

VIA E-MAIL

January 18, 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 with respect to the shareholder proposal and supporting statement (collectively, the “Proposal”) submitted by Green Century Capital Management, Inc. on behalf of the Green Century Balanced Fund (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:

Resolved: Shareholders request that the Travelers' Board of Directors adopt and disclose new policies to help ensure that its underwriting practices do not support new fossil fuel supplies, in alignment with the IEA's Net Zero Emissions by 2050 Scenario.

II. Bases 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)(3) and Rule 14a-9 because the Proposal is vague and indefinite, rendering the Proposal in violation of the proxy rules; and
- Rule 14a-8(i)(7) because the Proposal deals with a matter relating to the Company's ordinary business operations.

III. Analysis

A. The Proposal Is Excludable under Rule 14a-8(i)(3) Because It Is Vague and Indefinite, Rendering It in Violation of the Proxy Rules

Rule 14a-8(i)(3) provides that a shareholder proposal may be excluded from a company's proxy materials "[i]f the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials." The Staff has explained that exclusion of a proposal may be appropriate where "the resolution contained in the proposal is so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." Staff Legal Bulletin No. 14B (Sept. 15, 2004); *see*

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

also *Cisco Systems, Inc.* (Oct. 7, 2016) and *Alaska Air Group, Inc.* (Mar. 10, 2016). The Staff has concurred in a company's exclusion of a proposal on vague and indefinite grounds where the company and its shareholders might interpret the proposed resolution differently, such that actions taken by the company could significantly differ from the action intended by the shareholders voting on the proposal. See *Puget Energy Inc.* (Mar. 7, 2002) (citing *Occidental Petroleum Corp.* (Apr. 4, 1990)). Recently, the Staff concurred in the exclusion of a shareholder proposal that sought to "improve guiding principles of executive compensation," noting that such proposal "lack[ed] sufficient description about the changes, actions or ideas for the Company and its shareholders to consider that would potentially improve [such] guiding principles." *Apple Inc.* (Dec. 6, 2019). Additionally, courts have ruled on cases involving vague proposals, finding that "shareholders are entitled to know precisely the breadth of the proposal on which they are asked to vote" and that a proposal should be excluded when "it [would be] impossible for the board of directors or the stockholders at large to comprehend precisely what the proposal would entail." *New York City Employees' Retirement System v. Brunswick Corp.*, 789 F. Supp. 144, 146 (S.D.N.Y. 1992); *Dyer v. SEC*, 287 F.2d 773, 781 (8th Cir. 1961). In Staff Legal Bulletin No. 14G (Oct. 16, 2012), the Staff explained that "[i]n evaluating whether a proposal may be excluded on this basis, we consider only the information contained in the proposal and supporting statement and determine whether, based on that information, shareholders and the company can determine what actions the proposal seeks."

The Staff has consistently concurred in the exclusion of proposals pursuant to Rule 14a-8(i)(3) to the extent that a central aspect of the proposal requires an understanding of a definition that is not included in the proposal or the supporting statement. See, e.g., *Boeing Co.* (Feb. 23, 2021) (concurring in the exclusion of a proposal that failed to define key terms related to a requirement that the company's directors have an "aerospace/aviation/engineering executive background" and set forth "incomplete and often conflicting explanations" of such requirement); *AT&T Inc.* (Feb. 21, 2014) (concurring in the exclusion of a proposal requesting a review of policies and procedures related to the "directors' moral, ethical and legal fiduciary duties and opportunities," where such phrase was undefined); *Berkshire Hathaway Inc.* (Jan. 31, 2012) (concurring in the exclusion of a proposal seeking to require specified company personnel "to sign-off by means of an electronic key . . . that they have observed and approve or disapprove of [certain] figures and policies," noting that the proposal "does not sufficiently explain the meaning of 'electronic key' or 'figures and policies' and that, as a result, neither stockholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires"); *AT&T Inc.* (Feb. 16, 2010) (concurring in the exclusion of a proposal that sought disclosures on, among other things, payments for "grassroots lobbying" without sufficiently clarifying the meaning of that term); *Moody's Corp.* (Feb. 10, 2014) (concurring in the exclusion of a proposal when the term "ESG risk assessments" was not defined).

More specifically, the Staff has permitted the exclusion of proposals pursuant to Rule 14a-8(i)(3) where the proposal references external documents or standards that are central to the

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

proposal without adequately describing them. For instance, the Staff granted no-action relief to McKesson Corporation for a proposal requesting that the board adopt a policy that the chairman of the board be independent “according to the definition set forth in the New York Stock Exchange listing standards.” In granting relief, the Staff explained:

There appears to be some basis for your view that McKesson may exclude the proposal from its proxy materials under rule 14a-8(i)(3), as vague and indefinite. In arriving at this position, we note that the proposal refers to the “New York Stock Exchange listing standards” for the definition of an “independent director,” but does not provide information about what this definition means. In our view, this definition is a central aspect of the proposal. As we indicated in Staff Legal Bulletin No. 14G (Oct. 16, 2012), we believe that a proposal would be subject to exclusion under rule 14a-8(i)(3) if neither the shareholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with reasonable certainty exactly what actions or measures the proposal requires. In evaluating whether a proposal may be excluded on this basis, we consider only the information contained in the proposal and supporting statement and determine whether, based on that information, shareholders and the company can determine what actions the proposal seeks. Accordingly, because the proposal does not provide information about what the New York Stock Exchange’s definition of “independent director” means, we believe shareholders would not be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.

McKesson Corp. (Apr. 17, 2013, *recon. denied* May 31, 2013). See also *Ashford Hospitality Trust, Inc.* (Mar. 15, 2013); *KeyCorp* (Mar. 15, 2013); *Chevron Corp.* (Mar. 15, 2013) (all permitting exclusion of proposals that referred to the New York Stock Exchange listing standards for the definition of an “independent” director but did not provide the definition).

As further examples, the Staff has concurred in the exclusion of proposals pursuant to Rule 14a-8(i)(3) when the proposals referenced an SEC Staff Legal Bulletin (*General Electric Co.* (Jan. 15, 2015)) or an SEC rule (*Dell Inc.* (Mar. 30, 2012)) without providing an explanation as to what those references required. In its no-action letter in *Dell Inc.*, the Staff explained its reasoning:

[T]he proposal provides that Dell’s proxy materials shall include the director nominees of shareholders who satisfy the “SEC Rule 14a-8(b) eligibility requirements.” The proposal, however, does not describe the specific eligibility requirements. In our view, the specific eligibility requirements represent a central aspect of the proposal. While we recognize that some shareholders voting on the proposal may be familiar with the eligibility requirements of rule 14a-8(b), many other shareholders may not be familiar with the requirements and would not be able to determine the requirements based on the language

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

of the proposal. As such, neither shareholders nor Dell would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.

Similarly, the Staff has concurred in the exclusion of proposals pursuant to Rule 14a-8(i)(3) where the proposals requested that the companies take action applying the board independence standards set by the Council of Institutional Investors, without explaining what those standards entailed. *See Boeing Co.* (Feb. 10, 2004) (concurring in the exclusion of a proposal requesting that the board amend the by-laws to require that the chairman of the board be “an independent director, according to the 2003 Council of Institutional Investors definition”). *See also JPMorgan Chase & Co.* (Mar. 5, 2008); *PG&E Corp.* (Mar. 7, 2008); and *Schering-Plough Corp.* (Mar. 7, 2008) (all concurring in the exclusion of proposals requesting that the board appoint an independent lead director, applying the standard of independence set by the Council of Institutional Investors).

Here, the Proposal requests that the Board of Directors “adopt and disclose new policies . . . in alignment with the IEA’s Net Zero Emissions by 2050 Scenario.” The IEA’s Net Zero Emissions by 2050 Scenario (the “IEA Report”) is a central aspect of the Proposal because implementation of the Proposal requires knowledge of the content of the IEA Report. The Proposal’s inclusion of the phrase “in alignment with the IEA’s Net Zero Emissions by 2050 Scenario” injects significant complexity into the Proposal’s request and renders it impossible for shareholders to understand what they are being asked to vote upon.

The supporting statement does not provide any information with respect to what the IEA Report entails or how the Company could adopt policies in alignment with it. In fact, while the Proponent used the limited number of words available for a supporting statement to provide information about reports and conclusions of several *different* organizations and publications focused on climate change, such as the Intergovernmental Panel on Climate Change, the UN Environment Programme, the Net Zero Insurance Alliance, and the United Nations Environment Programme Finance Initiative, it only makes one reference to the contents of the IEA Report. That reference provides no insight into what the IEA Report entails. Instead, it states:

Recently, the IEA issued a report detailing a pathway by which the energy sector can transition to net zero emissions by 2050. Regarding expansion of fossil fuel operations, it states that, “Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway, and no new coal mines or mine extensions are required” to ensure stable and affordable energy supplies.

This brief mention of the report bears no relation to what the Proposal is asking of the Company, a property casualty insurer, and does not provide adequate information about what “alignment with” the report means. In fact, this mention refers only to the IEA Report’s application to the energy sector, not the insurance sector. It provides no guidance to shareholders voting on the Proposal as to what they are being asked to vote upon.

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

The IEA Report is more than 200 pages long, contains a vast amount of detail and is not necessarily digestible by those without an energy background. For instance, it provides more than 400 milestones “spanning all sectors and technologies – for what needs to happen, and when, to transform the global economy . . .” The foreword to the report explains that the IEA’s Net Zero Emissions by 2050 Scenario “requires vast amounts of investment, innovation, skilful policy design and implementation, technology deployment, infrastructure building, international cooperation and efforts across many other areas.” In addition to the IEA’s Net Zero Emissions by 2050 Scenario being admittedly complicated to implement, it is notable that the report does not address insurance company underwriting policies related to fossil fuels. It would be impossible for anyone who has read the report to understand how an insurance company can implement a policy in accordance with it; it follows, then, that shareholders voting on the Proposal, which provides no explanation of the contents of the IEA Report, would not understand with any reasonable certainty what actions or measures the Proposal requires.

The Proposal is similar to the proposal in *Exxon Mobil Corp. (Naylor)* (Mar. 21, 2011). In *Exxon Mobil Corp.*, the Staff considered the following proposal:

Resolved: Shareholders request the Board of Directors oversee the publication of a report (issued at a reasonable expense and excluding proprietary information) on the community and environmental impact of its logistics decisions, using guidelines from the Global Reporting Initiative.

The Staff agreed with the company that the proposal could be excluded under Rule 14a-8(i)(3) as being vague and indefinite, stating:

We note in particular your view that the proposal does not sufficiently explain the “guidelines from the Global Reporting Initiative” and that, as a result, neither stockholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.

The Staff’s position in *Exxon Mobil Corp.* is consistent with prior no-action letters issued by the Staff concurring in the exclusion under Rule 14a-8(i)(3) of proposals requesting sustainability reports based upon the Global Reporting Initiative. *See, e.g., The Ryland Group* (Jan. 19, 2005); *The Kroger Co.* (Mar. 19, 2004).

The Proposal is distinguishable from proposals that the Staff did not find excludable under Rule 14a-8(i)(3) for having an undefined term. For instance, in *Cheniere Energy, Inc.* (Mar. 20, 2020), the company argued that the proposal could be excluded under Rule 14a-8(i)(3) for failing to define the terms “net zero emissions” and “2C target.” While the SEC staff disagreed with the company’s position, seemingly in light of the fact that the specific terms used in the proposal have become better understood by the general public in recent years, the undefined term at issue in the Proposal is a several hundred-page report; not only would it be

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

unreasonable to expect shareholders to have read the report, but given the highly technical nature of the report, one would need expertise to be able to appreciate its recommendations or conclusions. Moreover, the Proposal does not even explain how the IEA Report would be applied in the context of the Proposal. Because the Staff considers only the information contained in the proposal and supporting statement to determine whether, based on that information, shareholders and the company can determine what actions the proposal seeks, the Proposal is excludable pursuant to Rule 14a-8(i)(3) for failing to define or adequately describe the IEA Report, particularly in light of the fact that the IEA Report does not discuss or address underwriting policies related to fossil fuels. Similarly, although the NYSE independence standards may have become more commonly understood over time, such that the Staff no longer permitted the exclusion of proposals similar to the one received by McKesson Corporation cited above, the principles described by the Staff in *McKesson Corp.* are directly applicable to the Proposal. The resolution contained in the Proposal specifies alignment with IEA's Net Zero Emissions by 2050 Scenario. This is a central aspect of the Proposal. And, as discussed above, the IEA's Net Zero Emissions by 2050 Scenario is a lengthy, technical and complex report.

The Proposal's request also results in multiple possible interpretations of how the Proposal could be implemented. For example, there is no guidance or limitation on the scope of customers that the Proposal would have the Company decline insurance coverage to. Among other uncertainties, would the Proposal permit the Company to underwrite customers that have *any* involvement with fossil fuels (e.g., energy generation companies that purchase fossil fuels, contractors that provide equipment or services to exploration and extraction companies, businesses or individuals that consume fossil fuels)? Would the Proposal permit the Company to underwrite other insurance risks of customers *unrelated* to fossil fuels, if the customer engages in fossil fuels, even as a component of its business?

Because of the utter lack of clarity with respect to a term central to the Proposal and the fact that the Proposal is subject to multiple interpretations, neither the shareholders voting for the Proposal, nor the Company in implementing the Proposal (if adopted), would be able to ascertain with any reasonable certainty what actions the Proposal requires. Accordingly, the Proposal is excludable pursuant to Rule 14a-8(i)(3).

B. The Proposal Is Excludable under Rule 14a-8(i)(7) Because It Deals with Matters Relating to the Company's Ordinary Business Operations

Under Rule 14a-8(i)(7), a company may omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business" operations. In the 1998 amendments to Rule 14a-8, the Commission noted that the term "ordinary" in "ordinary business" "is rooted in the corporate law concept of providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 34-40018 (May 21, 1998). In that release, the Commission noted that the principal policy for this exclusion is "to confine the resolution of ordinary business problems to management and the board of

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

directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. The first was that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight” and the second “relates to the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.*

1. The Subject Matter of the Proposal Is Fundamental to Management’s Ability to Run the Company’s Day-to-Day Business Because It Requests that the Board of Directors Adopt New Policies Applicable to the Company’s Underwriting Practices and Product Offerings, Which Are at the Core of the Company’s Business Model

When evaluating whether the actions sought by a proposal implicate tasks that are so fundamental to management’s ability to run a company on a day-to-day basis that they could not be subject to direct shareholder oversight, the Staff has consistently acknowledged that shareholder proposals that could undermine a company’s core business model and/or relate to the products and services offered by the company are appropriately excludable under Rule 14a-8(i)(7). In *Wells Fargo & Co.* (Jan. 28, 2013, *recon. denied* Mar. 4, 2013), for example, the Staff granted no-action relief under Rule 14a-8(i)(7) where the proposal requested that the company prepare a report discussing the adequacy of the company’s policies in addressing the social and financial impacts of the company’s direct deposit advance lending service, noting in particular that “the proposal relates to the products and services offered for sale by the [company]” and that “[p]roposals concerning the sale of particular products and services are generally excludable under rule 14a-8(i)(7).” Similarly, in *JPMorgan Chase & Co.* (Mar. 16, 2010), the Staff concurred in the exclusion of a proposal under Rule 14a-8(i)(7) where such proposal sought that the company’s board of directors implement a policy mandating that the company cease issuing refund anticipation loans, which the proponent claimed were predatory loans. There, while the company acknowledged that the proposal addressed an issue that the Staff itself recognized as a “significant policy issue,” the company noted that its “decisions as to whether to offer a particular product to its clients and the manner in which the [c]ompany offers those products and services, including pricing, are precisely the kind of fundamental, day-to-day operational matters meant to be covered by the ordinary business operations exception under Rule 14a-8(i)(7).” See also *Pfizer Inc.* (Mar. 1, 2016) (excluding a shareholder proposal requesting a report describing steps taken by Pfizer to prevent the sale of its medicines for use in executions, commenting that the proposal “relates to the sale or distribution” of the company’s products); *The Walt Disney Co.* (Nov. 23, 2015) (excluding a proposal requesting that the company’s board approve the release of a certain film on Blu-ray, noting that the proposal “relates to the products and services offered for sale by the company”); *The TJX Companies, Inc.* (Apr. 16, 2018) (concurring in the exclusion of a proposal requesting that the company’s board develop and disclose a new

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

universal and comprehensive animal welfare policy applying to the company's sale of products, with the supporting statement focusing on the company's sale of products containing fur).

The Proposal implicates the Company's underwriting strategy, which is at the core of the Company's day-to-day business operations as a property casualty insurer. The business of insurance involves a contractual arrangement in which the insurer agrees to bear a policyholder's expected financial risk of future loss, subject to agreed limits, terms and conditions, in exchange for a premium. 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 specifically requesting that Travelers "adopt and disclose new policies" that would outline insurable risks that the Company should not underwrite, the Proposal directly relates to the company's products – i.e., the insurance policies that it sells, through its subsidiaries, to new and existing customers – and prescribes its underwriting strategy. Indeed, both the resolved clause and supporting statement specifically target the Company's insurance offerings as the focus of the Proposal. Yet, underwriting decisions fall squarely within the ambit of management's core business operations and are at the heart of an insurer's business model. For these reasons, the Proposal is excludable as relating to the Company's ordinary business operations under Rule 14a-8(i)(7).

2. *The Proposal Does Not Focus on a Significant Policy Issue for Purposes of Rule 14a-8*

The Company acknowledges the Staff's recent guidance in Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L"), in which it announced that it is rescinding several recent staff legal bulletins and "no longer taking a company-specific approach to evaluating the significance of a policy issue under Rule 14a-8(i)(7)." The Staff explained that "[b]ased on a review of the rescinded SLBs and staff experience applying the guidance in them," in the Staff's view, "an undue emphasis was placed on evaluating the significance of a policy issue to a particular company at the expense of whether the proposal *focuses on* a significant social policy." (emphasis added). While the Staff will no longer consider whether a sufficient nexus exists between a proposal and the company at issue, there is a separate and distinct argument for exclusion under (i)(7) that a proposal does not *focus on* a significant social policy issue. The requirement that a proposal must focus on a significant social policy issue was explained by the Commission in the 1998 Release: [P]roposals . . . *focusing on* sufficiently significant social policy issues . . . generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." (emphasis added).

Consistent with new SLB 14L, the Staff has historically recognized that, regardless of whether certain proposals may extend beyond the topic of the subject companies' practices to implicate broader societal issues, if the essence of the proposal nevertheless impermissibly

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

targets the ordinary business operations of a company, such proposals are excludable. *See Amazon.com, Inc.* (Mar. 17, 2016) (concurring in the exclusion of a proposal asking the company's board to prepare a report on the company's policy options to reduce potential pollution and public health problems from electronic waste generated as a result of its sales to consumers, and to increase the safe recycling of such wastes under Rule 14a-8(i)(7), noting that "the proposal relate[d] to the company's products and services and [did] not focus on a significant policy issue"); *Chipotle Mexican Grill, Inc.* (Dec. 30, 2015) (concurring in the exclusion of a proposal asking the company's board to adopt principles for minimum wage reform under Rule 14a-8(i)(7) because the proposal "relate[d] to general compensation matters"); *General Electric Co.* (Dec. 7, 2007) (concurring in the exclusion of a shareholder proposal requesting that the company's board establish an independent committee to prepare a report on the potential damage to the company's brand as a result of sourcing products and services from the People's Republic of China, with the Staff noting in its response that the proposal "relat[ed] to [the company's] ordinary business operations (i.e., *evaluation of risk*)" (emphasis added)); *PPG Industries, Inc.* (Feb. 26, 2015) (concurring, under Rule 14a-8(i)(7), in the exclusion of a proposal requesting a report on options regarding policies and practices the company could adopt to reduce health hazards by eliminating the use of lead in paint and coatings, because the proposal related to the company's product development).

More specifically, the Staff has permitted the exclusion of proposals submitted to financial institutions requesting the adoption of policies regarding lending and credit decisions that arguably involved a social issue. For example, the proposal in *Bank of America Corp. (Trillium Asset Management Corp.)* (Feb. 24, 2010) requested a report describing, among other things, the company's policy regarding the funding of companies engaged predominantly in mountain top removal coal mining. The Staff concurred in the exclusion of the proposal under Rule 14a-8(i)(7), stating that "the proposal addresses matters beyond the environmental impact of Bank of America's project finance decisions, such as Bank of America's decisions to extend credit or provide other financial services to particular types of customers. Proposals concerning customer relations or the sale of particular services are generally excludable under rule 14a-8(i)(7)." *See also JPMorgan Chase & Co.* (Mar. 12, 2010) (concurring in the exclusion of a proposal requesting a report assessing the adoption of a policy barring future financing of companies engaged in mountain top removal coal mining).

The Company believes that the Proposal is directly comparable to the proposal found to be excludable in *Bank of America Corp.* Although the Proposal mentions "fossil fuel supplies," which may be viewed as related to the significant social policy issue of climate change, the specific action requested is for the Company to "adopt . . . new policies" for "its underwriting practices" – i.e., an action that directly relates to the products that the Company offers to its customers, and, therefore, goes to the core of the Company's ordinary business. Though seemingly couched as a proposal relating to a significant social policy issue, the underlying thrust of the Proposal is to request that the Company cease or limit certain of its product offerings, i.e., insurance policies involving new fossil fuel supplies.

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

3. *The Proposal Seeks to Micromanage the Company by Probing Too Deeply into Matters of a Complex Nature upon Which Shareholders, as a Group, Would Not Be in a Position to Make an Informed Judgment*

Even if a proposal involves a significant social policy issue within the meaning of Rule 14a-8(i)(7), the proposal may nevertheless be excluded under Rule 14a-8(i)(7) if it seeks to micromanage the company by specifying in detail the manner in which the company should address the policy issue. *See Exxon Mobil Corp. (Adam Seitchik)* (Mar. 6, 2020) (concurring in the exclusion of a proposal requesting that the company's board charter a new board committee on climate risk because the proposal sought to micromanage the company); *JPMorgan Chase & Co. (Harrington Investments, Inc.)* (Mar. 30, 2018) (concurring in the exclusion of a proposal requesting the company establish a "Human and Indigenous Peoples' Rights Committee" because the proposal micromanaged the company); *Amazon.com, Inc.* (Jan. 18, 2018, *recon. denied* Apr. 5, 2018) (concurring, on micromanagement grounds under Rule 14a-8(i)(7), in the exclusion of a proposal requesting the company list certain efficient showerheads before others on its website and describe the benefits of these showerheads).

The Staff recently explained in SLB 14L that "in order to assess whether a proposal probes matters 'too complex' for shareholders, as a group, to make an informed judgment, [the Staff] may consider the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic." In addition, with respect to proposals that request that companies adopt timeframes or targets to address climate change, the Staff stated: "Going forward we would not concur in the exclusion of [] proposals that suggest targets or timelines *so long as the proposals afford discretion to management as to how to achieve such goals.*" (emphasis added).

In this case, as discussed earlier, an informed vote on the Proposal requires an understanding of the IEA Report because the action requested by the Proposal must be "in alignment with the IEA's Net Zero Emissions by 2050 Scenario." The IEA's Net Zero Emissions by 2050 Scenario, however, is not a well-established framework that a reasonable investor would be well-equipped to evaluate. Moreover, a reasonable investor would not be sophisticated on the IEA's scenario as it relates to insurance underwriting decisions, because it is an emissions reduction scenario applicable to the global energy sector, not insurance companies.

In addition, the Proponent has not provided evidence of available data or robust public discussion and analysis on the subject of insurance underwriting practices and the support of new fossil fuel supplies, in alignment with the IEA Report. Furthermore, even if the Staff will no longer concur in the exclusion of proposals that request the company set environmentally-oriented targets, the Proposal does not afford discretion to management as to how to achieve the Proposal's target of net zero emissions by 2050. Rather, unlike the proposals referenced in SLB 14L, the Proposal dictates the Company's underwriting strategy and prescribes that the Company must align its underwriting policies with the IEA's Net Zero Emissions by 2050 Scenario. This is

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

despite the fact that many other publications or scenarios also provide roadmaps to achieve net zero emissions and that the supporting statement itself references several different groups and publications that do so.

The Proposal here is similar to the proposal in *Marriott International, Inc.* (Mar. 17, 2010), in which the proposal specified that in order to achieve the goal of saving energy, the company must install showerheads in test properties that “deliver no more than 1.6 gallons per minute (gpm) of flow” as well as a “mechanical switch that will allow for full water flow to almost no flow.” The Staff concurred in the exclusion of the proposal under Rule 14a-8(i)(7), explaining that:

. . . although the proposal raises concerns with global warming, the proposal seeks to micromanage the company to such a degree that exclusion of the proposal is appropriate. We note, in particular, that the proposal would require the company to test specific technologies that may be used to reduce energy consumption.

Here, too, although the Proposal raises concerns with global warming, it seeks to micromanage the company by dictating the company’s specific underwriting strategy and requiring compliance with a very specific report when there may be multiple ways to address the Proposal’s environmental concerns.

SLB 14L provides an example of the Staff’s current approach to micromanagement, citing its recent decision in *ConocoPhillips Co.* (Mar. 19, 2021). The proposal at issue stated:

RESOLVED: Shareholders request the company to address the risks and opportunities presented by the global transition towards a lower emissions energy system by setting emission reduction targets covering the greenhouse gas (GHG) emissions of the company’s operations as well as their energy products (Scope 1, 2, and 3).

The Staff rejected the company’s argument that the proposal sought to micromanage the company, stating:

In our view, the Proposal does not seek to micromanage the Company to such a degree that exclusion of the Proposal would be appropriate. Although the Commission has stated that a proposal seeking to impose specific time-frames or specific methods for implementing complex policies may be excludable because it seeks to micromanage a company (Exchange Act Release No. 34-40018 (May 21, 1998)), *the Proposal only asks the Company to set emission reduction targets; it does not impose a specific method for doing so.* (emphasis added).

The Proposal is distinguishable from the proposal in *ConocoPhillips Co.* The Proposal states that it must be implemented “in alignment with the IEA’s Net Zero Emissions by 2050

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

Scenario.” Unlike the proposal in *ConocoPhillips Co.*, the Proposal explicitly *does* impose a specific method for implementation.

Because the Proposal deals with the Company’s ordinary business operations, does not focus on a significant policy issue as contemplated by Rule 14a-8, and seeks to micromanage the Company, the Proposal is excludable pursuant to Rule 14a-8(i)(7).

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 Rules 14a-8(i)(3) and (7).

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

Enclosures

cc: Andrea Ranger, Green Century Capital Management, Inc.
A.J. Kess, The Travelers Companies, Inc.

Exhibit A

Copy of the Proposal and Accompanying Correspondence



November 30, 2021

Via Federal Express

Wendy C. Skjerven
Corporate Secretary
The Travelers Companies, Inc.
485 Lexington Avenue
New York, New York 10017

Re: Shareholder Proposal for 2022 Annual Shareholder Meeting

Green Century Capital Management, Inc. ("Green Century") is the investment advisor, agent, manager and representative of the Green Century Funds. Green Century is filing the enclosed shareholder proposal on behalf of the Green Century Balanced Fund (the "Proposal") to be included in the proxy statement of the The Travelers Companies, Inc. (the "Company") for its 2022 annual meeting of shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Per Rule 14a-8, the Green Century Balanced Fund is the beneficial owner of at least \$25,000 worth of Travelers' stock. We have held the requisite number of shares for over one year, and we will continue to hold sufficient shares in the Company through the date of the Company's 2022 annual shareholders' meeting. Verification of ownership from a DTC participating bank is enclosed.

We are available to meet with the Company via teleconference on December 8th and 9th between 9 a.m. and 12 p.m. Eastern or on December 13th 3 p.m. to 5 p.m. Eastern. Green Century is open to additional meeting times upon request.

Due to the importance of the issue and our need to protect our rights as shareholders, we are filing the enclosed proposal for inclusion in the proxy statement for a vote at the next shareholders' meeting.

We welcome the opportunity to discuss the subject of the enclosed proposal with company representatives. Please direct all correspondence to Andrea Ranger, Shareholder Advocate, at Green Century Capital Management, Inc. She may be reached at [REDACTED] and [REDACTED]

We would appreciate confirmation of receipt of this letter via email.

Whereas:

The Intergovernmental Panel on Climate Change (IPCC) reports that global emissions must reach net zero by 2050 in order to limit global temperature increase to 1.5 degrees Celsius by 2100. Both the IPCC and the International Energy Agency (IEA) agree that emissions from burning fossil fuels are the primary driver of climate change. Yet, according to the UN Environment Programme, the world is on track to produce more than double the amount of coal, oil and gas by 2030 that would be allowed under a 1.5 degrees Celsius scenario.

Recently, the IEA issued a report detailing a pathway by which the energy sector can transition to net zero emissions by 2050. Regarding expansion of fossil fuel operations, it states that, "Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway, and no new coal mines or mine extensions are required" to ensure stable and affordable energy supplies.

Property and casualty insurers are uniquely exposed to climate risks because they underwrite policies for and invest in the fossil fuel industry, which is annually responsible for approximately 90% of global carbon dioxide emissions. At the same time, insurers, such as The Travelers Companies, Inc. (Travelers), are protecting their customers' homes and businesses from the impacts of climate-driven catastrophes.

Investors have limited insight into the cause of the strategic misalignment of Travelers' underwriting practices. The Company has made no public commitment to limit its underwriting - even for the highest-emitting fuel, coal, and lags behind European peers, such as AXA, Allianz, Aviva, Generali, Munich Re, SCOR, Swiss Re, and Zurich. These insurers founded the Net Zero Insurance Alliance and have committed to transitioning their underwriting portfolios to net zero greenhouse gas emissions by 2050.

To develop a credible net zero commitment, the United Nations Environment Programme Finance Initiative suggests that financial institutions, including insurers engaged in underwriting, "begin aligning with the required assumptions and implications of Intergovernmental Panel on Climate Change's 1.5 degrees Celsius no / low overshoot pathways as soon as possible." Further, "All no / low overshoot scenarios indicate an immediate reduction in fossil fuels, signaling that investment in new fossil fuel development is not aligned with 1.5 degrees Celsius."

RESOLVED: Shareholders request that the Travelers' Board of Directors adopt and disclose new policies to help ensure that its underwriting practices do not support new fossil fuel supplies, in alignment with the IEA's Net Zero Emissions by 2050 Scenario.

Supporting Statement

The board and management, at its discretion, should define the scope, time frames and parameters of the policy, including defining "new fossil fuel supplies," with an eye toward the well accepted definition that supporting new fossil fuel supplies includes exploration for and / or development of oil, gas, and coal resources or reserves beyond those fields or mines already in production.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, reading "Leslie Samuelrich". The signature is written in dark ink and is positioned above the printed name.

Leslie Samuelrich
President
The Green Century Funds
Green Century Capital Management, Inc.