time, we cannot accurately calculate the total emissions of our customers and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our underwriting portfolio." (Page 9)

[4] TCFD Report, at 13.

underwriting . . . activities."	
"address[] if and how [Travelers] intends to measure, disclose, and reduce the GHG emissions associated with its . . . insuring . . . activities."	"[A]t this time, we cannot accurately calculate the total emissions of our customers and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our underwriting portfolio." (Page 9)
"address[] if and how [Travelers] intends to measure, disclose, and reduce the GHG emissions associated with its . . . investment activities."	"[A]t this time, we cannot accurately calculate the total emissions of our investment portfolio and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our portfolio." (Page 13)

In addition to the Proposal's request for a report, recommendations with respect to such report are provided in the Proponent's supporting statement:

"Shareholders recommend the report disclose at board discretion:

- Whether Travelers will begin measuring and disclosing the emissions associated with the full range of its underwriting, insuring, and investment activities and by when, and
- Whether Travelers will set a Paris aligned, net zero target, for its full range of emissions and on what timeline"

While these recommendations are merely suggestions and therefore not elements of the Proposal for purposes of evaluating whether the Company's particular policies, practices and procedures compare favorably with the guidelines of the Proposal, it is worth noting that these recommendations are also directly addressed by the TCFD Report. As already established, the first bullet's question of whether the Company will begin measuring and disclosing the emissions associated with the full range of its underwriting, insuring and investment activities is answered in the negative by the language quoted above from the TCFD Report. The second bullet is also addressed in the TCFD Report by the language quoted above. In addition, two pages of the TCFD Report are dedicated solely to a discussion of the Company's GHG emissions, its reduction in such emissions to date and its targets for further reducing its GHG emissions. The TCFD Report states in relevant part:

> Reducing our carbon footprint is one important aspect of our climate strategy. Travelers set a goal to reduce the Company's absolute Scope 1 and 2 emissions by 40% by 2020, based on a 2011 base year. By year-end 2020, we have exceeded this goal, cutting absolute Scope 1 and 2 emissions by 54%. *In April 2021, we announced our commitment to become carbon neutral across our owned operations by 2030. By achieving carbon neutrality over the next decade, Travelers will be doing its part to align with the target set forth in the Paris Climate Agreement to limit the global temperature increase in the 21st century to 1.5 degrees Celsius.* (emphasis added).[5]

Drafting a new report in response to the Proposal would be unnecessarily duplicative because the Company's disclosure in the TCFD Report compares favorably with the guidelines of the Proposal.

The Staff has a long history of permitting exclusion of proposals under Rule 14a-8(i)(10) where, like here, the proposal requests a report and the company has publicly disseminated information that is responsive to the proposal's request. *See, e.g., Caterpillar Inc.* (Mar. 11, 2008) (concurring in the exclusion of a proposal requesting that the board prepare a global warming report where the company had already published a sustainability report); *Anthem Inc.* (Mar. 19, 2018) (concurring in the exclusion of a proposal requesting that the company issue a sustainability report describing the company's ESG performance, including GHG reduction targets and goals where the company had published a sustainability report and provided GHG reduction targets and goals on its website); *Entergy Corp.* (Feb. 14, 2014) (concurring in the exclusion of a proposal calling for a report on policies the company could adopt to take additional near-term actions to reduce its greenhouse gas emissions where the company already provided environmental sustainability disclosures on its website and in a separate report).

Additionally, permitting exclusion of the Proposal would be consistent with prior no-action letters where the Staff concurred in the exclusion of proposals as substantially implemented where the proposals requested that the company review or assess a certain matter and the company demonstrated that the requested review or assessment had already been undertaken. Importantly, the Staff has consistently allowed for exclusion pursuant to Rule 14a-8(i)(10) even when the company's action did not result in the outcome the proponent might have preferred. For instance, in *JPMorgan Chase & Co.* (Feb. 5, 2020), the proposal requested that the board review the Business Roundtable's Statement on the Purpose of a Corporation, provide

[5] TCFD Report, at 18.

guidance as to how it should alter the company's governance and management system and publish recommendations regarding implementation. In granting no-action relief under Rule 14a-8(i)(10), the Staff specifically noted the company's representation that a board committee had "reviewed the BRT statement and determined that no additional action or assessment [was] required." This review and determination by a board committee that there was no need to alter the company's governance and management system was deemed sufficient for the Staff's determination that the proposal had been substantially implemented and was thus properly excludable. Similarly, in *Amazon.com, Inc. (Sisters of the Order of St. Dominic of Grand Rapids et al.)* (Mar. 27, 2020), the proposal requested that the board's compensation committee "prepare a report assessing the feasibility of integrating sustainability metrics . . . into performance measures or vesting conditions that may apply to senior executives under the [c]ompany's compensation plans or arrangements." The Company argued under Rule 14a-8(i)(10) that it had substantially implemented the proposal by addressing the request in its proxy statement filed the previous year, which explained the board's view as follows:

> While it would be possible to integrate performance metrics, including sustainability metrics, into the vesting conditions that apply to executives under our compensation arrangements, we believe that our existing executive compensation arrangements tightly align senior executive compensation with Amazon's long-term success. As a result, we are not in favor of performance measures in general. . . .

The Staff agreed that the proposal had been substantially implemented and granted no-action relief pursuant to Rule 14a-8(i)(10).

Here, the Company has substantially implemented the Proposal by directly addressing each of the requested elements of the Proposal in the Company's TCFD Report. Accordingly, the Proposal is excludable pursuant to Rule 14a-8(i)(10).

IV. Conclusion

We hereby respectfully request that the Staff express its intention not to recommend enforcement action if the Proposal is excluded from the Company's Proxy Materials in reliance on Rule 14a-8(i)(10).

If the Staff disagrees with the Company's conclusions regarding omission of the Proposal, or if any additional submissions are desired in support of the Company's position, we would appreciate an opportunity to speak with you by telephone prior to the issuance of the Staff's Rule 14a-8(j) response. If you have any questions regarding this request, or need any additional information, please do not hesitate to contact the undersigned at 917-778-6764 or ycohn@travelers.com.

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel

Sincerely,

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Yafit Cohn

Enclosures

cc: Danielle Fugere, As You Sow
A.J. Kess, The Travelers Companies, Inc.

Exhibit A

Copy of the Proposal and Accompanying Correspondence

From: Shareholder Engagement <[redacted]>
Sent: Monday, November 29, 2021 10:09 AM
To: Skjerven, Wendy C [redacted]; Goldstein, Abbe F [redacted]
Cc: Danielle Fugere [redacted]; Gail Follansbee [redacted]; Rachel Lowy [redacted]
Subject: [External] Travelers - Shareholder Proposal Documents

***** External Sender - Please Exercise Caution *****

Dear Ms. Skjerven,

Attached please find filing documents submitting a shareholder proposal for inclusion in the company's 2022 proxy statement. A printed copy of these documents has been sent to your offices via FedEx and our records show that it has been delivered today, Monday, November 29, 2021 at 8:35am.

It would be much appreciated if you could please confirm receipt of this email.

Thank you and best regards,
Rachel Lowy

Rachel Lowy (she/her/hers)
Shareholder Relations Associate
As You Sow
[redacted] | www.asyousow.org

AS YOU SOW [redacted]

www.asyousow.org
BUILDING A SAFE, JUST, AND SUSTAINABLE WORLD SINCE 1992

VIA FEDEX & EMAIL

November 24, 2021

Wendy C. Skjerven
Vice President, Corporate Secretary and General Counsel
The Travelers Companies, Inc.
485 Lexington Avenue
New York, New York 10017
[redacted]

Dear Ms. Skjerven,

As You Sow is filing a shareholder proposal on behalf of Booth Investments, LLC ("Proponent"), a shareholder of The Travelers Companies, for inclusion in The Travelers Companies' 2022 proxy statement and for consideration by shareholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing *As You Sow* to act on its behalf is enclosed. A representative of the Proponent will attend the stockholder meeting to move the resolution as required.

We are available to discuss this issue and are optimistic that such a discussion could result in resolution of the Proponent's concerns.

To schedule a dialogue, please contact me at [redacted]. Please send all correspondence **with a copy to** [redacted].

Sincerely,

Danielle Fugere
President and Chief Counsel

Enclosures

- Shareholder Proposal
- Shareholder Authorization

cc: Abbe Goldstein, Senior Vice President, Investor Relations, [redacted]

WHEREAS: Insurance companies have a critical role to play in meeting the Paris Agreement's 1.5 degree Celsius (1.5°C) goal, requiring net zero greenhouse gas (GHG) emissions by 2050. Projections[1] have found that limiting global warming to 1.5 degrees versus 2 degrees will save $20 trillion globally by 2100; while exceeding 2 degrees could lead to climate damages in the hundreds of trillions.[2] The U.S. insurance industry is under increasing pressure to address its contributions to climate change from underwriting, insuring, and investing in high emitting activities.[3]

These financial activities contribute to systemic portfolio risk to the global economy, investors, and insurers' profitability. The U.S. Commodity Futures Trading Commission recently acknowledged that climate change could impair the productive capacity of the national economy and recommends that state insurance regulators require insurers to assess how their underwriting activity and investment portfolios may be impacted by climate-related risks.

This growing public pressure for the insurance industry to account for its climate related risks is exemplified by recent legislation passed in Connecticut[4] requiring regulators to incorporate emissions reduction targets into their supervision of insurers.

Shareholders are concerned that The Travelers Companies is not adequately reducing the climate footprint of its insurance-related activities. This failure creates significant risk to Travelers, investors, and the global climate. Travelers' pretax catastrophe losses more than doubled Q1 2021. Travelers reported losses of $835 million, an historic first quarter high, mainly attributable to winter and windstorms in the U.S.[5] This follows a larger global trend: insured losses from natural disasters reached $42 billion in the first six months of 2021, a ten year high.[6]

Travelers is a climate laggard in the global insurance sector, scoring at the bottom in a survey of the 30 largest global insurers.[7] In contrast, peers are beginning to address the GHG emissions associated with their underwriting and investment activities.[8] Further, thirteen global insurers have joined the United Nations' Net Zero Insurance Alliance, committing to transition emissions from their insurance and reinsurance underwriting portfolios to net zero by 2050.

Travelers does not measure or disclose its financed emissions, including those attributable to underwriting, insuring, and investments, nor has it adopted targets aligned with the Paris Agreement's 1.5°C goal for such emissions.

BE IT RESOLVED: Shareholders request that Travelers issue a report, at reasonable cost and omitting proprietary information, addressing if and how it intends to measure, disclose, and reduce the GHG

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1 https://www.nature.com/articles/d41586-018-05219-5
2 https://www.nature.com/articles/s41467-020-18797-8/
3 https://shareaction.org/reports/insuring-disaster-a-ranking
4 https://www.businessinsurance.com/article/20210617/NEWS06/912342605/Connecticut-bill-calls-for-regulation-of-insurers%E2%80%99-climate-risks
5 https://www.wsj.com/articles/travelers-sees-pre-tax-catastrophe-losses-more-than-double-from-storms-11618917977
6 https://www.weforum.org/agenda/2021/07/natural-disasters-cost-economic-insurance-2021-extreme-weather-floods-polar-vortex/
7 https://insure-our-future.com/scorecard
8 See https://insure-our-future.com/scorecard

emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.

SUPPORTING STATEMENT: Shareholders recommend the report disclose at board discretion:

- Whether Travelers will begin measuring and disclosing the emissions associated with the full range of its underwriting, insuring, and investment activities and by when, and
- Whether Travelers will set a Paris aligned, net zero target, for its full range of emissions. and on what timeline

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November 18, 2021

Andrew Behar
CEO
As You Sow
[redacted]

Re: <u>Authorization to File Shareholder Resolution</u>

Dear Mr. Behar,

In accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934, the undersigned ("Stockholder") authorizes *As You Sow* to file or co-file a shareholder resolution on Stockholder's behalf with the named Company for inclusion in the Company's 2022 proxy statement, The resolution at issue relates to the below described subject.

Stockholder: Booth Investments, LLC

Company: Travelers Companies Inc

Subject: Net Zero goals or no insuring new oil & gas projects

The Stockholder has continuously owned over $2,000 worth of Company stock, with voting rights, since before January 4, 2020 and will hold the required amount of stock through the date of the Company's annual meeting in 2022.

The Stockholder gives *As You Sow* the authority to address, on the Stockholder's behalf, any and all aspects of the shareholder resolution, including drafting and editing the proposal, representing Stockholder in engagements with the Company, entering into any agreement with the Company, and designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name in relation to the resolution. The Stockholder supports this proposal.

The Stockholder is available for a meeting with Travelers Companies Inc regarding this shareholder proposal, at the following days/times: [Stockholder to provide 2 dates and 30-minute meeting options within the following time frame:

12/13/2021 - 12/27/2021 Monday through Friday between 9:00am-5:30pm Eastern Time]

Date 12/15/21 Time 11:00p-12:00p EST

Date 12/15/21 Time 12:00p-1:00p EST

The Stockholder can be contacted at the following email address to schedule a dialogue during one of the above dates: [redacted]

Any correspondence regarding meeting dates must **also be sent to my representative:**

Danielle Fugere, President & Chief Counsel at [redacted]

and [redacted].

The Stockholder also authorizes *As You Sow* to send a letter of support of the resolution on Stockholder's behalf.

Sincerely,

DocuSigned by:

Douglas Booth

10863C7BFAD84B1...

Douglas Booth

Managing Member

Exhibit B

Travelers' TCFD Report

TRAVELERS

Travelers Task Force on Climate-related Financial Disclosures Report 2020

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Severe weather events over the last two decades have underscored the unpredictability of future climate trends, and changing climate conditions could add to the frequency and severity of natural disasters and create additional uncertainty as to future trends and exposures. As an insurance company with property and casualty operations, The Travelers Companies, Inc. (together with its consolidated subsidiaries, Travelers or the Company) incorporates modeling and analytical techniques to better understand the impact of climate-related issues on its business, customers and communities.

As a core part of our business, we continually monitor, assess and respond to the risks and opportunities posed by changing climate conditions to provide products and services that both help our customers mitigate associated risks and are priced to meet our long-term financial objectives. We also regularly consider new insurance products and services that could be useful to our customers for addressing climate-related risks.

Travelers is committed to a long-term sustainable approach to protecting the environment, recognizing that being responsible stewards of our shareholders' capital necessarily requires a commitment to take care of all our stakeholders, including our planet. We continually look for cost-effective ways to minimize our operational impact on the environment, which can also reduce our operating expenses, without compromising on our promise to customers and employees. Through our broad range of services, programs and public policies, we take a thoughtful approach to both being an environmentally responsible company and meeting our overall business objectives.

This report discusses our approach to managing changing climate conditions consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).[1]

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

Governance

Board Oversight

Travelers Board of Directors and its Risk Committee consider changing climate conditions as part of, and integral to, overseeing the Company's business and operations. The Board of Directors plays an important role in overseeing our Enterprise Risk Management (ERM) practices and strategies, including our company's evaluation of potential risks relating to changing climate conditions. The Risk Committee of the Board, composed of independent directors, is responsible for oversight of the strategies, processes and controls relating to risks in our business operations, including insurance underwriting and claims, reinsurance, catastrophe exposure and the impact of changing climate conditions. The Committee assists the Board in overseeing the operational activities of the Company and the identification and review of risks that could have a material impact on Travelers, including risks related to changing climate conditions. The Risk Committee meets on a quarterly basis with the Chief Risk Officer, Chief Underwriting Officer, members of the Enterprise Risk Committee and, as appropriate, other members of senior management to discuss risks that could have a material impact on Travelers, including risks related to changing climate conditions. These discussions include, for example, information regarding historical loss experience, loss trend projections, lessons learned from recent catastrophe events, underwriting practices and market share analyses. These discussions inform, among other things, the Company's financial plan, risk appetite and underwriting approach. The Risk Committee, in turn, reports to the full Board with regard to its discussions.

While the Board Risk Committee oversees the implementation, execution and performance of Travelers' ERM program and reviews the strategies, processes and controls pertaining to Travelers' insurance operations, the Board has allocated and delegated risk oversight responsibility to various committees of the Board. Accordingly, all committees of the Board share responsibility for the oversight of strategic objectives, risk management and the sustainability of our business.

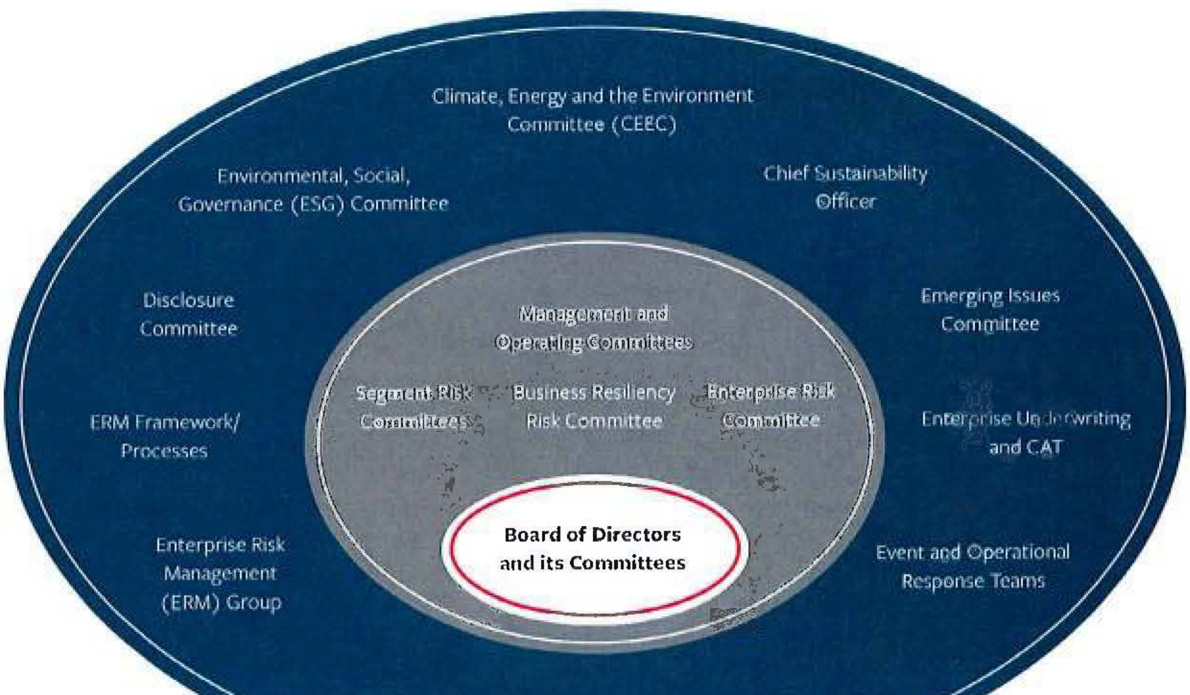
Senior Management

In addition to the Risk Committee, our management-level enterprise risk and underwriting risk committees are key elements of our ERM structure and help establish and reinforce our strong culture of risk management, including with respect to changing climate conditions. A senior executive team, which includes the Chief Risk Officer and the Chief Underwriting Officer, oversees the ERM process.

We also have other business-level risk committees that meet multiple times a year with senior management to discuss potential risks to Travelers related to the environment and changing climate conditions. These committees include the Enterprise Risk Committee, the Enterprise Catastrophe Committee, the Emerging Issues Committee, and the Climate, Energy and the Environment Committee (CEEC). As described in further detail under Risk Management, the CEEC coordinates and supports climate-related initiatives and strategies across Travelers and is a venue to share information and leverage expertise.

In 2019, Travelers appointed a Chief Sustainability Officer, who leads Travelers' environmental, social and governance (ESG) efforts across the organization, chairs the Company's multidisciplinary ESG Committee and is a member of the Company's Disclosure Committee. Our Chief Sustainability Officer also works with our ERM department to ensure that identification and assessment of ESG risks are appropriately integrated into our ERM program.

The diagram below illustrates the comprehensive approach we take to overseeing and managing risk, including climate-related risk.



Strategy

Identified Climate-related Risks and Opportunities

Travelers considers climate risks and opportunities across a range of time horizons:

TIME HORIZON	CONSIDERATIONS	CLIMATE RISKS (TRANSITION OR PHYSICAL)	CLIMATE OPPORTUNITIES
Short-term: 1–3 years	Aligns with the average length of a Travelers policy and the timeframe for which we perform detailed business plans.	• Mandates on, and regulation of, existing products and services (transition)	• Increased revenue through demand for "green" building/LEED certification designations • Increased revenue through demand for energy efficient, renewable and/or clean technology
Medium-term: 3–5 years	Aligns with our development and execution of business strategies that impact directional planning and market-related adjustments based on ongoing or changing conditions.	• Changing emissions-reporting obligations (transition)	• Development of new products or services for renewable energy businesses through R&D and innovation • Increased sales of Travelers automobile and property insurance products with new technologies
Long-term: 5–50 years	Aligns with longer-term changes (e.g., climate-related risk, energy consumption / energy sources) that present risks and opportunities that extend beyond the short- and medium-term.	• Changes in frequency and severity of catastrophe losses and uncertainty surrounding weather volatility and climate-related risk (physical)	• Mitigation of risks over time for customers who utilize our Risk Control services

Climate Risks

The following are examples of specific climate-related risks Travelers has identified for each time horizon. The inclusion of these examples should not be construed as a characterization regarding the probability, materiality or financial impact (or potential impact) of these risks. For a discussion of risks that Travelers has determined could be material, please see our "Risk Factors" disclosure in Annual Report on Form 10-K.

1. **Mandates on, and regulation of, existing products and services (short-term transition)**

   Increased regulation adopted in response to potential changes in climate conditions may impact the Company and its customers. For example, from time to time, states pass legislation and regulators take action that could have the effect of limiting the ability of insurers to manage catastrophe risk, such as legislation prohibiting insurers from reducing exposures or withdrawing from catastrophe-prone areas or mandating that insurers participate in residual markets. Participation in residual market mechanisms has, at times, resulted in and could, in the future, result in significant losses or assessments to insurers, including Travelers.

   Increased insurance regulation in response to disasters or catastrophes may also include imposing moratoriums on policy cancellation or nonrenewal for nonpayment of premium; establishing further claim handling requirements or procedures; imposing additional claim data reporting requirements; establishing mediation programs for resolution of disputed claims; and modifying adjuster licensing procedures for independent and public adjusters. Travelers' exposure to catastrophes both by peril and by geographic region is monitored on a regular basis. When appropriate, this exposure analysis can lead to changes in the underwriting strategy for a given peril/location.

Travelers also may establish new or additional procedures and processes and may need to adjust staffing levels or its use of contracted services to help ensure that it remains compliant with additional regulatory standards imposed on insurers in the event of a future disaster or catastrophe. The cost of managing compliance with additional regulatory standards could vary and would be impacted by the number and types of additional standards imposed on insurers, including following a future disaster or catastrophe. Additionally, following catastrophes, there are sometimes legislative and administrative initiatives and court decisions that seek to (i) expand insurance coverage for catastrophe claims beyond the original intent of the policies, (ii) retroactively mandate coverage for losses that our insurance policies were neither intended nor priced to cover or (iii) prevent the enforcement of the policy terms, including the application of deductibles. Costs associated with these risks vary depending on the specific action taken and are often hard to predict, but they could be significant.

In addition, climate change regulation could increase the Company's customers' costs of doing business. For example, insureds faced with carbon management regulatory requirements may have less available capital for investment in loss prevention and safety features, which may, over time, increase loss exposures. Increased regulation may also result in reduced economic activity, which would decrease the amount of insurable assets and businesses.

2. **Changing emissions-reporting obligations (medium-term transition)**

   Continued uncertainty amid legal challenges over the future of the Environmental Protection Agency (EPA) regulations regarding air and water (including coal-related standards) may give rise to more environmental regulation at the state level. This, in turn, may result in differing sets of standards in each state, which could make insurance risk more difficult to underwrite and price, particularly as air and water travel beyond state boundaries. For example, in June 2019, the EPA repealed the August 2015 Clean Power Plan (CPP) because the CPP exceeded the EPA's statutory authority under the Clean Air Act. In conjunction with its repeal of the CPP, the EPA issued a final Affordable Clean Energy (ACE) rule to regulate greenhouse gas (GHG) emissions, specifically CO2 emissions, from existing coal-fired electric steam generating units (EGUs) as defined by the EPA. Legal challenges were filed against the EPA's actions in the U.S. Court of Appeals for the District of Columbia Circuit, and although the court struck down the ACE rule, the CPP has not been reinstated, leaving no current federal regulations in place for carbon dioxide emissions from existing power plants. The court did affirm the EPA's authority to set emission-reduction targets in its quantitative guidelines while acknowledging that states retain the choice of how to meet those guidelines through standards of performance tailored to their various energy sources. Depending on the final outcome of the legal proceedings and any related impact on the EPA's scope of authority to establish federal emissions guidelines (or on states' ability to choose how to meet such guidelines), new rules proposed by the EPA to regulate power plant emissions could potentially (i) facilitate more environmental regulation at the state level to regulate existing power plant GHG emissions, (ii) impact the demand for renewable energy at the state level or (iii) disrupt the current balance between federal and state regulatory authority to regulate GHG emissions in ways not yet understood. Over time, this may result in lower demand for Travelers insurance products and services related to renewable energy in the United States.

3. **Changes in frequency and severity of catastrophe losses and uncertainty surrounding weather volatility and climate-related risk (long-term physical)**

   Travelers is subject to catastrophe exposures in each of the geographies where it writes business and to varying peak catastrophe perils in different countries and regions.

   The incidence and severity of catastrophes are inherently unpredictable, and it is possible that both the frequency and severity of natural and man-made catastrophic events could increase. Severe weather events over the last two decades have underscored the unpredictability of future climate trends, and changing climate conditions could add to the frequency and severity of natural disasters and create additional uncertainty as to future trends and exposures. The insurance industry has experienced increased catastrophe losses due to a number of potential factors, including, in addition to weather/climate variability, more people living in high-risk areas, population growth in areas with weaker enforcement of building codes, urban expansion and an increase in the average size of a house. For example, hurricane activity has impacted areas further inland than previously experienced by us, and demographic changes have resulted in larger populations located in coastal areas that historically have been subject to severe storms and related storm surge, thus expanding our potential for losses from hurricanes.

Additionally, both the frequency and severity of tornado and hail storms in the United States have been more volatile during the last decade. The frequency and severity of wildfire losses have also been elevated in recent years, due in part to record droughts in western states that some climate studies suggest are likely to increase over time, as well as demographic changes in areas more prone to wildfires.

Moreover, the Company's catastrophe models may be less reliable due to the increased unpredictability in frequency and severity of severe weather events, emerging trends in climate conditions, inadequate reflection of regulatory changes and other factors. Also, as discussed in our Annual Report on Form 10-K, we could experience more than one severe catastrophic event in any given period.

Climate Opportunities

The following are examples of specific climate-related opportunities Travelers has identified for each time horizon. The inclusion of these examples should not be construed as a characterization regarding materiality or financial impact (or potential impact) of these opportunities.

1. **Increased revenue through demand for "green" building/LEED certification designations (short-term)**

   State and local regulatory requirements such as OneNYC (GBEE – Greener, Greater Buildings Plan) drive renovation work that could lead to increased construction activity, potentially creating opportunities to grow our book of business in impacted states such as the Top 10 States for LEED: Massachusetts, Washington, Illinois, Colorado, New York, Maryland, California, Virginia, Texas and Nevada, as well as the District of Columbia. Travelers consults with industry advocates for better building standards that are designed to increase the survivability of commercial and residential structures.

   Travelers' specialized Construction casualty and surety teams, which also have expertise in "green" construction, provide highly skilled underwriting; customized INDUSTRY*Edge*® products for specific industries (such as our INDUSTRY*Edge*® for Electrical Contractors and INDUSTRY*Edge*® for General Contractors); and tailored programs and services to help reduce contractors' cost of risk, including risk associated with "green" construction products. INDUSTRY*Edge*® is our fully integrated business risk solution that combines underwriting, risk control and claim services tailored to a range of different industries and businesses, helping customers to mitigate their risks and reduce costs arising out of losses. A complete list of our INDUSTRY*Edge*® product solutions for the construction industry is available on our website.

2. **Increased revenue through demand for energy efficient, renewable and/or clean technology (short-term)**

   Environmental legislation and regulation on the state and local levels, such as those pertaining to solar energy, could lead to an increase in demand for Travelers products that respond to customer needs resulting from such regulation. For example, the San Francisco Green Building Code (SFGBC) has requirements for new building construction that initially facilitated the development of renewable energy facilities and living roofs. Effective January 1, 2020, updated requirements under SFGBC 2019 apply to all new construction in San Francisco, as well as most alterations and additions under completed building permit (or Site Permit) applications submitted on or after January 1, 2020. SFGBC 2019 expands green building requirements and combines all mandatory elements of the 2019 California Green Building Standards Code (CALGreen) and stricter local requirements. Growth in the renewable energy and clean technology industry segments, as a result of regulatory mandates or incentives or otherwise, could result in increased sales of specialized insurance and surety products that address renewable energy-associated risks (e.g., Travelers SolarPak®) and a potential increase in Business Insurance and Bond & Specialty Insurance net written premiums.

3. **Development of new products or services for renewable energy businesses through R&D and innovation (medium-term)**

   The Renewable Portfolio Standard (RPS) has been enacted in 29 states and the District of Columbia, and Clean Energy Standards have been adopted by three states. These standards are part of the renewable energy and alternative energy frameworks established by the U.S. Department of Energy and individual states. In addition, eight states have renewable portfolio goals and two states have clean energy goals that are expected to increase the need for renewable energy products and services. These standards and goals and the related increased demand for renewable energy products and services provide the opportunity to develop new insurance products tailored to changes in related markets. Our dedicated Global Renewable Energy Practice, which provides solutions for renewable energy businesses, enables Travelers to evaluate and pursue the opportunities presented by the expanding renewable energy industry, as discussed in further detail under Capturing Climate Opportunities.

4. **Increased sales of Travelers automobile insurance products with new technologies (medium-term)**

   Auto emissions regulations throughout the United States may lead to an increase in demand, production and availability of hybrid and electric vehicles (EVs), which could lead to increased sales of Travelers automobile insurance products for hybrid and electric autos. The projected substantial increase in the number of EVs and charging stations could lead to an increase in demand for Travelers products over time.

5. **Mitigation of risks over time for customers who utilize our Risk Control services (long-term)**

   Travelers Risk Control employs a network of safety and loss prevention professionals who provide assessment and consulting services to our customers and our Business Insurance domestic and international operations.

   Our network of more than 500 Risk Control consultants and our self-service website for Business Insurance customers provide a comprehensive framework and numerous planning resources, including individualized planning, to help businesses of all types plan for natural disasters, with a focus on safety and preserving business operations.

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

   In addition, our Risk Control professionals provide guidance about associated risks to our customers who have incorporated "green" products or systems to help reduce carbon emissions and/or increase environmental sustainability. These products and systems include, for example, solar panels on residential and commercial rooftops, lithium-ion batteries used to store solar energy and vegetative roofs on commercial buildings.

   Travelers Risk Control maintains technical committee memberships on the National Fire Protection Association (NFPA), the Underwriters Laboratories (UL) Standards Technical Panels, the Fire Protection Research Foundation's Property Insurance Research Group, the Organization of Scientific Area Committees for Forensic Science (OSAC) and other associations to help us research and evaluate the reliability and fire safety of "green" products and systems to determine how these products and systems impact fire, structural and safety exposures. This knowledge is used to continually update our views and empowers our Risk Control professionals to help our customers mitigate the risks associated with changing climate conditions and "green" trends, with a goal of improving outcomes while strengthening customer relationships.

Process Used to Determine Climate-related Risks

Travelers uses various analyses and methods, including proprietary and third-party computer modeling processes, to evaluate our climate-related risks and make underwriting, pricing and reinsurance decisions designed to manage the Company's exposure to catastrophic events. In addition to catastrophe modeling and analysis, Travelers also models and analyzes the Company's exposure to other extreme events. We also utilize proprietary and third-party computer modeling processes to evaluate capital adequacy. These analytical techniques are an integral component of our ERM process and further support our long-term financial strategies and objectives.

As discussed in both the Governance and Risk Management sections of this report, business-level risk committees play an active role in developing and executing our Enterprise Risk Management (ERM) strategy. The Climate, Energy and the Environment Committee (CEEC) includes two subcommittees that are directly involved with determining climate-related risks and opportunities, respectively: the Risk Identification & Management subcommittee, discussed immediately below, and the Products, Market Development & Customer Services subcommittee, discussed under Process Used to Determine Climate-related Opportunities.

The Risk Identification & Management subcommittee includes representatives from our ERM function in the United States and the United Kingdom, including the Enterprise Catastrophe Strategy and Enterprise Underwriting groups; our business underwriting groups across the Company; our Risk Control function; and the Investment, Legal and Regulatory functional areas. The subcommittee meets regularly to discuss and assess climate-related issues, risks and trends.

The subcommittee stays current on climate-related and environmental risks, including through industry publications and external conferences, and actively monitors various relevant risk factors, such as:

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

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

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

When a potential risk is identified, the subcommittee engages in a comprehensive review to evaluate the risk. This process involves the relevant internal stakeholder groups and, as appropriate, may be elevated under our ERM framework for discussion with senior management and the Board of Directors.

Separately, the Enterprise Catastrophe Strategy and Analysis group assesses catastrophe (CAT) risk and manages the development of our strategic CAT efforts, including the use of proprietary and third-party models and geospatial analysis to analyze CAT events and related risks.

This group actively monitors and evaluates changes in third-party models and, when necessary, calibrates the CAT risk model estimates delivered via our proprietary modeling processes. We consider historical loss experience, recent events, underwriting practices, market share analyses, external scientific analysis and various other factors, including non-modeled losses, to refine our proprietary view of catastrophe risk. Our proprietary models, which are an integral part of our ERM process and support our long-term financial strategies and objectives, are updated on a regular basis as new information and techniques emerge. Importantly, in addition, our underwriting appetite evolves as the environment evolves, and we modify our underwriting if we believe that the risks exceed our risk appetite. Finally, as discussed under Underwriting, Pricing and Mitigation of Climate Risks, in addition to factoring in catastrophe models and historical experience, we are able to respond quickly to changing conditions since most of our policies renew annually. This gives us the flexibility to adjust our underwriting strategy and related policy terms and conditions, as appropriate.

For more information regarding how our process to determine climate-related risks is integrated within our ERM framework, please see Risk Management.

Process Used to Determine Climate-related Opportunities

The business lead for the Global Renewable Energy Practice is the chair of one of the subcommittees of the CEEC, the Products, Market Development & Customer Services subcommittee. The subcommittee consists of Travelers specialized industry experts, who collaborate, among other things, on:

- Identifying potential new products and assessing their feasibility.
- Exploring potential new markets.
- Monitoring the impact of climate and "green" trends on current product offerings.
- Sharing ideas and exploring possibilities to avail ourselves of additional climate-related opportunities.

When we identify a potential opportunity, we conduct a comprehensive evaluation of the viability of the opportunity, as well as the risks associated with the opportunity. This process involves experts from the relevant disciplines across the organization, including industry experts and our Risk Control professionals. After a determination is made that a product is viable and within our risk appetite, further vetting is conducted through our ERM process prior to product development and/or launch.

Impact of Climate-related Risks and Opportunities on Travelers' Business and Strategy

Our approach to climate-related risks and opportunities is multifaceted, and we believe it allows us to mitigate our exposure to climate-related risk and provide products and services that both help our customers mitigate those risks and meet our long-term financial objectives. Our approach includes underwriting and pricing to manage transition and physical risks, as well as monitoring "green" trends and offering products and tailoring pricing to respond to climate-related opportunities. Other aspects of our comprehensive climate strategy include advocating for and supporting community resiliency efforts and improving our eco-efficient operations.

Underwriting, Pricing and Mitigation of Climate Risks

Our risk appetite is dependent on our ability to understand the property and casualty risks that we underwrite. We try to avoid exposures that cannot be evaluated or have unacceptable levels of uncertainty. For both property and casualty lines of business, we consider environmental factors, including weather trends and patterns, alongside other relevant risk variables in our underwriting evaluation process and in our underwriting strategies.

For example, given our risk/return requirements, our direct exposure to thermal coal and tar sands is *de minimis*; simply put, these businesses are not attractive to us from a risk/return standpoint. Consistent with our risk/return approach to underwriting, we have recently published a policy in which we publicly commit to avoid underwriting new risks for the construction or operation of coal-fired plants and for companies that generate a significant portion of their energy production from coal or that generate a significant portion of their revenues from thermal coal mining or tar sands extraction.

Understanding climate-related effects on weather perils is part of our fundamental evaluation process, which includes the underwriting and pricing of risks related to many of our products. That said, GHG emissions data for the vast majority of our underwriting portfolio (e.g., personal automobile, homeowners, small and mid-sized businesses) is not readily available and, where it is available, the data quality remains uneven. Accordingly, at this time, we cannot accurately calculate the total emissions of our customers and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our underwriting portfolio. Nonetheless, we believe that we have incorporated the relevant risks into our underwriting process.

Pricing of Travelers property and casualty insurance products is generally developed based upon a number of factors, including an estimation of expected losses; the expenses associated with producing, issuing and servicing business and managing claims; the time value of money related to the expected loss and expense cash flows; and a reasonable profit margin that considers, among other factors, the capital needed to support the Company's business. Travelers has a disciplined approach to underwriting and risk management that emphasizes product returns and profitable growth over the long term rather than premium volume or market share.

Catastrophe Modeling

Core to our strategy is the incorporation of weather and climate variability into our underwriting and pricing decisions. Our catastrophe modeling, as described in the Process Used to Determine Climate-related Risks section above, is critical to this effort.

It is important to note that there are no industry-standard methodologies or assumptions for projecting catastrophe exposure. Accordingly, catastrophe estimates provided by different insurers may not be comparable.

Based on the proprietary and third-party computer models utilized by the Company, the table below sets forth, as of December 31, 2020, the probabilities that estimated losses, comprising claims and allocated claim adjustment expenses (but excluding unallocated claim adjustment expenses), from a single event occurring in a one-year timeframe will equal or exceed the indicated loss amounts (expressed in dollars, net of tax, and as a percentage of the Company's common equity). For example, on the basis described in the table below, the Company estimates that there is a one percent chance that the Company's loss from a single U.S. and Canadian hurricane in a one-year timeframe would equal or exceed $1.7 billion, or 7% of the Company's common equity at December 31, 2020.

	DOLLARS (IN BILLIONS)		PERCENTAGE OF COMMON EQUITY[1]	
LIKELIHOOD OF EXCEEDANCE[2]	SINGLE U.S. AND CANADIAN HURRICANE	SINGLE U.S. AND CANADIAN EARTHQUAKE	SINGLE U.S. AND CANADIAN HURRICANE	SINGLE U.S. AND CANADIAN EARTHQUAKE
2.0% (1-in-50)	$1.3	$0.5	5%	2%
1.0% (1-in-100)	$1.7	$0.8	7%	3%
0.4% (1-in-250)	$2.3	$1.2	9%	5%
0.1% (1-in-1,000)	$5.2	$1.8	21%	7%

[1]An event that has, for example, a 2% likelihood of exceedance is sometimes described as a "1-in-50 year event." As noted above, however, the probabilities in the table represent the likelihood of losses from a single event equaling or exceeding the indicated threshold loss amount in a one-year timeframe, not over a multi-year timeframe. Also, because the probabilities relate to a single event, the probabilities do not address the likelihood of more than one event occurring in a particular period, and, therefore, the amounts do not address potential aggregate catastrophe losses occurring in a one-year timeframe.

[2]The percentage of common equity is calculated by dividing (a) indicated loss amounts in dollars by (b) total common equity excluding net unrealized investment gains and losses, net of taxes, included in shareholders' equity. Net unrealized gains and losses on investments can be significantly impacted by both interest rate movements and other economic factors. Accordingly, the Company's management uses the percentage of common equity calculated on this basis as a metric to evaluate the potential impact of a single hurricane or single earthquake on the Company's financial position for purposes of making underwriting and reinsurance decisions.

The threshold loss amounts in the table above, which are based on the Company's in-force portfolio at December 31, 2020, and catastrophe reinsurance program at January 1, 2021, are net of reinsurance, after-tax and exclude unallocated claim adjustment expenses, which historically have been less than 10% of loss estimates. For further information regarding the Company's reinsurance, see "Item 1 – Business – Reinsurance" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. The amounts for hurricanes reflect U.S. and Canadian exposures and include property exposures, property residual market exposures and an adjustment for certain non-property exposures. The hurricane loss amounts are based on the Company's catastrophe risk model estimates and include losses from the hurricane hazards of wind and storm surge. The amounts for earthquakes reflect U.S. and Canadian property and workers compensation exposures. The Company does not believe that the inclusion of hurricane or earthquake losses arising from other geographical areas or other exposures would materially change the estimated threshold loss amounts.

Catastrophe modeling relies upon inputs based on experience, science, engineering and history. These inputs reflect a significant amount of judgment and are subject to changes which may result in volatility in the modeled output. Catastrophe modeling output may also fail to account for risks that are outside the range of normal probability or are otherwise unforeseeable. Catastrophe modeling assumptions include, among others, the portion of purchased reinsurance that is collectible after a catastrophic event, which may prove to be materially incorrect. Consequently, catastrophe modeling estimates are subject to significant uncertainty. In the table above, the uncertainty associated with the estimated threshold loss amounts increases significantly as the likelihood of exceedance decreases. In other words, in the case of a relatively more remote event (e.g., 1-in-1,000), the estimated threshold loss amount is relatively less reliable. Actual losses from an event could materially exceed the indicated threshold loss amount. In addition, more than one such event could occur in any period.

Moreover, Travelers is exposed to the risk of material losses other than property and workers compensation coverages arising out of hurricanes and earthquakes, and it is exposed to catastrophe losses from perils other than hurricanes and earthquakes, such as tornadoes and other windstorms, hail, wildfires, severe winter weather, floods, tsunamis, volcanic eruptions, solar flares and other naturally occurring events.

In addition, compared to models for hurricanes, models for earthquakes are less reliable due to there being a more limited number of significant historical events to analyze, while models for tornadoes, hail storms, wildfires and winter storms are newer and may be less reliable due to the highly random geographic nature and size of these events. Accordingly, these models may be less accurate in predicting risks and estimating losses. Further, changes in climate conditions could cause our underlying modeling data to be less predictive, thus limiting our ability to effectively evaluate and manage catastrophe risk. In addition, models for some events are either in early stages of development and, therefore, not widely adopted, or are not yet available.

For more information about the Company's exposure to catastrophe losses, see our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, under "Item 1A – Risk Factors – High levels of catastrophe losses, including as a result of factors such as increased concentrations of insured exposures in catastrophe-prone areas, could materially and adversely affect our results of operations, our financial position and/or liquidity, and could adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance" and "Item 1A – Risk Factors – We may be adversely affected if our pricing and capital models provide materially different indications than actual results."

External Studies

In addition to catastrophe modeling, we evaluate the findings contained in governmental reports, such as the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5; 2014) and the U.S. Fourth National Climate Assessment Reports (NCA4 volumes 1 and 2; 2017–2018), as well as other external scientific studies related to climate to assess potential impacts on our underwriting and pricing decisions. For example, we have evaluated the extent to which phases of the Atlantic Multidecadal Oscillation, the El Niño–Southern Oscillation, the North Atlantic Oscillation and Saharan dust conditions may influence changes in basin frequency, severity or U.S. landfall risk of hurricanes.

Catastrophe Experience

Our catastrophe underwriting also incorporates lessons learned from recent events, including the 2017 Tubbs Fire (California), the 2018 Camp Fire (California) and the 2019 Kincade Fire (California), as well as past events, such as Hurricanes Harvey and Katrina and Superstorm Sandy. Those lessons are reflected in our:

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

As it relates to the California wildfires in particular, we now view events such as those of the past few years as being less remote than we thought previously. As a consequence of that, as well as the longer-term trend in catastrophe losses, for certain perils we have weighted our more recent experience somewhat more heavily than we otherwise would have in modeling catastrophe losses going forward.

Additional Factors Limiting Our Exposure to Climate-related Risks

In addition to factoring in catastrophe models, external studies and historical experience, we are able to mitigate our exposure to climate-related risks including through the following:

- **Annual Policies.** We are able to respond quickly to changing conditions since most of our policies renew annually. This gives us the flexibility to adjust our pricing, underwriting strategy and related policy terms and conditions, as appropriate. In addition to making short-term tactical adjustments to our underwriting strategy and product pricing based on the climate-related risks we identify, we monitor climate-related risks on a medium- and long-term horizon to arrive at a holistic view of climate-related impacts on our business, further allowing us to adjust and refine our strategy, products and pricing.
- **Reinsurance.** Informed by our risk selection, claim experience and risk appetite, we reinsure a portion of the risks we underwrite to further manage our exposure to losses and to protect our capital. We cede to reinsurers a portion of these risks and pay premiums based upon the risk and exposure of the policies subject to such reinsurance. We conduct an ongoing review of our risk and catastrophe coverages and, from time to time, make changes to our reinsurance program as we deem appropriate. For example, Travelers utilizes a corporate catastrophe excess-of-loss reinsurance treaty with unaffiliated reinsurers to manage its exposure to losses resulting from catastrophes and to protect its capital. In addition to the coverage provided under this treaty, Travelers also utilizes catastrophe bonds to protect against certain weather-related losses in the Northeastern United States and a Northeast catastrophe reinsurance treaty to protect against losses resulting from weather-related catastrophes in the Northeastern United States. To address some ongoing degree of uncertainty surrounding weather volatility, we added a new catastrophe reinsurance treaty to our overall reinsurance program in 2019. For further discussion of our reinsurance program, see our Annual Report on Form 10-K.
- **Product Diversity.** Our broad product diversity also mitigates our exposure to climate-related risks. We engage broadly across nine major lines of insurance through our three business segments – Business Insurance, Bond & Specialty Insurance and Personal Insurance. Our portfolio is balanced across these lines of business and further diversified by geography and customer size and type. Travelers is the second largest U.S. commercial insurer with a top-five position in five major product lines, including a No. 1 position in workers compensation and commercial multi-peril.[1] Our Business Insurance segment accounts for more than half of our net written premiums and includes product lines that are less susceptible to climate-related risks, such as workers compensation and general liability. Likewise, our Bond & Specialty Insurance segment offers primarily fidelity, surety, cyber, management liability and professional liability products. In 2020, 60% of domestic premiums were from liability lines (e.g., workers compensation, management liability, general liability, auto insurance), whereas 40% of domestic premiums came from property lines (e.g., homeowners and commercial property). See the Business Strategy & Competitive Advantages section of our sustainability website to learn more about our product breadth and specialization.

Capturing Climate Opportunities

Travelers is positioned to benefit from the increased economic activity in the renewable energy and clean technology industries by insuring more renewable energy projects globally. Our dedicated Global Renewable Energy Practice provides solutions for the life span of a renewable energy business, from research and development and manufacturing to permanent operations, as well as onshore and offshore wind, solar and biopower operations. This practice is designed to facilitate innovation and the growth of renewable energy businesses and support the transition over time to a lower-carbon economy. Our Global Renewable Energy Practice also helps Travelers capture a greater share of the expanding renewable energy industry domestically and internationally, as trends toward renewable and clean energy sources continue to accelerate. For example, our WindPak® and SolarPak® products respond to unique coverage issues

[1] S&P Global Market Intelligence, 2020 U.S. Statutory DWP: Commercial Multi-Peril (Commercial Multi-Peril (Non-Liability), Farmowners Multiple Peril); Commercial Auto (Commercial Auto No-Fault (Personal Injury Protection), Commercial Auto Physical Damage, Other Commercial Auto Liablity); General Liability (Other Liability: Occurrence, Product Liablity); Workers Compensation; and Surety.

for the wind and solar industries based in the United States. We have also expanded our international footprint for onshore and offshore wind and solar operations throughout Asia, Europe, the United Kingdom, Mexico and Canada with our unique coverages written through Travelers Lloyd's Syndicate 5000.

We continue to aggressively pursue the renewable energy sector, such as by providing coverages globally for commercial and residential solar installations and onshore and offshore wind farms, including the first U.S. offshore wind farm project, Block Island Wind Farm. In 2020, our Global Renewable Energy Practice grew its gross written premiums by nearly 40% year over year.

We also offer specialized coverage, as well as discounts where permissible, to incentivize environmentally responsible behavior – specifically, to encourage adoption of FORTIFIED Home™ construction, green buildings and hybrid/electric vehicles. Examples of our current product offerings include the following:

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

Other Aspects of Travelers' Climate Strategy

In addition to accounting for climate risk in our underwriting and pricing decisions and providing products and product features that capture climate-related opportunities, our climate strategy includes the following components:

- **Incorporating Climate Considerations in Our Investment Process.** Travelers has established an Investment Policy, approved by the Board of Directors, which reflects a long-term approach to sustainable value creation and requires that Travelers consider ESG factors in the investment process to the extent relevant. We have assigned internally developed ESG scores to all issuers in our fixed income portfolio. Explicitly incorporating ESG factors into our fundamental credit analysis process has resulted in a higher level of awareness and focus on these factors. In certain circumstances, this has led to the exclusion of potential investments and the divestment of portfolio holdings ("negative screening") due to ESG risks where we believed that the expected returns were not consistent with the underlying risks – in other words, where we did not believe we would be appropriately compensated for the risks that we would be assuming.

  Consistent with our credit-based approach to investing, we have also recently publicly committed that we will avoid making new debt or equity investments in companies with significant exposure to thermal coal mining, tar sands or coal-based electricity generation.

  GHG emissions data for the substantial majority of segments of our investment portfolio (e.g., municipal bonds, structured bonds, private equity funds) is not readily available and, where it is available, the data quality remains uneven. Accordingly, at this time, we cannot accurately calculate the total emissions of our investment portfolio and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our portfolio. Nonetheless, we believe that we have incorporated the relevant risks into our investment analysis.

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

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

In 2018, national mitigation and resiliency efforts benefited from the enactment of the Disaster Recovery Reform Act. Long a priority for Travelers and the BuildStrong Coalition, this legislation provides states and localities with dedicated pre- and post-disaster funding opportunities that will save lives and help communities reduce the future costs of natural disasters by helping homeowners fortify their homes using IBHS proven technologies. State and federal funding for resiliency efforts is essential. According to a National Institute of Building Sciences study, for every $1 spent on hazard mitigation, the United States can save $6 in future disaster costs. In these ways, we are advocating for our communities, which we believe is good for our customers, for the communities in which we live and work and for creating shareholder value over time.

- **Improving Our Eco-Efficient Operations.** We continually analyze our impacts on the environment and look for cost-effective ways to minimize those impacts. We utilize an environmental management system that regularly reviews our operations to measure our impacts and to identify opportunities that increase efficiency and reduce costs.

  Some of the key elements of our environmental management system include periodic recommissionings of facilities; evaluating emerging technologies, such as alternative energy, and their potential use in our facilities; partnering with power and other utility providers to review our operations and, when available, leveraging their incentive programs to help fund our improvements; evaluating potential changes to energy regulations that may impact our costs and operations; using technology to fine-tune operational parameters; minimizing and recycling as much waste as possible; and evaluating how to be more efficient in space utilization, which has led to the introduction of an open workspace environment that is designed to increase operational efficiency and decrease our need for office space, further minimizing our impact on the environment. Results from these initiatives have been very favorable. For example, from an owned-facility perspective, as a result of these actions, we have reduced our electricity usage by 42% over the last decade. In addition, our open workspace environment, which we began to implement in 2017, increases operational efficiency and decreases our need for office space. We expect that upon completion of our office renovation project, we will reduce our real estate portfolio in Hartford (our largest location) by approximately 30% and the balance of our U.S. portfolio by approximately 20%.

- **Thought Leadership on Disaster Preparedness.** Travelers is helping to proactively address risks such as hurricanes, wildfires and other disasters through the Travelers Institute, the public policy division of Travelers. The Travelers Institute gathers community members and professionals, including independent insurance agents and brokers, to explore the science of these issues and the latest research on prevention and mitigation. Given the dual challenges during 2020 of preparing for a disaster while facing the pandemic, the Travelers Institute teamed up with IBHS and the American Property Casualty Insurance Association (APCIA) during National Hurricane Preparedness Week on a media campaign to provide information and tips to prepare a home or business for a disaster. In addition, the Travelers Institute convened these organizations for a webinar to celebrate the 10th anniversary of the IBHS Research Center, highlighting successes and lessons learned on preparedness for wildfires, hail and wind events.

  Additional details on these aspects of our strategy can be found in the Climate Strategy, Eco-Efficient Operations and Public Policy sections of our sustainability website.

Risk Management

Travelers employs a long-term financial strategy to manage risk/reward over time. We continually measure results to understand the performance of our products and businesses and apply our collaborative understanding of risk to adjust our current view of risk/reward, as appropriate. Through our ERM framework, we actively evaluate the risk/reward relationships on both an individual and a portfolio basis. This evaluation impacts the risks we decide to insure and the appropriate rates to charge. The Enterprise Underwriting department is one of the key internal risk management functions at Travelers. Enterprise Underwriting defines and manages Travelers' corporate underwriting risk appetite and controls to ensure consistency across the enterprise. Enterprise Underwriting also defines and manages the related underwriting authority standards and thresholds, and each business operates within the defined authority standards.

Risk management for changing climate conditions is addressed within our business model and ERM framework. As part of our ERM process, business and corporate groups work to identify and assess climate-related risks, both physical and transitional. We regularly review emerging issues, including changing climate conditions, to consider potential changes to our risk models and their use, as well as to help assess the need to adjust underwriting, pricing or reinsurance strategies, coverage terms and conditions or to develop new products or otherwise explore climate-related opportunities. We evaluate event exposures using CAT models, as discussed under Strategy above, and report aggregate exposure and strategies regularly to management and the Risk Committee of the Board. For more details on how we incorporate climate-related risk into our reinsurance portfolios, see Underwriting, Pricing and Mitigation of Climate Risks.

Our integrated, iterative and collaborative ERM process includes evaluating risk and reward, setting underwriting and operational strategies, and monitoring the results of our efforts. As part of our process, we consider various external environments and influences, including the economy, insurance marketplace, and views of regulators, the investment community and rating agencies.

For climate-related risks – both physical and transitional – several management groups and business-level risk committees, including the Enterprise Catastrophe Strategy and Analysis group, the Enterprise Risk Committee, the Emerging Issues Committee and the Committee on Climate, Energy and the Environment (CEEC), advise the Board and its Risk Committee. The CEEC coordinates and supports climate-related initiatives and strategies across Travelers and is a venue to share information and leverage expertise. The CEEC has four subgroups, each led by senior staff and aligned with a key area of focus:

1. **Risk Identification & Management.** (Discussed in further detail under Process Used to Determine Climate-related Risks.) Supports business activities to identify, monitor and assess climate-related risks. Participants include representatives from our Enterprise Risk Management function (which includes the Enterprise Risk Management group, Enterprise Catastrophe Strategy and Analysis, and Enterprise Underwriting), Investments, Government Relations, Legal, Risk Control, Claim, Global Renewable Energy Practice and business underwriting groups across the Company.

2. **Products, Market Development & Customer Services.** (Discussed in further detail under Process Used to Determine Climate-related Opportunities.) Supports activities to identify and develop product opportunities, explore potential new markets and expand services to help customers prepare for and respond to potential risks related to changing climate and "green" trends. Participants include Business Insurance Underwriting and Product, Enterprise Underwriting, Risk Control, Claim, the Global Renewable Energy Practice and employees from across our business units.

3. **External Relations, Communications & Industry Leadership.** Supports Travelers' external-facing corporate groups on matters pertaining to climate, energy and the environment. Participants include the Travelers Institute, Government Relations, Corporate Communications, Enterprise Catastrophe Strategy and Analysis, Enterprise Underwriting, Risk Control, Community Relations and Investor Relations.

4. **Facilities & Operations Management.** Coordinates the Company's initiatives and activities to develop and implement environmentally responsible corporate practices, including establishing emission reduction goals and monitoring progress in achieving those goals. Participants include members of the Travelers Corporate Real Estate team, along with key members of the facility management teams of our outsourced service provider.

For a more complete discussion of our ERM framework, please see our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Metrics and Targets

We measure a variety of climate-related metrics that inform our climate and overall business strategies. We also set GHG targets to monitor our operational eco-efficiencies.

Catastrophe Losses

On an annual basis, we monitor changes in catastrophe model output on our book of business, changes in the state-of-the-science, and weather and non-weather loss trends as part of the natural catastrophe planning process by business unit and by peril.

(DOLLARS IN MILLIONS)	2020	2019	2018
Catastrophe Losses (pre-tax)	$1,613	$886	$1,716
Catastrophe Losses (after-tax)	$1,274	$699	$1,355
Earned Premiums Ceded (Reinsurance Premiums)[1]	$1,944	$1,798	$1,501
Reinsurance Recoverable[1]	$8,350[2]	$8,235	$8,370

[1]For total company, including related to catastrophes.

[2](net allowance for estimated uncollectible reinsurance at $146 at December 31, 2020)

The Company defines a "catastrophe" as an event:

- That is designated a catastrophe by internationally recognized organizations that track and report on insured losses resulting from catastrophic events, such as Property Claim Services (PCS) for events in the United States and Canada; and
- For which the Company's estimates of its ultimate losses before reinsurance and taxes exceed a pre-established dollar threshold.

The Company's threshold for disclosing catastrophes is primarily determined at the reportable segment level. If a threshold for one segment or a combination thereof is exceeded and the other segments have losses from the same event, losses from the event are identified as catastrophe losses in the segment results and for the consolidated results of the Company. Additionally, an aggregate threshold is applied for International business across all reportable segments. The threshold for 2020 ranged from approximately $20 million to $30 million of losses before reinsurance and taxes.

The table on the following page presents the amount of losses recorded by the Company for significant catastrophes that occurred in 2020, 2019 and 2018, the amount of net unfavorable (favorable) prior year reserve development recognized in 2020 and 2019 for catastrophes that occurred in 2019 and 2018, and the estimate of ultimate losses for those catastrophes at December 31, 2020, 2019 and 2018. For purposes of the table, a significant catastrophe is an event for which the Company estimates its ultimate losses will be $100 million or more after reinsurance and before taxes.

(IN MILLIONS, PRE-TAX AND NET OF REINSURANCE)[1]	LOSSES INCURRED / UNFAVORABLE (FAVORABLE) PRIOR YEAR RESERVE DEVELOPMENT FOR THE YEAR ENDED DECEMBER 31,			ESTIMATED ULTIMATE LOSSES AT DECEMBER 31,		
	2020	2019	2018	2020	2019	2018
2018 PCS Serial Number:						
15 – Winter storm	$1	$(4)	$144	$141	$140	$144
17 – Severe wind and hail storms	(1)	(6)	111	104	105	111
33 – Severe wind and hail storms	–	2	117	119	119	117
52 – Hurricane Florence	(1)	(18)	106	87	88	106
57 – Hurricane Michael	(12)	2	158	148	160	158
59 – California wildfire – Camp fire[2]	(192)	2	334	144	336	334
60 – California wildfire – Woolsey fire	–	10	119	129	129	119
2019 PCS Serial Number:						
33 – Severe wind storms	8	250	n/a	258	250	n/a
61 – Severe wind storms and tornadoes	8	109	n/a	117	109	n/a
2020 PCS Serial Number:						
16 – Tennessee tornado activity	151	n/a	n/a	151	n/a	n/a
19 – Severe storms	134	n/a	n/a	134	n/a	n/a
20 – Severe storms	165	n/a	n/a	165	n/a	n/a
33 – Civil unrest	100	n/a	n/a	100	n/a	n/a
44 – Tropical Storm Isaias	140	n/a	n/a	140	n/a	n/a
46 – Midwest derecho	212	n/a	n/a	212	n/a	n/a
68 – California wildfire – Glass fire[3]	145	n/a	n/a	145	n/a	n/a

[1]Amounts are reported pre-tax and net of recoveries under all applicable reinsurance treaties, except for the Company's 2020 and 2019 Underlying Property Aggregate Catastrophe Excess-of-Loss Treaties. Those treaties covered the accumulation of certain property losses arising from one or multiple occurrences (both catastrophe and non-catastrophe events) for the period January 1, 2020, through and including December 31, 2020, and the period January 1, 2019, through and including December 31, 2019, respectively. As a result, the benefits from those treaties are not included in the table as the allocation of the treaties' benefits to each identified catastrophe changes each time there are additional events or changes in estimated losses from any covered event.

[2]Favorable prior year reserve development in 2020 included the benefit of PG&E subrogation recoveries applicable to this event, which are discussed in more detail in note 8 of notes to the consolidated financial statements in our Annual Report on Form 10-K.

[3]In addition to the Glass fire, there were 16 other PCS-designated wildfires in 2020. While none of the 16 wildfires were individually large enough to meet the Company's threshold for disclosure as a significant catastrophe in this table, total losses from those wildfires were $169 million, of which two wildfires totaling $73 million met the Company's threshold for disclosure as catastrophes.

n/a: not applicable

Eco-Efficient Operations

Greenhouse Gas Emissions

As an insurer, most of our GHG emissions result from office activity, mobile combustion (e.g., claim vehicles, commuting) and business travel. While we strive to reduce our emissions, our primary climate-related risks and opportunities relate to our property insurance business and claim service.

Our Chief Administrative Officer, a member of the Company's Management and Operating Committees, oversees office activity, mobile combustion and business travel enterprisewide with the help of the Corporate Real Estate and Procurement teams. These teams regularly monitor and analyze our operations and facilities to identify ways for us to operate more efficiently, reduce our environmental impact and lower our operating expenses. We prioritize projects based on their expected financial impact, so our efforts to reduce our energy consumption and waste not only reduce our environmental impact but also lower our operating expenses.

Reducing our carbon footprint is one important aspect of our climate strategy. Travelers set a goal to reduce the Company's absolute Scope 1 and 2 emissions by 40% by 2020, based on a 2011 base year. By year-end 2020, we have exceeded this goal, cutting absolute Scope 1 and 2 emissions by 54%. In April 2021, we announced our commitment to become carbon neutral across our owned operations by 2030. By achieving carbon neutrality over the next decade, Travelers will be doing its part to align with the target set forth in the Paris Climate Agreement to limit the global temperature increase in the 21st century to 1.5 degrees Celsius.

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

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

Additionally, many of our efforts in recent years to improve our claim service also create opportunities to reduce our emissions intensity. For instance:

- Implementing virtual claim tools allows customers to share photos and videos when filing a claim. In 2020, we handled 40% more auto appraisals and wind/hail claims and 70% more water claims virtually without the need for a live inspection, as compared to pre-pandemic levels. Leveraging our state-of-the-art digital capabilities can speed claim payments and also reduce miles driven by our claim fleet.
- Deploying drones to inspect roof damage improves the customer experience and eliminates safety hazards, while reducing emissions associated with roof inspections, as drone use obviates the need for ladder assist vendors to travel to the affected property.

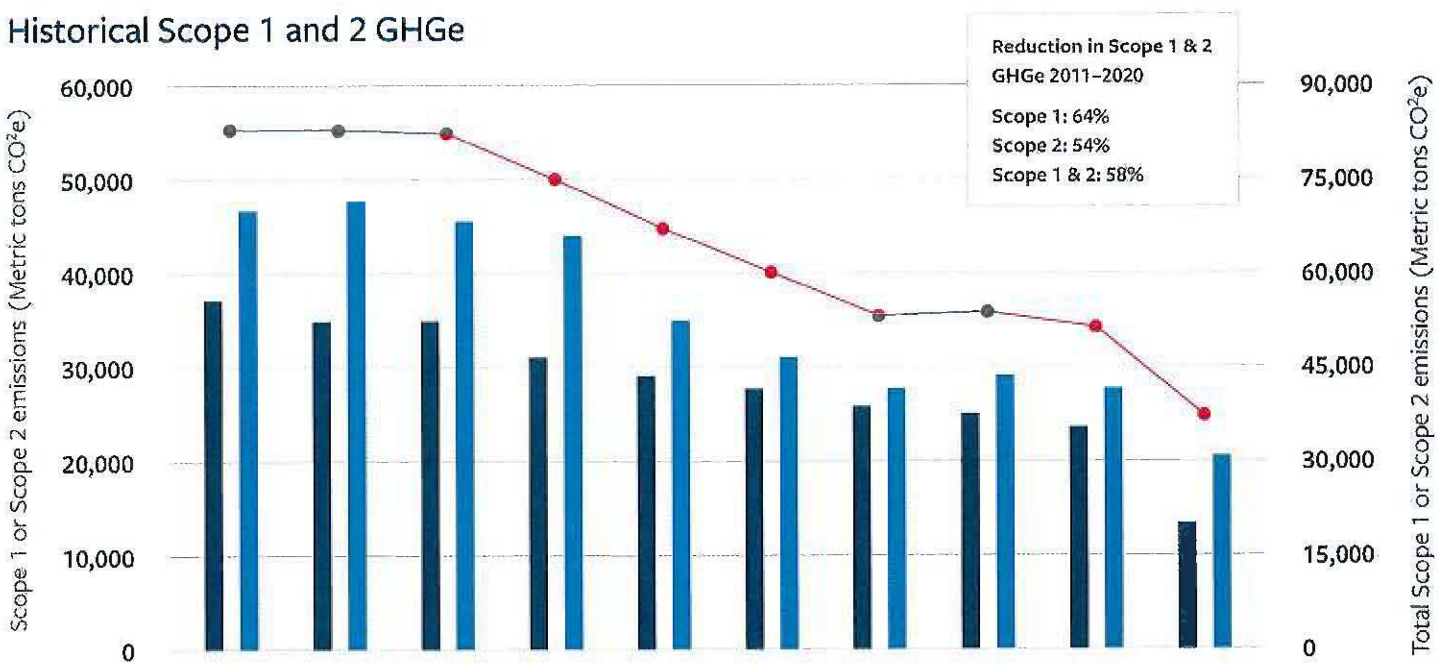
The table below outlines our Scope 1, 2 and 3 emissions data, which has been verified by an independent third party. We use The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) to calculate our Scope 1 and 2 greenhouse gas emissions.

TOPIC	2020	2019	2018	2011
Scope 1 GHG Emissions (metric tons CO_2e)	13,500	23,746	25,591	37,436
Emissions from Mobile Combustion (metric tons CO_2e)	12,414	22,525	24,329	36,574
Emissions from Office Activity (metric tons CO_2e)	1,086	1,221	1,262	862
Scope 2 GHG Emissions[1] (metric tons CO_2e)	21,908	27,970	29,881	47,167
Total Scope 1 and Scope 2 GHG Emissions (metric tons CO_2e)	35,408	51,716	55,472	84,603
GHG Emissions per Revenue (metric tons CO_2e per $)	0.00000111	0.00000163	0.00000183	0.0000033248
GHG Emissions per FTE (metric tons CO_2e per person)	1.18	1.72	1.85	2.76
Scope 3 Emissions from Travel	5,666	17,819	18,584	Not Tracked
Percentage of Electricity from Renewable Sources	21%	21%	17%	Not Tracked
Percentage of Total Energy from Renewable Sources	7%	6%	5%	Not Tracked

[1]Location-based method.

As illustrated in the chart below, from 2011 through 2020, we reduced our Scope 1 and Scope 2 emissions by 64% and 54%, respectively.

Historical Scope 1 and 2 GHGe



TOPIC	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
■ Scope 1	37,436	35,633	35,804	31,184	29,605	28,352	26,640	25,591	23,746	13,500
■ Scope 2	47,167	48,151	46,278	44,576	36,352	31,979	28,250	29,881	27,970	21,908
● Total	84,603	83,784	82,082	75,760	65,957	60,331	54,890	55,472	51,716	35,408

Water and Waste

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

- Employ a third-party vendor to properly recycle and dispose of obsolete IT equipment.
- Shred and recycle paper at all locations.
- Installed auto-shutoffs on most faucets.
- Are installing water bottle filling stations in all new workspaces to reduce the use and disposal of single-use water bottles.
- Have a bottle and can recycling program at all owned locations.

In 2018, we began tracking waste and water usage in our owned facilities. We now measure and track all waste at our owned facilities, including single stream recycling, municipal solid waste and construction/demolition waste. Furthermore, we now track all water and sewer use, including general water use for restrooms, kitchens and landscape-related irrigation.

With these tracking capabilities, we are able to trend waste/water consumption over time and quantify impacts of building improvements as they relate to creating more environmentally sustainable workplaces.

Paper Usage

For almost two decades, Travelers has implemented a variety of business initiatives to reduce our paper usage. In 2019, Travelers partnered with American Forests to fund the planting of a tree for every Personal Insurance customer who chooses paperless billing.

As of April 2020, we have reached our goal of funding the planting of one million trees. In addition to restoring natural landscapes, providing habitat for wildlife and naturally capturing carbon emissions, this effort has helped us minimize our environmental impact and carbon footprint and has lowered our paper consumption by 22 million pages from April 2019 through April 2020. In 2020, we committed to fund the planting of an additional 500,000 trees by Earth Day 2021 and joined the U.S. chapter of 1t.org to help conserve, restore and grow one trillion trees by 2030. Beyond the environmental impacts of planting trees for this campaign, paperless billing provides an added level of convenience for customers by allowing for easy access and retrieval of policy documents, while helping us save millions of dollars in paper and postage costs.

sustainability.travelers.com

Important Legal Information

This report contains information about Travelers. Travelers disclaims any duty or obligation to update such information. Any "forward-looking statement" is made only as of the date such information was originally prepared by Travelers and is intended to fall within the safe harbor for forward-looking information provided in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as "may," "will," "should," "likely," "anticipates," "expects," "intends," "plans," "projects," "believes," "estimates" and similar expressions are used to identify these forward-looking statements. These statements include, among other things, statements about our investment portfolio, our new product offerings, our market risk, our risk management, including climate-related risks and opportunities, as well as catastrophe losses and modeling. Results may differ materially from those expressed or implied by forward-looking statements. Factors that can cause results to differ materially include those described under "Forward Looking Statements" in the Corporation's most recent Form 10-K and Form 10-Qs filed with the SEC and available on our website.

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

Except where noted, the information covered in this report highlights our performance and initiatives in fiscal year 2020.

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

TRAVELERS

SANFORD J. LEWIS, ATTORNEY

PO Box 231
Amherst, MA 01004-0231
413 549-7333
sanfordlewis@strategiccounsel.net

February 22, 2022
Via electronic mail

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: No action request of The Travelers Companies Inc. regarding the shareholder proposal on GHG emissions associated with underwriting and financing

Ladies and Gentlemen:

As You Sow, on behalf of Booth Investments, LLC (the "Proponent"), the beneficial owner of common stock of The Travelers Companies, Inc. ("Travelers" or "the Company"), has submitted a shareholder proposal (the "Proposal") to the Company. I have been asked by the Proponent to respond to the letter dated January 18, 2022 ("Company Letter") sent to the Securities and Exchange Commission by Yafit Cohn. In that Letter, the Company contends that the Proposal may be excluded from the Company's 2022 proxy statement. Proponent's response follows. A copy of this letter is being emailed concurrently to Ms. Cohn. This analysis demonstrates that the Company has no basis under Rule 14a-8(i)(10) for exclusion of the Proposal.

SUMMARY

The Proposal requests that the Company issue a report addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.

The Company seeks exclusion of the Proposal on the basis of Rule 14a-8(i)(10), asserting that the Proposal has been substantially implemented because the Company has already issued a TCFD report which states "[A]t this time we cannot accurately calculate the total emissions of our customers and are therefore unable to disclose the emissions or to establish any emissions reduction targets with respect to our underwriting portfolio."

The disclosures by the Company are unresponsive to the proposal, which asks the company to report on "if and how it intends to measure disclose and reduce GHG emissions associated with its underwriting, insuring, and investment activities…" Instead, the Company has described other activities it is undertaking, particularly related to its own operational emissions, and has stated that it is not currently calculating the emissions of its customers. It has not described whether or not it is on a pathway to implementing such emissions measurement, disclosure, and reduction.

As such, the Company's actions are unresponsive to the Proposal's guidelines and the essential purpose of the proposal. Travelers has not made any specific commitment to meet the alignment goal regarding the emissions associated with its underwriting, insuring, and investment activities, *nor has it stated that it does not intend to do so*. As other companies, including a range of insurance companies, adopt 1.5°C aligned goals, it is important to understand whether Travelers intends to act in alignment. Stating that it has adopted policies and procedures to reduce its operational emissions, which are unrelated to underwriting, insuring and investment activities, and that it is tracking risk related to its underwriting, is not responsive to the request of the Proposal.

Therefore, the Proposal is not excludable under 14a-8(i)(10).

THE PROPOSAL

WHEREAS: Insurance companies have a critical role to play in meeting the Paris Agreement's 1.5 degrees Celsius (1.5°C) goal, requiring net zero greenhouse gas (GHG) emissions by 2050.

Projections[1] have found that limiting global warming to 1.5 degrees versus 2 degrees will save $20 trillion globally by 2100, while exceeding 2 degrees could lead to climate damages in the hundreds of trillions.[2] The U.S. insurance industry is under increasing pressure to address its contributions to climate change from its underwriting, insuring, and investing activities.[3]

These financial activities contribute to systemic portfolio risk to the global economy, investors, and insurers' profitability. The U.S. Commodity Futures Trading Commission recently acknowledged that climate change could impair the productive capacity of the national economy and recommended that state insurance regulators require insurers to assess how their underwriting activity and investment portfolios may be impacted by climate-related risks.

This growing public pressure for the insurance industry to account for its climate related risks and impacts is exemplified by legislation recently passed in Connecticut[4] requiring regulators to incorporate emissions reduction targets into their supervision of insurers.

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[1] https://www.nature.com/articles/d41586-018-05219-5
[2] https://www.nature.com/articles/s41467-020-18797-8/
[3] https://shareaction.org/reports/insuring-disaster-a-ranking
[4] https://www.businessinsurance.com/article/20210617/NEWS06/912342605/Connecticut-bill-calls-for-regulation-of-insurers%E2%80%99-climate-risks

Shareholders are concerned that The Travelers Companies is not adequately reducing the climate footprint of its insurance-related activities. This failure creates significant risk to Travelers, investors, and the global climate. Travelers' pretax catastrophe losses more than doubled Ql 2021. Travelers reported losses of $835 million, an historic first quarter high, mainly attributable to winter and windstorms in the U.S.[5] This follows a larger global trend: insured losses from natural disasters reached $42 billion in the first six months of 2021, a ten year high.[6]

Travelers is a climate laggard in the global insurance sector, scoring at the bottom in a survey of the 30 largest global insurers.[7] In contrast, peers are beginning to address the GHG emissions associated with their underwriting and investment activities.[8] Further, thirteen global insurers have joined the United Nations' Net Zero Insurance Alliance, committing to transition emissions from their insurance and reinsurance underwriting portfolios to net zero by 2050.

Travelers does not measure or disclose its financed emissions, including those attributable to underwriting, insuring, and investments, nor has it adopted targets aligned with the Paris Agreement's 1.5°C goal for such emissions.

BE IT RESOLVED: Shareholders request that Travelers issue a report, at reasonable cost and omitting proprietary information, addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.

SUPPORTING STATEMENT: Shareholders recommend the report disclose at board discretion:

• Whether Travelers will begin measuring and disclosing the emissions associated with the full range of its underwriting, insuring, and investment activities and by when, and

• Whether Travelers will set a Paris aligned, net zero target, for its full range of emissions. and on what timeline.

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[5] https://www.wsj.com/articles/travelers-sees-pre-tax-catastrophe-losses-more-than-double-from-storms-11618917977
[6] https://www.weforum.org/agenda/2021/07/natural-disasters-cost-economic-insurance-2021-extreme-weather-floods-polarvortex/
[7] https://insure-our-future.com/scorecard
[8] See, https://insure-our-future.com/scorecard

BACKGROUND

In the global effort to mitigate climate change, many countries and corporations, including the United States, have committed to achieving net-zero emissions by 2050 and aligning with the Paris Agreement's climate ambition to maintain global temperature increase to 1.5 degrees Celsius. As indicated in the Company Letter, Travelers claims it is committed "to become carbon neutral across [its] owned operations by 2030." In doing so, it "will be doing its part to align with the target set forth in the Paris Climate Agreement to limit the global temperature increase in the 21st century to 1.5 degrees Celsius." (Company Letter, at 7 citing TCFD Report at 18).

However, the Company's intent to become carbon neutral[9] across its owned operations is not responsive to the Proposal's request that the Company address the much greater emissions associated with its insuring, underwriting, and investing activities.

Climate and Insurance Companies. In light of the global need for ambitious climate action, the financial sector, including Travelers, faces a significant challenge in redirecting financial flows to align with the global net-zero by 2050, 1.5° C goal. The IEA's Net Zero by 2050 scenario report concluded that current national and corporate climate pledges are consistent with a temperature rise of 2.1°C by 2100,[10] much higher than the global 1.5° C goal necessary to avoid catastrophic impacts of climate change. To align with the 1.5° C goal, companies must reduce emissions across the full range of their activities, not just their buildings and operations. In this case, and to meet the request of the Proposal, Travelers must also adopt policies that reduce GHG emissions from its underwriting and investing in high carbon activities or clearly disclose to investors that it does not intend to do so.

The insurance sector is among the financial sectors within the scope of the United Nations Environment Program Finance Initiative ("UNEP FI"). UNEP FI issued a recommendation that financial institutions, including insurers, "align as soon as possible" and set a benchmark for credible net-zero commitments:

> For a financial institution, "Scope 3" emissions, or the emissions associated with the financial institution's portfolio or loan (sometimes called "Portfolio Emissions"), constitute about 97% of their total emissions. Therefore, addressing emissions associated with the financial institution's underlying portfolio exposures (companies, projects, etc.) is the top priority.

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[9] We note that the term "carbon neutrality" implies that Travelers may be relying on the purchase of offsets rather than fully reducing the emissions associated with its operations.
[10] *See* Net Zero by 2050—A Roadmap for the Global Energy Sector*, found at*.
https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

The UNEP-FI has also created a Net-Zero Insurance Alliance (NZIA) that insurers can join. It calls for and provides clarity about member commitments and expectations for demonstrating 1.5° C aligned action. The commitment by signatory companies includes:

> Transitioning all operational and attributable greenhouse gas (GHG) emissions from its insurance and reinsurance underwriting portfolios to net-zero emissions by 2050 consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100 in order to contribute to the implementation of the COP21 Paris Agreement. . . .[11]

NZIA members individually commit to set science-based intermediate targets every five years and to independently report on their progress publicly and annually to contribute to achieving the goals of the Paris Climate Agreement.[12] The adopted targets are to be based on scientific methods that build upon recognized methodologies.

Role of Travelers

Travelers was flagged in a recent scorecard that assesses the progress of global insurers in addressing climate change. The scorecard noted that: "Progress on climate change is insufficient, with most insurers lacking a clear and comprehensive policy."[13] Travelers was among the group of lowest scoring companies, demonstrating poor management of material risks and opportunities related to climate change, including a lack of management of climate-related underwriting and investment policies.[14]

Despite Travelers statement that it intends to achieve carbon neutrality across its owned operations by 2030,[15] it remains one of the world's top fossil fuel insurers. The Company has not stated how, or if, it will reduce the climate related impact of its investing or underwriting activities. By focusing reduction targets on its Scope 1 and Scope 2 emissions (operational and electricity) and ignoring the impact of its Scope 3 underwriting and investing emissions, which can account for up to 97% of total emissions for a financial institution,[16] Travelers cannot be said to be aligned with the goals of the Paris Agreement.

Due to the lack of specificity of its climate commitments, investors lack visibility into the transitional risks faced by Traveler's, especially in comparison to other insurers.

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[11] https://www.unepfi.org/psi/wp-content/uploads/2021/07/NZIA-Commitment.pdf at 1
[12] https://www.unepfi.org/psi/wp-content/uploads/2021/07/NZIA-Commitment.pdf at 1
[13] Share Action, "Insuring Disaster", May 2021, https://api.shareaction.org/resources/reports/Insuring-Disaster.pdf
[14] *See,* "Insuring Disaster", at 11
[15] TCFD Report, at 18
[16] https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI.-Recommendations-for-Credible-Net-Zero-Commitments.pdf p.7

The growing impact of climate makes it necessary for insurance companies such as Travelers to be very clear about how they will manage and decrease the transition risks associated with insuring and investing in high carbon activities, and whether they are decreasing the climate risk created by such activities.

2021 was the second-most costly year on record for the world's insurers according to Munich Re.[17] Insured losses totaled around $120 billion from natural catastrophe.[18] The U.S., ravaged by tornadoes, Hurricane Ida, and freezes in Texas, accounted for an unusually large portion of the losses.[19] U.S. insurers remain highly exposed to carbon emissions-intensive industries. In 2019, the U.S. insurance industry had $582 billion invested in some combination of oil, gas, coal, utilities or other fossil fuel related activities, an increase from $519 billion in 2018.[20] Emissions from underwriting and investing activities (i.e. the emissions generated by the companies being underwritten or invested in) can be a proxy for climate risk by adding to the global inventory of emissions- causing increases in global temperature and extreme weather.

ANALYSIS

<u>Rule 14a-8(i)(10)</u>

The Company Letter asserts that the Proposal is substantially implemented through the issuance of the Company's annual TCFD risk report. Such disclosure does not substantially implement the Proposal or address the essential objective of this resolution, a report on whether and how the company intends to measure, disclose and reduce emissions associated with its underwriting and investment activities.

In the Staff's view, a determination that the Company has substantially implemented the proposal depends upon whether its "particular policies, practices, and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (avail. Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed *both* the proposal's guidelines and its essential objective. *Exelon Corp.* (avail. Feb. 26, 2010). In the present instance, the Company's reporting through its TCFD Report has not met this standard, and therefore has not substantially implemented the Proposal.

<u>The guidelines and essential purpose of the proposal</u>

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[17] https://money.usnews.com/investing/news/articles/2022-01-10/natural-disasters-cost-insurers-120-billion-in-2021-munich-re-says
[18] https://money.usnews.com/investing/news/articles/2022-01-10/natural-disasters-cost-insurers-120-billion-in-2021-munich-re-says
[19] https://money.usnews.com/investing/news/articles/2022-01-10/natural-disasters-cost-insurers-120-billion-in-2021-munich-re-says
[20] https://www.spglobal.com/esg/insights/climate-risks-for-insurers-why-the-industry-needs-to-act-now-to-address-climate-risk-on-both-sides-of-the-balance-sheet

The proposal is clearly focused on measurement, disclosure and reduction of the greenhouse gas emissions associated with the Company's underwriting, insuring and investment activities. This is the essential purpose of the proposal, and its guidelines necessitate the issuance of a report, that at a minimum, describes whether and how the Company intends to bring its underwriting and investment activities into alignment with the Paris agreement's 1.5° C goal requiring net zero emissions by 2050, or to state that it does not intend to do so. The TCFD report does neither.

1. **The Company does not sufficiently discuss its strategy concerning measuring and disclosing its financed emissions.**

The Proposal explicitly requests that the Company report if and how it intends to **measure, disclose**, **and reduce** the GHG emissions associated with its underwriting, insuring, and investment activities. The Company holds up its TCFD Report as an example of meaningfully implementing the Proposal.

This is not the case. First, it should be recognized that TCFD recommendations for insurance company disclosures focus on assessing and pricing climate-related risks and opportunities, not measuring or reducing impact. While TCFD recommends that companies in all sectors "disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks,"[21] Travelers has only partially done so for its operation.

The Company does not state in its TCFD Report if and how it intends to measure and disclose the GHG emissions associated with its underwriting, insuring, and investment activities. Rather, it states that it believes, at this time, that it "cannot accurately calculate the total emissions of [its] customers and [is] therefore unable to disclose the emissions…with respect to [its] underwriting process."[22] This is not responsive to the Proposal in a variety of ways.

First, it does not discuss the Company's investment activities as requested in the Proposal. Second, as to the measurement of underwriting data, the Company does not state why it cannot estimate or model its emissions currently or what conditions need to be met to do so. The Company has not answered why it cannot measure and disclose with slightly less than perfect data, as others have done. As, importantly, the Company has stated that it cannot accurately calculate and disclose *at this time*; it has not ruled out if it will do so in the near future, provided a timeline, stated an intent to work or not work on measuring and disclosing, or stated what conditions need to exist for it to measure and disclose more perfectly in the future. Travelers has disclosed neither the if nor the how as to its Scope 3 measuring and disclosing policies.

Many companies are on a pathway toward implementing actions in line with the Proposal. For example, the CRO Forum, constituted of Chief Risk Officers from 21 major insurance companies, published a report reviewing the different methodologies that insurance companies

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21
https://www.tcfdhub.org/Downloads/pdfs/E20%20More%20information%20on%20supplemental%20guidance%20for%20the%20financial%20sector.pdf at 32

22 https://www.thecroforum.org/wp-content/uploads/2020/05/CRO-Carbon-Foot-Printing-Methodology.pdf at 5

may use for calculating the carbon footprint of their underwriting. The report aims to "help insurers to work towards understanding the challenges and eventually disclosing the carbon intensity of their underwriting portfolios."

Other insurers have already begun to calculate the GHG emissions associated with investments. For example, PCAF's global greenhouse gas accounting and reporting standard for the financial industry is intended to be used by insurance companies for calculating the GHG emissions associated with their investments.[23] Ten insurance companies have committed to disclose their emissions from their portfolio of loans and investments through PCAF, including U.S. insurance company Liberty Mutual.[24] Two of these companies, a.s.r and NN Group, have already begun measuring and disclosing these emissions.[25] Additionally, UK-based Aviva plans to cut carbon intensity of its investments 25% by 2025 and 60% by 2030.[26]

The Net Zero Insurance Alliance is backed by the United Nations Environment Program Finance Initiative and is prominent on the global stage, growing in membership quickly. Under the NZIA, signatories commit to transition their insurance and reinsurance underwriting portfolios to net zero greenhouse gas emissions, consistent with a maximum temperature rise of 1.5C above pre-industrial levels by 2100.[27] The guidelines for meeting net zero commitments includes setting underwriting criteria for GHG-intensive sectors, engaging with clients, and offering insurance products for low- and zero-emission technologies. Signatories also commit to establish intermediate targets every 5 years. NZIA members must then publish their first intermediate targets within six months of the protocol's publication, and then begin annual reporting on progress.[28]

Additionally, the Science Based Targets initiative, a collaboration between CDP, the United Nations Global Compact, World Resources Institute, and World Wildlife Fund,[29] has developed a framework for science-based targets for financial institutions to align their lending and investing with the Paris Agreement. The target-setting guidelines apply to insurance companies in their role as asset managers or owners, though insurance contracts are currently out of scope for available methods set by a SBT.[30]

Travelers' statement that there is a lack of perfect measurement methods, and its current refusal to measure, is not responsive to the Proposal's actual request, which is to understand if the Company intends to measure, disclose, and reduce the climate emissions of its underwriting and investment activities in alignment with the global Paris goal, as other insurance companies are doing. The Company's non-response of, essentially, 'not right now' is not adequate or helpful to investors who must make informed investment decisions now.

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[23] https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf at 16
[24] https://carbonaccountingfinancials.com/financial-institutions-taking-action
[25] https://carbonaccountingfinancials.com/financial-institutions-taking-action
[26] https://www.aviva.com/climate-goals/
[27] https://www.unepfi.org/psi/wp-content/uploads/2021/07/NZIA-launch-press-release.pdf
[28] https://www.unepfi.org/psi/wp-content/uploads/2021/07/NZIA-Commitment.pdf
[29] https://sciencebasedtargets.org/about-us
[30] https://sciencebasedtargets.org/resources/legacy/2018/03/SBT-finance-webinar-2.8.18-2.pdf at 20

The Company's ESG activities are also not responsive to the proposal. Travelers describes its ESG policies evaluating risk related to particular clients in its TCFD Report as providing a "discussion regarding its decision not to measure, disclose and reduce the GHG emissions associated with investing activities."[31] However, its ESG policies do not, as far as we know, involve a calculation of GHG emissions at all. Instead the Company says the Investment Policy "requires Travelers consider ESG factors in the investment process to the extent relevant" and it has "assigned internally developed ESG scores to all issuers in our fixed income portfolio" and "In certain circumstances, this has led to the exclusion of potential investments and the divestment of portfolio holdings ("negative screening") due to ESG risks where we believed that the expected returns were not consistent with the underlying risks that we would be assuming."[32] ESG analysis addresses a range of factors that may or may not include climate. Company ESG activities are not responsive to the climate related question of if and how Travelers will measure, disclose and reduce emissions associated with its underwriting and investments in alignment with the global 1.5° C goal.

2. **<u>The Company's existing actions do not adequately address alignment with the Paris Agreement.</u>**

The Company Letter goes on to underscore the global importance and pressures of the Paris Agreement, yet nonetheless states that because it is unable to measure and establish GHG emissions targets "accurately", the request regarding aligning with the Paris Agreement's 1.5° C goal is "irrelevant."[33]

Imperfect measurement does not prevent the Company from answering the question of if, and how, it will reduce the GHG emissions associated with its underwriting and investing activities in alignment with the global 1.5° C goal. Despite imperfect measurements, Travelers recently adopted a climate policy committing not to underwrite new coal-fired power plants or make new investments in companies that generate more than 30% of their revenue or energy production from coal or have more than 30% of their reserves in tar sands. This indicates that Travelers has the ability to reduce other sources of emissions without perfect measurement techniques. Such reduction activities might include, for example, not investing in or underwriting new oil and gas projects per the IEA Net Zero scenario pathway or otherwise addressing a range of other sources of emissions.

The Company's failure to address the issue of whether it will undertake additional actions to reduce emissions associated with its underwriting and investment activities leaves investors in the dark. Without clear disclosure about its future reduction plans, investors must guess whether the Company will or will not take further reduction actions in alignment with peers, making investment decisions difficult. Neither the "if" nor the "how" regarding GHG emission reduction actions has been answered.

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[31] Travelers No Action at 4
[32] Travelers No Action at 4
[33] Travelers No Action at 5

This issue is quite relevant. There is growing pressure from governments, the financial sector, and investors for **all corporations** to address the goals set out in the Paris Agreement, which has been ratified by 193 countries.[34] More than 130 countries, including the United States, have committed to or are considering net zero emissions by 2050.[35] The United Nations Environment Program Finance Initiative is calling for "financial institutions to use a science-based definition of net zero and to use sector pathways to track company progress according to their industry sectors. This will ultimately allow financial institutions to gain a holistic view of their alignment with a 1.5° C pathway and enable them to see whether they – and the real world companies within their portfolios – are on track to reach net-zero by 2050."[36] UNEP FI further states that "net-zero commitments which are not explicitly tied to, or do not follow specifically 1.5° C IPCC carbon budget **should not qualify as credible."**[37]

Lloyd's, the world's largest insurance marketplace, announced it will advocate and support all market participants to introduce and implement their own net zero plans in order to reach a net zero underwriting position for the market by 2050 at the latest. This new formal expectation will be embedded in the Lloyd's market oversight framework.

Movement on insurers' underwriting and investment emissions is not just happening at the global level, but also nationally within the United States. In September 2020, a group of 60 businesses wrote to U.S. insurance companies asking them to drop investments in fossil fuels to avoid worsening impacts of global climate change.[38] More recently, in March 2021, U.S. Senators wrote to Travelers specifically, asking if the Company's fossil fuel underwriting and investment policies are consistent with its broader commitments to sustainability.[39] These examples highlight the relevance of the Paris Agreement's targets to Travelers' investment and underwriting decisions. Unfortunately, the Company attempts to avoid the critical and appropriate question of whether and how it intends to align itself with the global Paris goal. Simply referring to imperfect measurement systems is a non-response to the critical, timely, and appropriate question posed by the Proposal.

3. **Travelers' established targets are not Paris aligned, as they do not cover Scope 3 emissions**

The emissions reduction goals Travelers has established (Scope 1 and 2 operational emissions) are not responsive to this Proposal. Travelers set a target to reduce its absolute Scope 1 and 2 emissions by 40% by 2020 and achieved reductions in these emissions of 54%. In April 2021, Travelers announced a commitment to become carbon neutral across its owned operations by

[34] https://unfccc.int/process/the-paris-agreement/status-of-ratification
[35] https://www.un.org/en/climatechange/net-zero-coalition
[36] https://www.unepfi.org/news/industries/banking/unep-finance-initiative-delivers-g20-input-paper-with-recommendations-for-credible-net-zero-finance-commitments/
[37] https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI.-Recommendations-for-Credible-Net-Zero-Commitments.pdf at 5
[38] https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/businesses-call-on-us-insurers-to-join-global-trend-of-ditching-fossil-fuels-60386527
[39] https://www.businessinsurance.com/article/20210326/NEWS06/912340735/Senators-quiz-insurers-on-climate-related-underwriting

2030.[40] Travelers states, "By achieving carbon neutrality over the next decade, [it] will be doing its part to align with the target set forth in the Paris Climate Agreement to limit the global temperature increase in the 21st century to 1.5 degrees Celsius."[41] However, this is a misleading statement, because Travelers has not included the largest part of its emissions within its carbon neutrality commitment, and therefore cannot be considered to be aligned with the Paris Agreement.

Emissions associated with its insuring, underwriting, and investment activities, i.e., its Scope 3 emissions, are *not* included in Traveler's reduction targets. For a financial institution, Scope 3 emissions are the majority of its emissions, constituting approximately 97% of total emissions.[42] This directly contradicts Travelers claim that "As an insurer, most of our GHG emissions result from office activity, mobile combustion (e.g. claim vehicles, commuting) and business travel."[43] By only disclosing Scope 3 emissions from travel, Travelers presents to investors an absurdly small percentage of its total Scope 3 emissions.[44]

In order to fully measure and disclose the carbon footprint associated with the Company's Scope 1-3 emissions, Travelers must include the emissions from its underwriting and investment activities. It is becoming the global norm for companies seeking alignment with net zero emissions to include Scope 3 emissions. SBTI's recently released Net Zero Standard states that for companies with Scope 3 emissions constituting over 40% of their value chain emissions, they **must include** those emissions in target setting to be considered 1.5° C aligned. Excluding Scope 3 emissions makes Travelers misaligned with this globally accepted Paris-aligned target setting framework. By failing to fully address this misalignment in its public documents, Travelers does not provide shareholders with adequate transparency, preventing informed decision making and preventing comparability between Travelers and its peers.

Staff precedent supports denial of Travelers' substantial implementation claim

The Company Letter cites Staff precedent concurring with exclusion in instances where a proposal requests a report and the company has publicly disseminated information that is responsive to the proposal's request (Company Letter p.7). However, as set forth above, Travelers has not provided information that is responsive to the Proposal. It has not disclosed plans for the measurement or reduction of emissions from its underwriting, insurance and investment activities. Nor has it been clear if it will, in the future, report and disclose or reduce its emissions and under what conditions. Therefore, the TCFD report cannot be said to be responsive to the Proposal's request.

The Company Letter also cites Staff precedent concurring with exclusion where proposals request the company to review or assess a certain matter and the company demonstrated that the

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[40] https://sustainability.travelers.com/downloads/Travelers_TCFDReport2020.pdf at 18
[41] https://sustainability.travelers.com/downloads/Travelers_TCFDReport2020.pdf at 18
[42] https://g20sfwg.org/wp-content/uploads/2021/10/2021-UNEP-FI.-Recommendations-for-Credible-Net-Zero-Commitments.pdf at 7
[43] TCFD Report at 18 https://sustainability.travelers.com/downloads/Travelers_TCFDReport2020.pdf
[44] TCFD Report at 19 https://sustainability.travelers.com/downloads/Travelers_TCFDReport2020.pdf

requested review or assessment had already been undertaken. (Company Letter p.7). As discussed above, Travelers has not completed the requested review or assessment of the Proposal, and therefore has not met the standard of substantial implementation.

Staff decisions confirm that when it comes to climate change proposals which contain guidelines requesting reporting geared to a specific set of concerns, such as the development of targets aligned with external benchmarks, a failure to address the guidelines of the Proposal is a basis for rejecting a substantial implementation claim.

The Company's attempt to treat the Proposal as substantially implemented is similar to *Dominion Resources*, (February 11, 2014) where the Staff held that the proposal was not excludable under Rule 14a-8(i)(10). The proposal requested the Board of Directors "adopt quantifiable goals, taking into account Intergovernmental Panel on Climate Change guidance, for reducing total greenhouse-gas emissions" and to issue a report. Dominion argued that it had substantially implemented the proposal because it had adopted an "integrated strategy" regarding greenhouse gas (GHG) emissions and had goals set for renewable energy targets across its energy portfolio. Further, it had adopted a range of measures that would have the effect of decreasing its emissions, including converting coal plants to biomass, retiring others, and installing solar energy and fuel cell facilities. Dominion argued that it had substantially implemented the proposal based on its existing reporting and plans, and efforts to reduce carbon intensity. It was noted by the proponent that the renewable power standards the company planned to meet could allow total GHG emission to rise. Despite having set certain reduction goals, the Staff held that the terms of the proposal had not been substantially implemented, noting that the proposal requested "that the board adopt quantitative goals, taking into account Intergovernmental Panel on Climate Change guidance, for reducing total greenhouse-gas emissions from the company's products and operations and report on its plans to achieve these goals." Similar to the present case, the net effect was failure to align with the international guidance as requested in the Proposal, thus the guidelines and purpose of the proposal were not met.

In *Alpha Natural Resources, Inc.* (March 19, 2013) the proposal requested that the company prepare a report on the company's goals and plans to address global concerns regarding fossil fuels and their contribution to climate change, including analysis of long- and short-term financial and operational risks to the company and society. The Staff did not find substantial implementation because the company had failed to disclose any analysis of long- and short-term financial and operational risks to the company and society as requested. See also, *Dominion Resources, Inc.* (February 17, 2017 - two decisions), *The Middleby Corporation* (February 07, 2017), *The AES Corporation* (January 11, 2017), *Exxon Mobil Corporation* (March 22, 2016 - two decisions), *Chevron Corporation* (March 11, 2016), *Hess Corporation* (February 29, 2016), *Lowe's Companies, Inc.* (March 10, 2017).

In short, a company can perform extensive reporting within an issue area and still <u>not</u> be considered to have substantially implemented a proposal seeking specific information that is not provided. For instance, in *Chesapeake Company* (April 13, 2010) the company asserted that its extensive web publications constituted substantial implementation with the proposal on natural gas extraction. The Staff concluded that despite a volume of writing by the company on hydraulic fracturing, the matter was not substantially implemented given the guidelines of the proposal. Numerous other company attempts to exclude proposals under Rule 14a-8(i)(10) have failed where the company has provided public disclosure of some, but not all, of the elements of reporting requested. See for instance *Marathon Oil Corporation* (January 22, 2013); *Nike, Inc.* (July 5, 2012) (requesting reports on lobbying or political contributions and expenditures); *Southern Company* (March 16, 2011) (proposal requesting a report on the company's efforts, above and beyond current compliance, to reduce environmental and health hazards associated with coal combustion waste was not substantially implemented by existing report on coal combustion byproducts or other disclosures associated with the impacts of coal where reports did not provide the specific information requested in the proposal); *3M Company (March 2, 2005)* (proposal seeking actions relating to eleven principles on human and labor rights in China was not substantially implemented despite the fact that the company had its own set of comprehensive policies and guidelines on these issues); *ConocoPhillips* (January 31, 2011) (the proposal's objective that the company prepare a report on public safety, including "the Board's oversight of" a variety of related issues, was not substantially implemented where company had taken a significant number of steps to reduce the risk of accidents, and reported to stockholders and the public, but only made passing reference to the Board's role).

Here, Traveler's TCFD report was not responsive to the Proposal's request. While it concludes that measuring emissions associated with the Company's Scope 3 underwriting and investing activities is inaccurate, so it will not currently measure and disclose such emissions, Travelers does not state "if and how" it will do so in the future. It further does not answer whether the Company will nonetheless reduce known emissions associated with its underwriting and investment activities and, if so, whether such reductions will be in alignment with global 1.5° C goals. Finally, the setting of Scope 1 and 2 emissions is not responsive to the Proposal's request to set Scope 3 targets for underwriting and investing activities.

CONCLUSION

In conclusion, the intention of the resolution is for the Company to report on whether and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions. Travelers has not fulfilled these guidelines through its TCFD Report. The

Company cannot reasonably claim it has done so, and therefore the Proposal is not substantially implemented for purposes of Rule 14a-8(i)(10). Based on the foregoing, we believe the Company has provided no basis for the conclusion that the Proposal is excludable from the 2022 proxy statement pursuant to Rule 14a-8. We urge the Staff to deny the no action request.

Sincerely,

Sanford Lewis

TRAVELERS

The Travelers Companies, Inc.
Yafit Cohn
Chief Sustainability Officer & Group GC
485 Lexington Avenue, 8th Floor
New York, NY 10017
917.778.6764 TEL
888.277.0906 FAX
ycohn@travelers.com

VIA E-MAIL

March 4, 2022

Re: The Travelers Companies, Inc. – Omission of Shareholder Proposal from Proxy Materials Pursuant to Rule 14a-8

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Ladies and Gentlemen:

The Travelers Companies, Inc. ("Travelers" or the "Company") is filing this letter to provide a brief reply to the letter dated February 22, 2022, sent by Sanford Lewis (the "Lewis Ltr.") regarding the shareholder proposal and supporting statement (collectively, the "Proposal") submitted by As You Sow on behalf of Booth Investments, LLC (the "Proponent") for inclusion in the proxy statement and form of proxy to be distributed by the Company in connection with its 2022 Annual Meeting of Shareholders (collectively, the "Proxy Materials").

Pursuant to Rule 14a-8(j), we are simultaneously providing the Proponents with a copy of this submission. The Company will promptly forward to the Proponents any response received from the Staff to this request that the Staff transmits by email or fax only to the Company.

The Proposal requests that Travelers issue a report addressing "if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions." As more fully explained below and in the Company's letter to the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") dated January 18, 2022 (the "Travelers Ltr."), Travelers believes that, pursuant to Rule 14a-8, the Proposal may be properly excluded from the Company's Proxy Materials because the Company's report on its approach to managing changing climate conditions consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (the "TCFD Report") substantially implements the Proposal.

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel

Much of the Proponent's letter is irrelevant to an analysis regarding the appropriate application of Rule 14a-8(i)(10) (including, for example, pages of extraneous pontifications about the subject matter of the Proposal, descriptions of various reports and recommendations regarding climate that are unrelated to the Proposal, and the Proponent's views of Travelers' actions). To preserve valuable Commission resources, Travelers is only responding to those statements that appear to relate to the legal arguments in the Company's no-action request.

The Proposal Is Excludable Under Rule 14a-8(i)(10)

The Proponent's argument that the Company has not substantially implemented the Proposal is baffling in light of the fact that the Company's TCFD Report addresses every element of the Proposal. The Proponent claims that the Company's disclosure is "unresponsive to the [P]roposal" because the Company "has not described whether or not it is on a pathway to implementing such emissions measurement, disclosure, and reduction." Lewis Ltr. 1-2. The Proponent also claims that the Proposal's "actual request … is to understand if the Company intends to measure, disclose, and reduce the climate emissions of its underwriting and investment activities in alignment with the global Paris goal…" Lewis Ltr. 8. As clearly explained in the Company's no-action request, however, the Company has implemented the Proposal's request in its entirety.

Reproduced below is the chart provided in Travelers' initial submission, which provides a side-by-side comparison of all the elements of the Proposal and how the Company has addressed each of them, providing only the directly relevant language from the TCFD Report:

Elements of the Proposal	**How the Company's TCFD Report Addresses Each Element**
"issue a report"	The Company's TCFD Report is publicly available at https://sustainability.travelers.com/downloads/Travelers_TCFDReport2020.pdf.
"address[] if and how [Travelers] intends to measure, disclose, and reduce the GHG emissions associated with its **underwriting** . . . activities."	"[A]t this time, we cannot accurately calculate the total emissions of our customers and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our **underwriting** portfolio." (Page 9) (emphasis added)

(emphasis added)	
"address[] if and how [Travelers] intends to measure, disclose, and reduce the GHG emissions associated with its . . . **insuring** . . . activities." (emphasis added)	"[A]t this time, we cannot accurately calculate the total emissions of our customers and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our **underwriting** portfolio." (Page 9) (emphasis added)
"address[] if and how [Travelers] intends to measure, disclose, and reduce the GHG emissions associated with its . . . **investment** activities." (emphasis added)	"[A]t this time, we cannot accurately calculate the total emissions of our **investment** portfolio and are therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our portfolio." (Page 13) (emphasis added)

As the TCFD Report makes clear, Travelers does not intend to measure or disclose the emissions contemplated by the Proposal or establish any emissions reduction targets with respect to its underwriting or investment portfolios. *See* TCFD Report 9, 13. The suggestion that the language in the TCFD report creates any sort of ambiguity is unfounded.

The Proponent posits three reasons why it believes that the Company has not substantially implemented the Proposal pursuant to Rule 14a-8(i)(10). The Company will address each in turn.

First, the Proponent claims that Travelers has not substantially implemented the Proposal because "[t]he Company does not sufficiently discuss its strategy concerning measuring and disclosing its financed emissions" and "has not answered why it cannot measure and disclose" the GHG emissions associated with its underwriting and investment activities. Lewis Ltr. 7.

With this claim, the Proponent adds a "requirement" that does not appear anywhere in the Proposal. The Proposal requests a report addressing "if and how" the Company "intends to measure, disclose, and reduce the GHG emissions" associated with its underwriting and investment activities, and does not require a detailed explanation regarding "why" it cannot do so; as demonstrated in the chart above and as discussed in further detail in the Company's original submission, the Company's TCFD Report is directly responsive to each element of the Proposal's request. *See* TCFD Report 9, 13. The Proponent in this section of its letter also makes a patently false statement that the Company's disclosure "does not discuss the Company's investment activities as requested in the Proposal." Lewis Ltr. 7. The relevant disclosure is referenced briefly in the above chart and discussed in further detail in the Company's initial submission. *See also* TCFD Report 13.

In any event, although the Proposal does not require disclosure of the Company's reasoning, the Company has offered a clear explanation in its TCFD Report. *See* TCFD Report 9, 13. Additionally, it is evident that the Company does not discuss a "strategy concerning measuring and disclosing its financed emissions" because, as explained in the TCFD Report, emissions data with respect to the vast majority of the Company's underwriting portfolio – e.g., personal automobile insurance, homeowners insurance, and insurance of small and mid-sized businesses – and with respect to a substantial majority of the Company's investment portfolio – e.g., municipal bonds, structured bonds and private equity funds – is not readily available. *Id.*

Second, the Proponent argues that Travelers has not substantially implemented the Proposal pursuant to Rule 14a-8(i)(10) because "[t]he Company's existing actions do not adequately address alignment with the Paris Agreement." Lewis Ltr. 9. This argument is nonsensical; if the Company cannot currently measure, disclose or reduce the emissions associated with its underwriting and investment activities, as clearly outlined in the TCFD Report, it cannot reduce those emissions in alignment with the Paris Agreement's goal. Moreover, in this section, the Proponent attempts to discredit the reasoning provided in the TCFD Report by stating that Travelers' recently published coal/tar sands policy "indicates that Travelers has the ability to reduce other sources of emissions without perfect measurement techniques." Lewis Ltr. 9. Putting aside the fact that the Proponent grossly mischaracterizes the Company's disclosure by referencing the "lack of perfect measurement," this argument is a red herring. Lewis Ltr. 8. The Company's coal/tar sands policy has no connection to the fact that the emissions data associated with the personal automobiles, homes and small and mid-sized businesses it insures are simply not available – a fact that the Company makes clear in its TCFD Report. TCFD Report 9, 13. And, critically, this argument by the Proponent is wholly unrelated to whether or not the Company addressed the elements of the Proposal. Rather, it reflects that the Proponent is simply dissatisfied with the Company's response to the Proposal's request, which has no bearing on a Rule 14a-8(i)(10) analysis.

Third, the Proponent states that the Company's request should be denied because "Travelers' established targets are not Paris-aligned, as they do not cover Scope 3 emissions."

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel

Lewis Ltr. 10. This argument is completely irrelevant to the Rule 14a-8(i)(10) analysis at hand. While the TCFD Report contains information about Travelers' commitment to become carbon neutral across its owned operations, the Company never suggested that this disclosure was responsive to the Proposal. The Company hewed its no-action request to respond to the elements of the Proposal, as required by Rule 14a-8. The entirety of the TCFD Report is not intended to respond to the Proposal. The Proponent's response is a confusing distraction from an otherwise straightforward, factual analysis.

Conclusion

Based on the foregoing, the Company respectfully reiterates its request that the Staff express its intention not to recommend enforcement action if the Proposal is excluded from the Company's Proxy Materials in reliance on Rule 14a-8(i)(10).

If the Staff disagrees with the Company's conclusions regarding omission of the Proposal, or if any additional submissions are desired in support of the Company's position, we would appreciate an opportunity to speak with you by telephone prior to the issuance of the Staff's Rule 14a-8(j) response.

If you have any questions regarding this request, or need any additional information, please do not hesitate to contact the undersigned at 917-778-6764 or ycohn@travelers.com.

Sincerely,

Yafit Cohn

Yafit Cohn

cc: Danielle Fugere, As You Sow
A.J. Kess, The Travelers Companies, Inc.

SANFORD J. LEWIS, ATTORNEY

PO Box 231
Amherst, MA 01004-0231
413 549-7333
sanfordlewis@strategiccounsel.net

March 7, 2022
Via electronic mail

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal to Travelers Regarding GHG Emissions and Targets
on Behalf of Booth Investments LLC

Ladies and Gentlemen:

Booth Investments LLC (the "Proponent") is beneficial owner of common stock of Travelers (the "Company") and has submitted a shareholder proposal (the "Proposal") to the Company. I have been asked by the Proponent to respond to the supplemental letter dated March 4, 2022 ("Supplemental Letter") sent to the Securities and Exchange Commission by Yafit Cohn. A copy of this response letter is being emailed concurrently to Ms. Cohn.

The Supplemental Letter continues to misapply the concept of substantial implementation, seeking to utilize the Company's current inaction as a shield against a valid shareholder proposal that is intended to prompt disclosure regarding a pathway of future commitments and actions to estimate and target GHG emissions associated with its underwriting and investment portfolio.

The Supplemental Letter points repeatedly to statements by the Company that it is not *currently* estimating the GHG footprint or setting targets for its underwriting and investment portfolio. This is something shareholders already know and why the Proponents filed this Proposal. The letter asserts that the Company's "at this time" statements suffice to answer the question posed by the proposal as to "if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions." For example, the Supplemental Letter references the statements from its TCFD report:

"[A]t this time, we cannot accurately calculate the total emissions of our customers and are

> therefore unable to disclose the emissions, or establish any emissions reduction targets, with respect to our underwriting portfolio." (Page 9) (emphasis added)
>
> "[A]t this time, we cannot accurately calculate the total emissions of our investment portfolio and therefore are unable to disclose the emissions, or establish any emissions reduction targets, with respect to our portfolio." (Page 13)

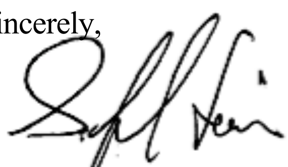
Contrary to the Company's assertions, such statements of the Company's current activities are not responsive to the proposal in a manner that moots it or makes it inappropriate for shareholders to vote on it. To the contrary, the Proposal is clearly phrased as a request for a report on whether it intends to take future actions. Other companies, as noted in the background sections of the proposal, are actively developing pathways for such emission estimates and targets. The Company is notable in failing to join its peers in commitment to, and development of, a pathway by which such emissions can be estimated and targets developed.

The Proponent does not object to the Company publishing, *as part of its opposition statement* that appears on the proxy in response to the proposal, its assertions regarding how it has so far declined to estimate emissions or set targets.

However, the opportunity for shareholders to encourage the Company to join its peers in developing the estimation and target setting techniques remains a valid and appropriate topic for shareholder deliberation. See *Badger Meter Inc.* (February 23, 2022) where actions by a company purportedly implementing a proposal were not a grounds for exclusion of the proposal where a shareholder vote was an appropriate means for shareholders to express their interest in encouraging the company to go further on board diversity. As in *Badger Meter*, here the Company's statements that "at this time" it cannot estimate emissions or set targets demonstrates that the Company is refusing to address the crux of the current proposal, which is whether the Company is working on a pathway toward doing so.

Therefore, we stand by our initial response. The Company has provided no basis for exclusion under Rule 14a-8(i)(10) and we urge the Staff to deny the no action request.

Sincerely,



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