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

DIVISION OF
CORPORATION FINANCE

March 25, 2024

Edward S. Best
Mayer Brown LLP

Re: Chubb Limited (the "Company")
Incoming letter dated January 12, 2024

Dear Edward S. Best:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the As You Sow Foundation Fund and co-filers 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 disclosing the greenhouse gas emissions from its underwriting, insuring, and investment activities.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal does not seek to micromanage the Company.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). In our view, the Company has not substantially implemented 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/2023-2024-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Luke Morgan
As You Sow

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January 12, 2024

VIA SEC ONLINE SHAREHOLDER PROPOSAL PORTAL

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

Re: Chubb Limited – Shareholder Proposal Submitted by
As You Sow, et al. – Rule 14a-8

Ladies and Gentlemen:

On behalf of Chubb Limited ("Chubb" or the "Company") and pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 (the "Exchange Act"), I hereby request confirmation that the staff (the "Staff") of the Division of Corporation Finance (the "Division") of the Securities and Exchange Commission (the "SEC" or the "Commission") will not recommend enforcement action if, in reliance on Exchange Act Rule 14a-8, Chubb excludes a proposal submitted by As You Sow (on behalf of As You Sow Foundation Fund and Warren Wilson College) and Green Century Capital Management, Inc. (on behalf of Green Century Equity Fund) (collectively, the "Proponents") from the proxy materials for Chubb's 2024 annual general meeting of shareholders (the "Proxy Materials").

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the SEC no later than 80 calendar days before the Company intends to file its definitive 2024 Proxy Materials with the SEC; and
- concurrently sent copies of this correspondence to the Proponents.

The Proposal

Chubb received the following proposal for consideration at Chubb's 2024 annual general meeting of shareholders:

> **BE IT RESOLVED:** Shareholders request that Chubb issue a report, at reasonable cost and omitting proprietary information, disclosing the GHG emissions from its underwriting, insuring, and investment activities.

Mayer Brown is a global services provider comprising an association of legal practices that are separate entities including Mayer Brown LLP (Illinois, USA), Mayer Brown International LLP (England), Mayer Brown (a Hong Kong partnership) and Tauil & Chequer Advogados (a Brazilian partnership).

Pursuant to Rule 14a-8(j), I have enclosed a copy of the final version of the proposed resolution, together with the recitals in support of the resolution and the supporting statement (collectively, the "Proposal"), and the respective cover letters, as transmitted to Chubb as Exhibit A. A copy of this letter is simultaneously being sent to the Proponents.

Bases for Exclusion

Chubb believes that the Proposal may be properly omitted from Chubb's 2024 Proxy Materials pursuant to Rule 14a-8 under the following grounds for exclusion, each of which is analyzed in separate sections of this letter:

1. **Rule 14a-8(i)(7):** 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, impermissibly seeking to eliminate management's discretion by (i) dictating the method by which the Company must report on its climate change activities and (ii) prescribing management's strategy for reducing global greenhouse gas ("GHG") emissions from the individuals and businesses the Company underwrites, insures and invests in.

2. **Rule 14a-8(i)(10):** The Proposal's underlying concern and essential objective has been substantially implemented. Chubb has already taken significant actions and made public disclosures regarding its strategy and approach for supporting global 1.5˚C goals and reducing the climate footprint of the Company's underwriting, insurance and investment activities.

I. The Proposal is excludable under Rule 14a-8(i)(7) because it 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, impermissibly seeking to eliminate management's discretion.

Under Rule 14a-8(i)(7), a registrant may omit from its proxy materials a shareholder proposal that relates to the registrant's "ordinary business" operations. In Exchange Act Release No. 40018 (May 21, 1998), 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 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.*

A. The Proposal should be excluded under Rule 14a-8(i)(7) because it seeks to micromanage the Company by imposing a specific disclosure metric with questionable methodology and confused aims, without affording discretion to

management to determine which disclosure metrics are appropriate for the Company's particular climate strategy, thereby directly inserting shareholders into the Company's core business decisions.

The Proposal seeks to direct the Company to measure and report GHG emissions of the clients it insures and of the companies in which it invests (also known as "Scope 3 emissions" and so referred to herein for economy) as the necessary way for the Company to properly address climate change as an insurer.[1] As the Company has repeatedly stated, the Company agrees with the global 1.5°C goal and has been actively working toward it. For example, its Climate Change Policy states: "Chubb recognizes its responsibility to encourage the transition to a net-zero carbon economy and we support the global goal of net-zero carbon emissions by 2050."

While it may be appropriate, as the Staff has previously concluded, to seek a report on a company's general approach to climate change, this Proposal goes well beyond such a general request and seeks to dictate the Company's specific disclosures, and by extension the focus of its underlying climate strategy, directly interfering with the Board's and management's discretion to make informed judgments about the conduct of the Company's business and which disclosures best inform investors regarding the Company's climate objectives. In doing so, the Proposal asks shareholders to substitute their own judgments for that of Company management. The Proposal further asks shareholders to interfere with the judgment and discretion of Chubb's management by asking them to override the Company's current assessment of Scope 3 emissions.

While shareholders may have general understanding of climate risks, such general knowledge does not equip them to make an informed judgment on the technical, multifaceted subject of metrics and strategy to meaningfully impact and assess global 1.5°C goals in the insurance industry, while avoiding unintended consequences. Chubb's management has determined, disclosed and periodically evaluates its path to address the transition to net zero, explicitly rejecting the disclosure of Scope 3 emissions as not meaningful or reliably estimable at this time, as summarized below and fully explained in Chubb's public disclosures including the Company's climate change policy, *Chubb and Climate Change: Our Policy* (the "Climate Change Policy"),[2] that was posted on Chubb's website in April 2022, and the *Chubb 2023 Climate-Related Financial Disclosure* report using the Task Force on Climate-Related Financial Disclosures reporting framework (the "TCFD Report")[3], issued in August 2023. Chubb's

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[1] For clarity of terminology, Scope 1 and 2 GHG emissions are Chubb's own GHG emissions. Scope 3 emissions are those of Chubb's insureds and investments *attributable* to Chubb. The attribution factor is a point of significant debate and lack of clarity. As stated in Chubb's TCFD Report (as defined in this letter), Chubb does disclose some Scope 3 emissions where it can do so with consistent, accurate and verifiable methodology accepted by consensus, such as business travel, employee commuting, waste generated in operations, upstream transportation and distribution and fuel- and energy-related activities (not included in Scope 1 and 2). (TCFD Report at page 11)

[2] Available at https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/Chubb-Our_Climate_Change_Policy.pdf

[3] Available at https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/chubb_2023_climate-related_financial_disclosure_report.pdf

strategy is also dynamic and will continually adapt to new facts, technological developments and best practices.

The Staff explained in Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L") that it "will focus on the level of granularity sought in the proposal and *whether and to what extent it inappropriately limits discretion of the board or management*" (emphasis added) and that the Staff "would expect the level of detail included in a shareholder proposal to be consistent with that needed to enable investors to assess an issuer's impacts, progress towards goals, risks or other strategic matters appropriate for shareholder input."

The Proposal articulates one single approach to shared climate goals: tracking and disclosing Scope 3 emissions. The Company, using its judgment and appropriate discretion, considered and rejected the Proposal's approach and instead applies an underwriting-focused, fact-based strategy grounded in science and substance.

1. Chubb's strategy to address climate change and contribute to the global goal of net-zero emissions.

The Company's strategy to address climate change and contribute to global 1.5°C goals is clearly defined and disclosed on pages 1 and 4-7 of its TCFD Report. Rather than focusing on estimating and reducing Scope 3 emissions, which the Company regards as little more than a guessing game at this time, Chubb's approach is grounded in a scientifically-based, fact-driven assessment of its underwriting. Chubb's Board and management are focused on what the Company can do today to move its clients toward a reduction in their GHG emissions – not on questionable estimates of total emissions now or what those estimates will show 25 years from now. As a result, the Company's climate strategy is highlighted by three pillars:

1. Supporting technologies promoting the transition to a net-zero economy, using underwriting and risk engineering expertise;
2. Expanding climate resilience through risk engineering and new service offerings; and
3. Using technical underwriting criteria to encourage controls and best practices in high GHG-emitting industries.

Chubb Climate+. Chubb is addressing the first two pillars above through Chubb Climate+, the Company's global business unit launched in January 2023. Chubb Climate+ provides a broad spectrum of insurance products and services to businesses engaged in developing or employing new technologies and processes that support the transition to a net-zero economy. It also provides risk management and resiliency services to help those managing the impact of climate change. The Company also recently launched its first climate-focused risk engineering service: Chubb Climate+ Resilience. Chubb Climate+ Resilience provides clients with insights into their physical climate hazard exposures and engineering recommendations to mitigate physical climate risks.

Since Chubb Climate+ is the primary vehicle by which the Company will facilitate efforts to promote the use of clean energy alternatives and reduce the risks of climate change for its clients, Chubb is working to disclose metrics relating to Chubb Climate+, starting in 2024, that it believes will be meaningful markers to assess Chubb's climate commitments. The Company's Board and management believe this data, along with the implementation and related disclosures relating to its oil and gas underwriting criteria described below and included in the TCFD Report, are the more accurate and appropriate measuring stick to evaluate Chubb's climate progress and industry leadership at this time.

Oil and gas underwriting criteria. In addition to Chubb Climate+, management has determined that the most impactful way it can reduce real-world GHG emissions at this time is through the development of science-based underwriting criteria and direct client engagement. Through the underwriting process, the Company has opportunities to promote good risk management and the adoption of sound engineering practices by its clients in high-emitting industries. To that end, in March 2023, Chubb announced underwriting and conservation criteria that apply to oil and gas extraction projects to help drive the reduction of GHG emissions from its insureds. This first iteration of the criteria focuses on methane, one of the most significant and potent GHG contributors, which requires adoption of responsible behavior that is scientifically proven to reduce methane emissions. These criteria are directly applied to underwriting decisions as part of Chubb's standard underwriting process and therefore apply to all in-scope clients. Chubb may decline coverage if a potential policyholder cannot meet its methane performance expectations.

A hallmark of Chubb's approach is engagement with clients to assist them in adopting scientifically proven methods of GHG reductions. Chubb's focus on client engagement to drive GHG emissions reductions is demonstrated through the Company's recently-launched Methane Resource Hub. The Company has also adopted an engineering-focused approach to implementation of its underwriting criteria, providing insureds with technical support to implement methane emissions reductions. As explained on page 2 of the Company's TCFD Report, Chubb favors approaches to disclosures that allow it to focus on facilitating the reduction of GHG emissions in the real economy over those that remain narrowly focused on counting or are overly reliant on estimation of data. Therefore, the Company has determined that an engagement-focused approach with related disclosures more appropriately supports its climate strategy and focuses on information about the implementation of its strategy that is most likely to be useful to its investors.

In Chubb's 2023 TCFD Report, it began disclosing metrics on the results of these engagements. Chubb expects to continue to disclose data on methane engagements in future TCFD reports, along with emissions data of its clients subject to the oil and gas criteria as it becomes available. Chubb has already undertaken initial efforts to assess the methane emissions of clients it has engaged with as part of the Company's initial assessment of its underwriting criteria. Additionally, on page 7 of the TCFD Report, Chubb disclosed it is working both internally and externally, such as with the Environmental Defense Fund, to evaluate best

practices and expand its work to evaluate emissions reduction opportunities and underwriting criteria for other high-emitting industries.

Chubb is not opposed to the concept of reporting its progress toward the climate goals that the Company has established, namely metrics relating to Chubb Climate+ specifically, or metrics on the implementation of Chubb's oil & gas underwriting criteria. In fact, as part of the implementation of its underwriting criteria, the Company has continued to engage with investors and other stakeholders regarding development of additional metrics that could be disclosed in 2024. However, the Proposal seeks to reroute Chubb's climate strategy and disclosure efforts by redirecting management's focus and resource allocation from Chubb Climate+ and its oil and gas underwriting criteria to estimating Scope 3 emissions across the scope of its insurance and investment portfolios.

The Company's strategy to disclose meaningful information to investors on its alignment with the global goal of net-zero emissions is further set forth in Part II of this letter (addressing substantial implementation).

2. Chubb's Board and management considered and rejected the Proposal's approach of disclosing Scope 3 emissions at this time.

Chubb's Board and management have carefully considered the issue of estimating GHG emissions allocated to Chubb that are produced by the Company's insurance clients and holdings within its investment portfolio, which is the approach that the Proposal is seeking to prescribe for Chubb. Those deliberations explored fundamental questions about whether, how and to what extent insurers can measure or affect the emissions of their clients. Chubb is actively and publicly engaged in addressing those issues, including evaluating approaches relying on "insurance-associated emissions," which seek to attribute emissions of clients directly to an insurer, using premiums paid by the client as a base for attribution, and have determined that the Company should not, at this time, measure or disclose Scope 3 emissions. Some of their reasons are outlined below.

Evolving regulatory requirements and safe harbors. Climate change and emissions disclosure frameworks are emerging and in varied stages of adoption and implementation around the world. Chubb expects that over time, regulatory requirements may evolve to require disclosure of certain categories of Scope 3 emissions from its operations. Management has thoughtfully considered making such disclosures ahead of regulatory requirements and rejected doing so at this time because of valid reasons within its business judgment based on its knowledge and expertise, including that methodologies and safe harbors are still being assessed, developed and refined.

Lack of consensus on disclosure framework. Contrary to the Proposal's simplistic claim that standards and methodologies exist to quantify and report GHG emissions from the Company's underwriting, insuring, and investment activities, there is currently no industry-accepted or reasonably accurate methodology to measure GHG emissions of Chubb's insurance

clients. (That the Proposal wades into the deep waters of whether appropriate methodology exists, which we discuss further below, and cursorily concludes that it does without further evaluation, exemplifies its micromanagement.) The Proposal cites only one insurance company that reports Scope 3 disclosure for (a portion of a sub-set of) its insurance clients, and it is the only insurance company Chubb is aware of doing Scope 3 reporting for insurance clients.

Overreliance on estimates. Moreover, at this time of evolving regulatory requirements, many of Chubb's insurance clients and companies in which Chubb invests are not currently required to report their GHG emissions to government authorities and therefore may not have data that they are able, or willing, to provide to Chubb. For example, as disclosed on page 11 of its TCFD Report, when Chubb undertook initial efforts to assess the methane emissions of the clients it engaged with as part of the renewal process, it was only able to obtain methane emissions data for 32% of these clients. Studies also suggest that methane emissions inventories generated using emissions factors have a tendency to significantly underestimate actual emissions and can mis-identify the equipment that is the most significant source of methane emissions at particular well sites. Even GHG emissions data from third party vendors may be limited both as to the number of companies included and information about GHG emissions that covered companies are able to provide. While Chubb expects the availability and quality of GHG emissions data to improve over time, disclosure of Scope 3 emissions right now, in the vast majority of cases, will compel the Company to rely heavily on third-party estimates of emissions. As Chubb's management considers how to employ Company resources to reduce emissions in the real economy, it is not apparent to the Company how the disclosure of such estimates is helpful to investors in light of the Company's existing disclosures and the gaps in available third-party emissions data. For example, management has determined that providing data that aggregates estimated emissions for small oil and gas producers is less likely to be meaningful than the data Chubb already provides regarding tangible actions it is asking these same clients to take that will necessarily reduce their actual emissions. Attempting to disclose insurance associated GHG emissions based on potentially incomplete data may also create liability risks for Chubb that management is seeking to protect against.

Technical methodology concerns. The Proposal expressly points to the Partnership for Carbon Accounting Financials' ("PCAF") Global GHG Accounting and Reporting Standard for Insurance Associated Emissions. As explained in its TCFD Report, Chubb participated in the public consultation process for the PCAF insurance associated emissions methodology. (TCFD Report at page 2) Chubb expressed and has disclosed in its TCFD Report significant technical concerns that have not been addressed. (*Ibid.*) Specifically, insurance premiums for any particular client and across industry sectors and business lines will change for many reasons without any relation to changes in emissions in the real economy, leading to significant fluctuations in "insurance associated emissions" that have nothing to do with actions by the insurer or insured to address GHG emissions. Chubb provided on page 2 of its TCFD Report a mathematical example of how "insured emissions" may go up under PCAF methodology, while emissions in real economy have gone down. General market conditions, such as softening or hardening of the insurance market, is an important factor that we would expect to affect the

levels of the Company's insurance premiums in ways that do not correlate to GHG emissions of its clients.

Absence of useful information conveyed. The methodological issues highlighted in the prior paragraph contribute to Chubb's view that metrics focused on the absolute or relative amount of premium revenue derived from insuring producers of GHG emissions regardless of amount – essentially all clients, individual and business, that Chubb insures – is unlikely to provide a useful metric in advancing the low-carbon transition. Because the results are impacted by so many unrelated factors, they distort, and cannot be used reliably to measure, an insurer's year-over-year progress in supporting the transition to a net-zero economy.

In addition, for any large commercial insurer like Chubb, its Scope 3 emissions will span a vast range of economic activities, including activities with little direct GHG emissions, high-emitting activities that are subject to significant transition risks, high-emitting activities that do not have significant transition risks, and activities that help to reduce emissions in the real economy. Chubb believes that aggregating these activities into a Scope 3 metric conflates potentially meaningful information with information that is not useful, and specifically does not enable investors to understand the potential exposure of the insurer to climate risks or the insurer's progress on 1.5°C goals. Chubb does not see the value that such an approach has in providing transition-relevant information for the management of its climate risks or decision-relevant information to Chubb's investors.

Tenuous connection to goals. Further, in Chubb's view the Proposal exhibits significant confusion and misunderstanding of the goal of Scope 3 emissions. Chubb does not believe Scope 3 emissions are a proxy for its "physical" risk, that is, its exposure to the physical effects of climate change. Thus, the Proposal's reference to Chubb's first quarter 2023 pre-tax gross catastrophe losses (itself a cherry-picked statistic, since Chubb's pre-tax gross catastrophe losses through the third quarter of 2023 – which were publicly available at the time the Proposal was made – were $309 million less than the same period in 2022) in support of the resolution to disclose Scope 3 emissions is irrelevant to the action requested. As explained in the TCFD Report, Chubb believes the best metric to understand Chubb's physical risks is its Probable Maximum Loss ("PML") table. (TCFD Report at page 9) Chubb uses PML calculations to estimate the maximum loss, in millions of dollars and translated to percentage of shareholders' equity, that would occur from modeled natural catastrophes in a given year. On page 9 of the TCFD Report, Chubb states, "PML calculations demonstrate business readiness to absorb physical losses from climate change. . . The PML is a reflection of our exposure to physical climate impacts on our insureds during the policy period, and provides us with a tool to identify and manage the risks from those exposures."

Chubb also believes that Scope 3 emissions do not serve as a proxy for how well Chubb is reducing its physical exposures *in the future* by mitigating climate change. A reduction in Chubb's Scope 3 emissions does not necessarily mean that GHG emissions in the global economy will go down—a necessary condition to avoid the most significant future impacts of climate change. In fact, if a large commercial insurer's Scope 3 emissions decrease, Chubb

believes it is highly unlikely to be as a result of the insurer having reduced its physical exposure in the world at large. Instead, it would likely be because either (a) the insurer no longer performs a shock absorber function by limiting insurance to certain parts of the economy, or (b) the global economy as a whole has transitioned to lower global emissions and the insurer's Scope 3 emissions automatically reflect that broader transition.

The assessments, weights and calculations here may be complex, because they are scientifically-driven, novel and delve deep into underwriting and climate modeling. For that reason, Chubb believes they are properly the purview of the Board and management.

Other climate disclosure frameworks. Chubb has also evaluated other emerging climate disclosure frameworks. Consistent with its evaluation of PCAF's Scope 3 insurance associated emissions methodology, Chubb's assessment of frameworks and methods turns on (1) alignment with its broader climate strategy, (2) assessment of potential financial materiality of information, and (3) assessment of whether the framework or methodology helps the Company to evaluate its role in facilitating the transition to the net-zero economy. Chubb's management, in its discretion, favors approaches that allow it to focus on financially material issues and facilitating the reduction of GHG emissions in the real economy over those that remain narrowly focused on counting or are overly reliant on estimation of data.

As described on page 2 of the TCFD Report, Chubb has also assessed the IFRS S-2 Standard for Climate-Related Financial Disclosures, which was released in June 2023. The IFRS S-2 standard is one of two initial standards created by the International Sustainability Standards Board ("ISSB"). Chubb agrees with the ISSB's adoption of the TCFD framework as a useful tool to identify and report financially material information to investors. Chubb is continuing to work to evaluate and understand ISSB's specific proposed requirements for the calculation of financed emissions, and their applicability to its business. (*Ibid.*) Chubb notes that the ISSB's S-2 standard "does not require disclosure of the 'associated emissions' of underwriting portfolios in the insurance and reinsurance industries."[4] Chubb understands this decision was reached based on ISSB's assessment that standards for Scope 3 emissions for insurance clients are not yet sufficiently well-established and accepted. Chubb is expecting to use the IFRS S-1 and S-2 Standards as a guidepost for its Sustainability Report, which it expects to publish in Spring 2024, providing further disclosure on sustainability at Chubb.

Chubb understands that its investors seek information to quantitatively assess both its exposure to climate risks and its progress in facilitating the transition to a net-zero economy. Chubb has determined that the most essential information it can provide at this time relates to its efforts to grow its support of the transition activities of its clients through Chubb Climate+ and to assess its engagement efforts through its underwriting criteria, as well as its Probable Maximum Loss table and other financial reporting metrics it already discloses such as its combined ratio,

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[4] IFRS S-2 Basis for Conclusions on Climate-Related Disclosures BC129 (2023).

which measures Chubb's underwriting profitability and ability to appropriately manage risks, including those from natural catastrophes impacted by climate change.

The breadth and scope of the request, the largely unavailable data inputs, the significant questions over measurement of insurance attributed emissions, and the uncertain link between Scope 3 emissions and Chubb's climate commitments and goals, are all key reasons why the Board and management has declined to provide the requested metrics. These concerns about current Scope 3 insured emissions methodologies reflect the misalignment of the Proposal with the Staff's expectations in SLB 14L that proposals should enable investors to assess an issuer's impacts, progress towards goals, risks or other strategic matters appropriate for shareholder input. While the Proponents demonstrate awareness of these problems in its request that Chubb can initially base reporting on "reasonable emissions estimates," such reasonable estimates, in Chubb management's understanding, do not currently exist.

Chubb's Board and management have exercised their discretion to develop an intentional, deeply considered strategy for Chubb's role within the insurance industry to reduce climate risk in the global economy. The Proposal directs the Company to a different and specific disclosure metric and climate strategy, inappropriately limiting the discretion of the Board and management.

B. There is considerable precedent in support of the Company's position that the Proposal may be excluded as micromanagement in accordance with Rule 14a-8(i)(7).

The Staff has consistently permitted exclusion of shareholder proposals that seek to micromanage a company by substituting shareholder judgment for that of management with respect to complex day-to-day business operations that are beyond the knowledge and expertise of shareholders.

In *Amazon.com, Inc.* (Apr. 7, 2023, recons. den. Apr 20, 2023), the Staff concurred with the exclusion of a proposal requesting the company measure and disclose Scope 3 GHG emissions from its full value chain inclusive of its physical stores and ecommerce operations and all products that it sells directly and those sold by third party vendors. In the Staff's view, that proposal "seeks to micromanage the Company by imposing a specific method for implementing a complex policy disclosure without affording discretion to management." Similarly, the Proposal that Chubb received would impose upon the Company the specific metric of measuring and disclosing GHG emissions attributed to the Company from the Company's full range of clients and investment base, imposing a complex, granular disclosure methodology, without affording discretion to management in implementing the method or scope of disclosure, and contravening the Company's determinations that it has little bearing on assessment of its climate goals or management of climate risks, or control over the amount of or reliability of data of its client base and investment portfolio needed to formulate even reasonable estimates.

Even if a proposal involves a significant social policy issue, 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. In *Chubb Limited (Green Century)* (Mar. 27, 2023), the Staff concurred that a proposal requesting the Board adopt and disclose a policy for the timebound phase out of the Company's underwriting risks associated with new fossil fuel exploration and development projects constituted micromanagement. In *JPMorgan Chase & Co.* (*The Christensen Fund et al.)* (Mar. 30, 2018), the Staff concurred with the exclusion of a proposal that requested a report on the reputational, financial and climate risks associated with project and corporate lending, underwriting, advising and investing for tar sands production and transportation, and specified certain assessments that should be included in the report. In its reply, the Staff stated that the proposal "seek[s] to impose specific methods for implementing complex policies." Similarly, in *JPMorgan Chase & Co. (Harrington Investments Inc.)* (Mar. 30, 2018), the Staff applied a similar analysis when concurring with exclusion of a proposal requiring the board to establish a human and Indigenous peoples' rights committee. *See also The Coca-Cola Company* (Feb. 16, 2022) (concurring with the exclusion of a proposal that would require prior shareholder approval for any proposed company political statement); *Tesla, Inc.* (May 6, 2022) (concurring with the exclusion of a proposal that micromanaged the investment and fiscal decisions of management where the proposal would require the company to liquidate all cryptocurrency assets, and minimize the environmental impact of any high-impact cryptocurrencies it continues to accept); *JPMorgan Chase & Co. (AFL-CIO Reserve Fund)* (Mar. 22, 2019) (concurring with the exclusion of a proposal because it micromanaged the company by requiring it to adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service); *Royal Caribbean Cruises Ltd.* (Mar. 14, 2019) (permitting exclusion of a proposal because it micromanaged the company by requiring stockholder approval for any new share repurchase program and all stock buybacks); *Walgreens Boots Alliance, Inc.* (Nov. 20, 2018) (concurring with exclusion of a proposal that would require shareholder approval for each new share repurchase program and every stock buyback); *Amazon.com, Inc. (Sacks)* (Jan. 18, 2018) (concurring with exclusion of a proposal due to micromanagement where the proposal would require the company to list items in a certain order on its website due to the complex nature of the matter upon which shareholders could not make an informed decision); and *The Wendy's Company* (Mar. 2, 2017) (concurring with the exclusion of a proposal addressing the company's purchase of produce as micromanaging the company).

Additionally, a proposal may 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 a policy issue, whether or not the proposal is considered to involve a significant social policy. In *Verizon Communications* (Mar. 17, 2022), the Staff concurred with the exclusion of a proposal requesting the annual publication of the content of diversity, inclusion, equity or related employee-training materials offered to the company's employees as micromanagement because the proposal probed too deeply into matters of a complex nature by seeking disclosure of intricate details regarding the Company's employment and training practices. The Staff reached the same conclusion in *American Express* (Mar. 22, 2022). *See also Deere & Company* (Jan. 3, 2022) (concurring with exclusion of a proposal that sought publication of all employee training

materials); and *Exxon Mobil Corporation (Seitchik)* (Mar. 6, 2020) (concurring with the exclusion of a proposal requesting that the company's board create a new committee on climate risk, noting that as a result, "the [p]roposal unduly limits the board's flexibility and discretion in determining how the board should oversee climate risk").

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." Further, a proposal micromanages a company if the proposal "prob[es] too deeply into matters about which shareowners as a group are not in a position to make an informed judgment." *The Coca-Cola Company* (Feb. 16, 2022).

The Proposal micromanages the Company by inappropriately interfering with the discretion of management and the Board to implement the approach and disclosure that, in their business judgment, are most effective for the Company to holistically align itself and convey progress with global 1.5°C goals. Accordingly, the Proposal may be omitted from the Company's Proxy Materials pursuant to Rule 14a-8(i)(7) because it micromanages the Company.

II. The Proposal should be omitted under Rule 14a-8(i)(10) because it has been substantially implemented.

The Proposal requests that Chubb issue a report on GHG emissions from its underwriting, insuring and investment activities. As discussed above, Company has posted its Climate Change Policy and annual TCFD Report on its website. Together, the Climate Change Policy and the TCFD Report describe both Chubb's strategies and actions for aligning its underwriting, insuring and investment activities with its climate goals and specifically with its alignment with the global 1.5ºC goal. The actions that the Company has taken, and will continue to develop and refine, are in clear alignment with the *essential objective* of the Proposal, which is that, as stated in the Proposal, Chubb "help reduce growing climate risk." In fact, Chubb already has substantially implemented that essential objective, and the Proposal may therefore be excluded from its Proxy Materials pursuant to Rule 14a-8(i)(10).

A. Chubb's public support and related pledges for a global transition to a net-zero economy by 2050 set forth in the Climate Change Policy and the TCFD Report demonstrate substantial implementation of the Proposal.

Rule 14a-8(i)(10) requires a holistic analysis of a proposal's underlying concern and essential objective to determine if a company has substantially implemented a shareholder proposal submitted for inclusion in the company's proxy statement. As demonstrated by statements in the "whereas clauses," the underlying concern and essential objective of the Proposal is to direct Chubb to support global 1.5˚C goals to help reduce climate risk and reduce the climate footprint of the Company's underwriting, insuring and investment activities. As

evidenced by the first "whereas" clause of the Proposal, addressing annual insured losses from extreme weather is also a focus of the Proposal.

Chubb has substantially implemented the underlying concern and essential objective of the Proposal: it has two publicly available reports, one of which is updated annually, providing ample disclosure to shareholders about the Company's commitment to, and methods for achieving, global 1.5˚C goals and reducing its climate footprint in its insurance, underwriting and investment activities. As Chubb explained in its Climate Change Policy:

> Chubb recognizes its responsibility to encourage the transition to a net-zero carbon economy and we support the global goal of net-zero carbon emissions by 2050. Chubb has already taken significant actions to address climate change through a holistic effort across our business, including limitations on underwriting and investing in certain fossil fuel activities. (Climate Change Policy at page 2)

There is no single path towards achieving the essential objective of global 1.5˚C goals. The Proposal articulates one approach for insurers – gathering and reporting GHG emissions from underwriting, insuring, and investment activities – an attempt to micromanage Chubb's pathway to such essential objective. The Company already applies a holistic, science-based, underwriting-focused strategy based on fact and its expertise in assessing relevant data towards reaching the essential objective of the Proposal. Details are provided below on five of the facets of the Company's climate strategy that address the Proposal's underlying concern and essential objective, and compare favorably with the guidelines of the Proposal: (1) public disclosure; (2) fossil fuel underwriting criteria; (3) Chubb Climate+; (4) investments; and (5) Scope 3 methodology assessment.

1. Public Disclosure

Chubb's Climate Change Policy, available on Chubb's website, explains "our views and actions on climate change as we seek to responsibly make a difference by using our data, products and services to advance the orderly and equitable transition to a net-zero carbon economy." (Climate Change Policy at page 1)

Chubb's TCFD Report, also available on Chubb's website, further highlights Chubb's progress in addressing climate change and specific actions and strategies the Company is employing to support the net zero by 2050 transition. In addition, the TCFD Report discloses Chubb's Scope 1 and Scope 2 emissions, and certain categories of Scope 3 emissions where it can do so with consistent, accurate and verifiable methodology. (TCFD Report at page 11) The items described below, as well as Chubb's focus on underwriting criteria and expanded product and service offerings, have all been included in the Climate Change Policy and TCFD Report.

2. Fossil Fuel Underwriting Criteria

Chubb assesses trends in frequency and severity of natural perils like wind, flood and wildfire, which it incorporates into its pricing, underwriting and risk management decisions,

recognizing that pricing and underwriting decisions may drive individual and corporate behavior. Through the underwriting process, Chubb has opportunities to promote good risk management and the adoption of sound engineering practices by its clients. As Chubb deploys underwriting criteria, it simultaneously offers its on-the-ground engineering expertise, working on-site with its clients to help deploy best practices and controls to reduce GHG emissions. Chubb uses the annual policy renewal process and ongoing client engagement to establish expectations on reducing GHG emissions with clients and to educate them on ways to responsibly do so.

Chubb's strategy seeks to deploy these fundamental areas of expertise to address the high-emitting industries it insures. For example, in 2019 Chubb was the first major insurer in the U.S. to announce a policy limiting thermal coal-related underwriting and investment.[5] In addition, in 2022, Chubb adopted a policy that it will no longer underwrite risks for projects involving direct mining or in-situ extraction and processing of bitumen from oil sands. (TCFD Report at page 10)

In March 2023, Chubb further announced underwriting criteria and conservation criteria that apply to oil and gas extraction projects, applying standards for methane emissions and standards for protected conservation areas. In addition to the oil and gas underwriting criteria described above in Part I(A)(1), the TCFD Report also explains Chubb's conservation criteria:

> Chubb will no longer underwrite oil and gas extraction projects in International Union for the Conservation of Nature (IUCN) management categories I-V in the World Database on Protected Areas, which includes nature reserves, wilderness areas, national parks and monuments, habitat or species management areas, and protected landscapes and seascapes that have been designated for protection by state, provincial or national governments. This includes the Arctic National Wildlife Refuge (ANWR). (TCFD Report at page 5)

As climate change and weather patterns drive the size of Chubb's exposure to natural catastrophe risk, it has performed extensive analysis to understand potential impacts on its assessment of the risk. Chubb uses internal and external data together with sophisticated analytical, catastrophe loss and risk modeling techniques to ensure an appropriate understanding of risk, including diversification and correlation effects, across different product lines and territories. (TCFD Report at page 8) Chubb continually adjusts its processes to address climate and weather pattern changes. (*Ibid.*)

Chubb's focus on its underwriting process and criteria demonstrates its commitment to its GHG emissions reduction goals and approach for underwriting and insurance activities.

Additionally, starting with the 2023 TCFD Report, Chubb began disclosing data relating to its methane engagement with clients, including disclosure on the number of clients engaged and whether such clients had in place leak detection and repair plans, routine venting elimination

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[5] https://about.chubb.com/citizenship/environment/coal-policy.html.

plans, and flaring management plans. (TCFD Report at pages 5, 11) In addition, the TCFD Report notes Chubb has begun to assess the methane emissions of its clients and "exploring opportunities to support the development of more accurate methane emissions inventories to improve data quality and better assess the relationship between our underwriting criteria and the methane emissions of our insureds." (TCFD Report at page 12)

Thus, the Company already makes a clear connection in its underwriting activities to real-world GHG emissions reduction from its clients, which it is already beginning to measure and disclose on a periodic basis.

3. Chubb Climate+: underwriting for the energy transition and engineering for resilience against climate change.

Chubb believes the most effective use of its resources to support society's transition to net-zero is to provide its clients with the risk transfer capacity necessary to facilitate their transition efforts. The Company's climate strategy is underwriting-focused. Chubb Climate+, the Company's global climate change practice, focuses on facilitating and advancing a global transition to a net-zero economy, by expanding the Company's already market-leading position in the clean tech industry. Chubb Climate+ provides a range of global solutions to support clients in their transition to a net-zero economy and increase their resilience to the physical impacts of climate change. The practice draws on Chubb's extensive technical capabilities in underwriting and risk engineering, bringing together Chubb units engaged in traditional, alternative and renewable energy, climate tech, agribusiness and risk engineering services.

Chubb Climate+ is described in detail on pages 4 and 5 of the TCFD Report, as well as in Part I(A)(1) of this letter. Additionally, Chubb expects to provide disclosure later in 2024 on key metrics relating to Chubb Climate+ so that investors and others can evaluate Chubb's performance on climate and measure its progress in supporting the net-zero transition.

4. Investment Portfolio

For many reasons, principally Chubb's need to support the payment of insurance claims in a timely manner, Chubb maintains a large investment portfolio. Chubb is actively evaluating approaches to address Scope 3 emissions in its investment portfolio. As Chubb has disclosed in the TCFD Report:

> Our investment strategy focuses on asset allocation and relies on outside asset managers to direct securities selection and execution. Most of our investments are in bonds with maturities typically five years or less. As a result, individual portfolio holdings are constantly changing over time and are less impacted by the long-term effects and company-specific risks associated with climate change. They are helping us understand their climate risk management strategies, how they are applied to our assets, and what data are available to us to understand the climate alignment of our investment portfolios. We are also implementing BlackRock's Aladdin portfolio management software, which includes climate data oversight capabilities via integration with other third-party

> providers' TCFD data metrics. We regularly evaluate opportunities to invest in funds and companies that target climate solutions, including in the areas of decarbonization, energy efficiency, resource conservation and emissions management. We will continue to seek opportunities in these areas that are consistent with our broader investment management objectives. (TCFD Report at page 7)

5. Scope 3 Methodology Assessment

Chubb measures and publicly discloses Scope 1, Scope 2 and limited categories of its Scope 3 GHG emissions where it can do so with consistent, accurate and verifiable methodology. (TCFD Report at page 11) However, as discussed above in Part I(A)(2), there are fundamental questions about whether, how and to what extent insurers can measure, attribute to insurance, and consequently impact Scope 3 emissions produced by its clients. The Company explained its position in detail in its TCFD Report:

> Over the past year, a number of organizations have promulgated approaches to the calculation of Scope 3 emissions in the insurance industry. Many of these approaches rely on "insurance associated emissions," which seek to attribute emissions of clients directly to an insurer, using premiums paid by the client as a base for attribution. As a general matter, we believe that appropriate focus should be on advancing the scientific knowledge, technological development and government action necessary to reduce GHG emissions across the economy. More specifically, focusing on the absolute or relative amount of premium revenue derived from insuring producers of significant GHG emissions is unlikely to provide any useful metric in advancing the low-carbon transition. Simply put, insurance premiums for any particular client and across industry sectors will change for many reasons, such as the ebb and flow of market cycles, without any relation to changes in emissions in the real economy, leading to the potential of significant fluctuations in "insurance associated emissions" that have nothing to do with actions by the insurer or insured to address GHG emissions. (TCFD Report at page 1)

The Proposal's requirement for Chubb to adopt an insurance-associated emissions approach with respect to measuring and reporting Scope 3 emissions would be an imprudent way, in Chubb's judgment, to address the concern and essential purpose of the Proposal. Chubb is actively involved in industry-leading efforts to reduce Scope 3 emissions that it believes can be most effective, and already reports on those efforts in the Climate Change Policy and the TCFD Report. In other words – Chubb has substantially implemented a plan to achieve the Proposal's essential objective, and has already publicly disclosed that plan in its reports.

Chubb also works extensively, internally and with external groups, as a thought leader to determine how it and other insurers can influence the business operations of its clients and what policy considerations it can make in order to facilitate Chubb's and its clients' transition to a low-carbon economy, which includes assessing disclosure methods and frameworks. For example, as described on page 7 of the TCFD Report, Chubb contributes to this dialogue through sponsoring climate workshops, now in its second year, which are designed to further the

conversation between insurance companies, investors and other stakeholders, including regulators, emissions measurement groups and academics, around how the industry can assess and track climate risk and opportunities and develop meaningful metrics to communicate progress. Topics covered included improving climate disclosure, the goals of disclosure, and how the insurance sector can enable the climate transition and foster resilience. Chubb acknowledges and agrees that the climate transition will be iterative and will require adjustment and adaptation, and is working towards supporting the transition in a meaningful and substantive way, including finding sound ways to best communicate progress in the way it believes is most helpful to investors and other stakeholders.

Through all of the actions described above, and with a more purposeful and, it believes, effective approach, Chubb has substantially implemented the essential objectives and underlying concern of the Proposal. Consequently, the Proposal should be excluded under Rule 14a-8(i)(10).

B. There is considerable no-action precedent in support of the Company's position that it has substantially implemented the Proposal in accordance with Rule 14a-8(i)(10).

Under Rule 14a-8(i)(10), a company may exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. The Commission adopted the "substantially implemented" standard in 1983 after determining that the previous narrow interpretation of the rule defeated its purpose, which is to "avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." See Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be "fully effected" by the company to be excluded; rather, to be excluded, they need only to have been "substantially implemented" by the company. See Exchange Act Release No. 34-20091 (Aug. 16, 1983). Accordingly, Rule 14a-8(i)(10) requires a holistic analysis of a proposal's essential objective and underlying concern to determine if a company has substantially implemented a shareholder proposal submitted for inclusion in the company's proxy statement.

The Staff has a long history of concurring with the exclusion of a shareholder proposal on the grounds that it has been substantially implemented in accordance with Rule 14a-8(i)(10) even if the company did not implement every aspect of the proposal as requested by the proponent, where the company's actions addressed the essential objective of the proposal. *See Masco Corporation* (Mar. 29, 1999) (permitting exclusion on substantial implementation grounds where the company adopted a version of the proposal with slight modification and clarification as to one of its terms). *See also* JPMorgan Chase & Co. (Feb. 5, 2020) (concurring with the exclusion on substantial implementation grounds where the proposal requested the board review the Statement of the Purpose of a Corporation, provide oversight and guidance as to how the new statement of stakeholder theory should alter the Company's governance and management system, and publish recommendations regarding implementation where "the board's actions compare favorably with the guidelines of the Proposal"); *Exxon Mobil Corp. (Rossi)* (Mar. 19, 2010) (permitting differences between a company's actions and a shareholder proposal so long as the company's actions satisfactorily address the proposal's essential objectives); and *Exxon*

Mobil Corp. (Burt) (Mar. 23, 2009) (concurring with the exclusion on substantial implementation grounds of a proposal requesting a political contribution report where the proponent argued there were differences between the company's current procedures and practices and actions sought by the proposal).

Applying these standards, the Staff has consistently permitted exclusion of shareholder proposals that request a report of information that the company has already publicly disclosed. Most recently, *Alliant Energy Corporation* (Mar. 30, 2023), the Staff concurred that a similar proposal was substantially implemented under comparable circumstances. The proposal in Alliant requested that the company "report annually to shareholders about the company's actual progress toward, and ongoing feasibility" of meeting the company's announced net-zero goal. The company explained that it had already addressed the proposal's primary concern through (1) its most recent Sustainability Management and Environmental, Social and Governance (ESG) Performance Summary, (2) its most recent annual Climate Report, and (3) the clean energy vision and goals section of its Climate Responsibility Report webpage. The Staff concurred that the proposal was excludable under Rule 14a-8(i)(10). S*ee also Exxon Mobil Corporation (Behar)* (Mar. 20, 2020) (concurring with the exclusion of a proposal requesting that the company issue a report describing its plans to align its operations and investments with the goal of maintaining global temperature rise well below 2 degrees Celsius, where the company published an annual energy and carbon summary report addressing the topics raised in the proposal); *Hess Corporation* (Apr. 11, 2019) (concurring with the exclusion of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with GHG reductions necessary to achieve the Paris Agreement's goal, where the company published a sustainability report and carbon disclosure project report addressing the essential objective of the proposal).

In fact, the substantial implementation standard has been consistently applied to environment-related shareholder proposals in situations where the company has already provided the requested information in a report satisfying the "essential objective" of a proposal. *See IDACORP, Inc.* (Apr. 1, 2022) (concurring with the exclusion of a proposal requesting a report on the company's short-, medium- and long-term greenhouse targets aligned with the Paris Agreement's goal, where the company's public disclosures addressed the primary goals of the requested report, even though the disclosures were not precisely in the manner contemplated by the proponents.); *Exxon Mobil Corp.* (*As You Sow/Schubiner)* (Mar. 9. 2021) (concurring with the exclusion of a proposal requesting a report on the risk of stranded assets related to environmental impacts of its petrochemical investments, where the company already made in its energy and carbon summary and its sustainability report that address the essential objective of the proposal); *Exxon Mobil Corporation* (Apr. 3, 2019) (permitting exclusion of a proposal requesting the company issue a report on how it can reduce its carbon footprint and GHG emissions in line with the Paris Agreement where the requested information was readily available in the company's public disclosures); and *Devon Energy Corp.* (Apr. 1, 2020) (concurring with the exclusion of a proposal requesting a report on company plans to align operations and investments with the Paris Agreement's goals as substantially implemented by the company's public disclosures).

The Staff has consistently found that a company may demonstrate substantial implementation of a proposal through disclosures spread among multiple documents. *See Starbucks Corporation* (Jan. 19, 2022) (concurring with exclusion of a proposal seeking a report on employee civil rights and non-discrimination where the company already made multiple disclosures regarding civil rights and non-discrimination in the workplace); *Comcast Corp*. (Apr. 9, 2021) (contents of the requested report were disclosed in multiple pages or in multiple tabs on the company's corporate website).

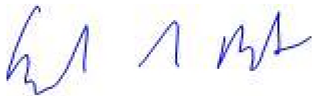
Accordingly, Chubb has substantially implemented the Proposal and the Proposal may be omitted from the Company's Proxy Materials pursuant to Rule 14a-8(i)(10).

III. Conclusion

For the foregoing reasons, I request your confirmation that the Staff will not recommend enforcement action to the Commission if Chubb omits the Proposal from its 2024 Proxy Materials.

If the Staff has any questions, please contact Laura Richman of Mayer Brown LLP at (312) 701-7304 or lrichman@mayerbrown.com or the undersigned at (312) 701-7100 or ebest@mayerbrown.com. We would appreciate it if you would send your response by email.

Very truly yours,



Edward S. Best

cc: Gina Rebollar, Chief Corporate Lawyer and Deputy General Counsel, Global Corporate Affairs, of Chubb
Danielle Fugere, President & Chief Counsel of As You Sow
Andrea Ranger, Shareholder Advocate of Green Century Capital Management, Inc.
Anthony Rust, Chair of the Investment Committee of Warren Wilson College

<u>**EXHIBIT A**</u>

Proposal and Cover Letters

WHEREAS: In the United States, annual insured losses from extreme weather now routinely approach $100 billion, compared to $4.6 billion in 2000.[1] The Insurance Information Institute has noted that "catastrophe losses in the first half of 2023 were the highest in over two decades."[2] Swiss Re reports that a 3.2 degree increase in global average temperature will result in an expected drop in GDP output of 18% by 2050.[3]

Shareholders are concerned that Chubb is not reducing the climate footprint of its insured, invested, and underwriting activities in alignment with global 1.5°C goals to help reduce growing climate risk. Chubb's 2023 Q1 pre-tax catastrophe losses were $458 million, compared to $333 million last year.[4] Chubb's Global Reinsurance segment moved from underwriting profits of $98 million in 2019 to $52 million in 2020 to underwriting losses of $69 million in 2021 and $24 million in 2022.[5]

Chubb is actively amplifying the problem by continuing to invest in, and underwrite, high greenhouse gas (GHG) emitting activities. Ceres reports that of the 16 largest U.S. property and casualty insurers, Chubb is the sixth largest investor in fossil fuel-fuel related assets, with $3 billion invested as of 2019.[6]

Chubb was also the fourth largest fossil fuel insurer globally in 2022, providing $550 to $850 million of fossil fuel related insurance.[7] Chubb is reported as providing coverage to the Freeport liquefied natural gas (LNG) terminal in Texas and Louisiana. LNG export facilities lock in decades of high carbon energy production, even while climate related catastrophes cause insurance premiums to skyrocket or insurance to become unavailable in growing areas of the US.[8]

Chubb has not given investors sufficient information on the magnitude and extent of its insured, invested, and underwriting emissions. Standards and methodologies exist to quantify and report such emissions. In 2022, the Partnership for Carbon Accounting Financials launched its Global GHG Accounting and Reporting Standard for Insurance Associated Emissions.[9]

Chubb is behind peers in reporting its emissions. Both Travelers[10] and AIG[11] have begun disclosing their financed emissions. European insurers including Swiss Re, Munich Re, Allianz, and Aviva have begun

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[1] https://www.iii.org/table-archive/20922
[2] https://www.businesswire.com/news/home/20230803387647/en/Inflation-High-CAT-Losses-to-Lead-to-2023-Underwriting-Loss-for-PC-Industry-But-Recession-Likely-Avoided-This-Year-New-Triple-IMilliman-Report-Shows
[3] https://www.swissre.com/media/press-release/nr-20210422-economics-of-climate-change-risks.html
[4] https://www.insurancejournal.com/news/national/2023/04/26/717942.htm
[5] https://s201.q4cdn.com/471466897/files/doc_financials/2022/ar/2021-Chubb-Annual-Report.pdf p.59
[6] https://www.ceres.org/sites/default/files/reports/2023-08/Changing%20Climate%20for%20the%20Insurance%20Sector_%20Research%20and%20Insights.pdf p.21
[7] https://global.insure-our-future.com/wp-content/uploads/sites/2/2023/11/IOF-2023-Scorecard.pdf p.13
[8] https://lailluminator.com/2023/07/24/lng_insurance/
[9] https://carbonaccountingfinancials.com/en/newsitem/pcaf-launches-the-global-ghg-accounting-and-reporting-standard-for-insurance-associated-emissions
[10] https://sustainability.travelers.com/iw-documents/sustainability/Travelers_SustainabilityReport2022.pdf p.24
[11] https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2022.pdf p.32

disclosing investment related emissions.[12] Swiss Re also discloses its insurance associated emissions.[13] Aviva this year plans to disclose and set 2030 targets for its insured emissions.[14]

BE IT RESOLVED: Shareholders request that Chubb issue a report, at reasonable cost and omitting proprietary information, disclosing the GHG emissions from its underwriting, insuring, and investment activities.

SUPPORTING STATEMENT: As necessary and at management discretion, Chubb can initially base reporting on reasonable emissions estimates and provide a timeline for disclosures.

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[12] https://www.swissre.com/dam/jcr:ec822a14-a4d7-4b6b-b0e2-49ae6036058c/2022-financial-report-doc-en.pdf#page=148 p. 175; https://www.munichre.com/content/dam/munichre/contentlounge/website-pieces/documents/MunichRe-Sustainability-Report_2022.pdf/_jcr_content/renditions/original./MunichRe-Sustainability-Report_2022.pdf p.37; https://www.allianz.co.uk/content/dam/onemarketing/azuk/allianzcouk/about-us/docs/pdfs/social-responsibility/Allianz_Group_Sustainability_Report_2021-web.pdf p.85; https://www.aviva.com/sustainability/reporting/climate-related-financial-disclosure/ p.67

[13] https://www.swissre.com/sustainability/approach/metrics-targets/net-zero-insurance.html

[14] https://www.aviva.com/sustainability/reporting/climate-related-financial-disclosure/ p.45

AS YOU SOW

2020 Milvia St. Suite 500
Berkeley, CA 94704

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

VIA FEDEX & EMAIL

November 30, 2023

Joseph F. Wayland
Executive Vice President, General Counsel and Secretary
Chubb Limited
Bärengasse 32
CH-8001
Zurich, Switzerland

Dear Mr. Wayland,

As You Sow® is submitting the attached shareholder proposal using shares owned by the As You Sow Foundation Fund ("Proponent"), a shareholder of Chubb Limited for a vote at Chubb's 2024 annual shareholder meeting. This proposal requests Chubb issue a report disclosing the GHG emissions from its underwriting, insuring, and investment activities. We are co-lead filing this proposal with Green Century Capital Management.

The As You Sow Foundation Fund meets Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934 requirements including the continuous ownership of over $25,000 worth of Company stock, with voting rights, which the As You Sow Foundation Fund has held continuously for over one year and will continue to hold through the date of the Company's annual meeting in 2024.

The As You Sow Foundation Fund supports this proposal and a representative of *As You Sow* 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. Danielle Fugere, President and Chief Counsel at [redacted] is the contact person on behalf of *As You Sow* for this proposal. Danielle is available for a meeting with the Company regarding this shareholder proposal at the following days/times: December 19, 2023 at 4:30pm European Central Time or December 20, 2023 at 4:30pm European Central Time

Please also send all correspondence regarding this proposal to shareholderengagement@asyousow.org.

Sincerely,

Andrew Behar
CEO, *As You Sow*

Enclosures

- Shareholder Proposal

Cc; Gina Rebollar, Chief Corporate Lawyer & Deputy General Counsel, [redacted]

AS YOU SOW

2020 Milvia St. Suite 500
Berkeley, CA 94704

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

VIA FEDEX & EMAIL

November 30, 2023

Joseph F. Wayland
Executive Vice President, General Counsel and Secretary
Chubb Limited
Bärengasse 32
CH-8001 Zurich, Switzerland

Dear Mr. Wayland,

As You Sow® is co-filing a shareholder proposal on behalf of the following Chubb Limited shareholders for action at the next annual meeting of Chubb:

- Warren Wilson College
-

Shareholders are co-filers of the enclosed proposal with As You Sow Foundation Fund, who is the Proponent of the proposal. *As You Sow* has submitted the enclosed shareholder proposal on behalf of Proponent for inclusion in the 2024 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Co-filers will either: (a) be available on the dates and times offered by the Proponent for an initial meeting, or (b) authorize *As You Sow* to engage with the Company on their behalf, within the meaning of Rule 14a-8(b)(iii)(B).

As You Sow is authorized to act on Warren Wilson College's behalf with regard to withdrawal of the proposal. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required.

Letters authorizing *As You Sow* to act on co-filers' behalf are enclosed.

We are hopeful that the issue raised in this proposal can be resolved. To schedule a dialogue, please contact Danielle Fugere, President and Chief Counsel at . Please send all correspondence **with a copy to** shareholderengagement@asyousow.org.

Sincerely,

Andrew Behar
CEO, *As You Sow*

Enclosures

- Shareholder Proposal
- Shareholder Authorization

cc: Gina Rebollar, Chief Corporate Lawyer & Deputy General Counsel,

DocuSign Envelope ID: 33DCBFAD-8970-4A83-8309-FEBADD0BB8C7

November 21, 2023

Andrew Behar
CEO
As You Sow
2020 Milvia Street, Suite 500
Berkeley, CA 94704

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, Warren Wilson College, ("Stockholder"), authorizes *As You Sow* to file or co-file a shareholder resolution with the named Company on our behalf for inclusion in the Company's 2024 proxy statement. The resolution at issue relates to the below described subject.

Stockholder: Warren Wilson College

Company: Chubb Ltd

Subject: 1.5°C aligned medium and long-term GHG targets for its underwriting, insuring, and investment activities.

The Stockholder has continuously owned Company stock, with voting rights, for a duration of time that enables the Stockholder to file a shareholder resolution for inclusion in the Company's proxy statement. The Stockholder intends to hold the required amount of such stock through the date of the Company's annual meeting in 2024.

The Stockholder gives *As You Sow* 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, designating another entity as lead filer and representative of the shareholder, presenting the proposal at the Company's annual general meeting, and all other forms of representation necessary in moving the proposal. 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.

Anthony Rust is the Chair of the Investment Committee at Warren Wilson College.

He is available for a meeting with Chubb Ltd
regarding this shareholder proposal, at the following days/times: [Stockholder to provide 2 dates and 30-minute meeting options within the following time frame: 12/17/2023 - 12/29/2023
Monday - Friday and between the hours of 9:00am and 5:30pm Central European Time (EST+6)
DATE: 12/18/2023 TIME: 9:00 a.m. CT DATE: 12/18/2023 TIME: 10:00 a.m. CT

If the Company would like to meet at one of these dates and times, let the Stockholder and *As You Sow* at, shareholderengagement@asyousow.org, know within 2 days of the dates offered in this letter

If this Authorization is used for a Co-filing role instead of for a Proponent role, then the Stockholder agrees to designate the Proponent to engage on the Stockholder's behalf on the dates and times that the Proponent has provided.

Anthony Rust can be contacted at [redacted] to schedule a dialogue during one of the above dates. Any correspondence regarding meeting dates must **also be sent to my representative:**

Danielle Fugere, President & Chief Counsel at [redacted]
Elizabeth Levy, Climate Associate at [redacted]
and to shareholderengagement@asyousow.org.

Sincerely,

DocuSigned by:
Damian Fernandez
B62D83ADB659482...

Dr. Damián J. Fernández
President

December 2, 2023

Via Federal Express and

Joseph F. Wayland
Executive Vice President, General Counsel and Secretary
Chubb Limited
Bärengasse 32
CH-8001 Zurich,
Switzerland

Re: Shareholder Proposal for 2024 Annual Shareholder Meeting

Dear Mr. Wayland,

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 (the "Proposal") on behalf of the Green Century Equity Fund to be included in the proxy statement of Chubb Limited (CB) (the "Company") for its 2024 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).

We are co-lead filing this proposal with the As You Sow Foundation Fund as represented by *As You Sow®*.

Per Rule 14a-8, the Green Century Equity Fund is the beneficial owner of at least $25,000 worth of the Company's common 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 2024 annual shareholders' meeting. Verification of ownership from a DTC participating bank will be provided under separate cover.

Green Century Capital Management, Inc. is available to meet with the Company on December 19, 2023 at 4:30 p.m. European Central Time or December 20, 2023 at 4:30 p.m. European Central Time. Please let us know within 10 days if the Company would like to meet at one of these times.

We will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

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 or .

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

Thank you for your attention to this matter.

Sincerely,

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

February 14, 2024

VIA ONLINE SUBMISSION

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Email: shareholderproposals@sec.gov

Re: Shareholder Proposal to Chubb Limited Regarding Greenhouse Gas Emissions Disclosures on Behalf of the As You Sow Foundation Fund and Green Century Equity Fund

Ladies and Gentlemen:

As You Sow Foundation Fund and Green Century Equity Fund (the "Proponents"), beneficial owners of common stock of Chubb Limited (the "Company" or "Chubb"), have submitted a shareholder proposal (the "Proposal") seeking disclosure of the Company's Scope 3 greenhouse gas emissions. The Proponents have designated *As You Sow* and Green Century Capital Management, Inc. to represent them with respect to the Proposal, including responding to the Company's January 12, 2024 "No Action" letter (the "Company Letter").

The Company Letter contends that the Proposal may be excluded from the Company's 2024 proxy statement because, it argues, the Proposal seeks to micromanage the Company and has been substantially implemented. Proponents' response demonstrates that the Company has no basis under Rule 14a-8 for exclusion of the Proposal. As such, the Proponents respectfully request that the Staff inform the Company that it cannot concur with the Company's request.

A copy of this letter is being emailed concurrently to the Company and its counsel.

SUMMARY

The Proposal requests that Chubb disclose the greenhouse gas emissions associated with its underwriting, insuring, and investment activities.[1]

This simple disclosure request does not micromanage the Company. It does not dictate Company policy, deny management discretion, nor involve investors in too granular a matter for their consideration. Rather, the Proposal seeks the disclosure of data routinely made available by thousands of public companies. Scope 3 disclosures are also frequently the subject of shareholder proposals and have generally not been subject to exclusion on the basis of micromanagement. The Company's argument to the contrary amounts to a disagreement about the need for disclosure, which is not a basis to exclude under the micromanagement exception.

Nor has Chubb substantially implemented the Proposal. Generally taking "significant actions" and "ma[king] public disclosures regarding its strategy and approach for supporting global 1.5°C

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[1] Like the Company Letter, this response will refer to these emissions as the Company's "Scope 3" emissions.

goals" and "reducing the climate footprint of the Company's underwriting, insurance and investment activities," Company Letter at 2, is not the same as disclosing quantitative information about the Company's Scope 3 emissions. Emissions disclosures are uniquely valuable for investors seeking to make judgments about risk, to the Company and to shareholders' portfolio, and for comparisons across companies. As such, the Company has not addressed the underlying concern or essential objectives of the Proposal, nor do its actions compare favorably with the Proposal.

THE PROPOSAL

WHEREAS: In the United States, annual insured losses from extreme weather now routinely approach $100 billion, compared to $4.6 billion in 2000.[1] The Insurance Information Institute has noted that "catastrophe losses in the first half of 2023 were the highest in over two decades."[2] Swiss Re reports that a 3.2 degree increase in global average temperature will result in an expected drop in GDP output of 18% by 2050.[3]

Shareholders are concerned that Chubb is not reducing the climate footprint of its insured, invested, and underwriting activities in alignment with global 1.5ºC goals to help reduce growing climate risk. Chubb's 2023 Q1 pre-tax catastrophe losses were $458 million, compared to $333 million last year.[4] Chubb's Global Reinsurance segment moved from underwriting profits of $98 million in 2019 to $52 million in 2020 to underwriting losses of $69 million in 2021 and $24 million in 2022.[5]

Chubb is actively amplifying the problem by continuing to invest in, and underwrite, high greenhouse gas (GHG) emitting activities. Ceres reports that of the 16 largest U.S. property and casualty insurers, Chubb is the sixth largest investor in fossil fuel-fuel related assets, with $3 billion invested as of 2019.[6]

Chubb was also the fourth largest fossil fuel insurer globally in 2022, providing $550 to $850 million of fossil fuel related insurance.[7] Chubb is reported as providing coverage to the Freeport liquefied natural gas (LNG) terminal in Texas and Louisiana. LNG export facilities lock in decades of high carbon energy production, even while climate related catastrophes cause insurance premiums to skyrocket or insurance to become unavailable in growing areas of the US.[8]

Chubb has not given investors sufficient information on the magnitude and extent of its insured, invested, and underwriting emissions. Standards and methodologies exist to quantify and report

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[1] https://www.iii.org/table-archive/20922
[2] https://www.businesswire.com/news/home/20230803387647/en/Inflation-High-CAT-Losses-to-Lead-to-2023-Underwriting-Loss-for-PC-Industry-But-Recession-Likely-Avoided-This-Year-New-Triple-IMilliman-Report-Shows
[3] https://www.swissre.com/media/press-release/nr-20210422-economics-of-climate-change-risks.html
[4] https://www.insurancejournal.com/news/national/2023/04/26/717942.htm
[5] https://s201.q4cdn.com/471466897/files/doc_financials/2022/ar/2021-Chubb-Annual-Report.pdf p.59
[6] https://www.ceres.org/sites/default/files/reports/2023-08/Changing%20Climate%20for%20the%20Insurance%20Sector_%20Research%20and%20Insights.pdf p.21
[7] https://global.insure-our-future.com/wp-content/uploads/sites/2/2023/11/IOF-2023-Scorecard.pdf p.13
[8] https://lailluminator.com/2023/07/24/lng_insurance/

such emissions. In 2022, the Partnership for Carbon Accounting Financials launched its Global GHG Accounting and Reporting Standard for Insurance Associated Emissions.[9]

Chubb is behind peers in reporting its emissions. Both Travelers[10] and AIG[11] have begun disclosing their financed emissions. European insurers including Swiss Re, Munich Re, Allianz, and Aviva have begun disclosing investment related emissions.[12] Swiss Re also discloses its insurance associated emissions.[13] Aviva this year plans to disclose and set 2030 targets for its insured emissions.[14]

BE IT RESOLVED: Shareholders request that Chubb issue a report, at reasonable cost and omitting proprietary information, disclosing the GHG emissions from its underwriting, insuring, and investment activities.

SUPPORTING STATEMENT: As necessary and at management discretion, Chubb can initially base reporting on reasonable emissions estimates and provide a timeline for disclosures.

ANALYSIS

I. THE PROPOSAL DOES NOT MICROMANAGE THE COMPANY

A. The Rule 14a-8(i)(7) micromanagement standard

Rule 14a-8(i)(7) allows the exclusion of proposals seeking to "micromanage" companies 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." 1998 Release. Staff Legal Bulletin No. 14L (Nov. 3, 2021) provides guidance on the scope of the micromanagement exclusion. In SLB 14L, the Staff notes that "proposals seeking detail or seeking to promote timeframes or methods do not per se constitute micromanagement." Rather, the Staff looks at:

> [T]he level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management. We would expect the level of detail included in a shareholder proposal to be consistent with that needed to enable investors to assess an issuer's impacts, progress towards goals, risks or other strategic matters appropriate for shareholder input.

Staff Legal Bulletin No. 14L.

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[9] https://carbonaccountingfinancials.com/en/newsitem/pcaf-launches-the-global-ghg-accounting-and-reporting-standard-for-insurance-associated-emissions

[10] https://sustainability.travelers.com/iw-documents/sustainability/Travelers_SustainabilityReport2022.pdf p.24

[11] https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2022.pdf p.32

[12] https://www.swissre.com/dam/jcr:ec822a14-a4d7-4b6b-b0e2-49ae6036058c/2022-financial-report-doc-en.pdf#page=148 p. 175; https://www.munichre.com/content/dam/munichre/contentlounge/website-pieces/documents/MunichRe-Sustainability-Report_2022.pdf/_jcr_content/renditions/original./MunichRe-Sustainability-Report_2022.pdf p.37; https://www.allianz.co.uk/content/dam/onemarketing/azuk/allianzcouk/about-us/docs/pdfs/social-responsibility/Allianz_Group_Sustainability_Report_2021-web.pdf p.85; https://www.aviva.com/sustainability/reporting/climate-related-financial-disclosure/ p.67

[13] https://www.swissre.com/sustainability/approach/metrics-targets/net-zero-insurance.html

[14] https://www.aviva.com/sustainability/reporting/climate-related-financial-disclosure/ p.45

Finally, the Staff has provided guidance on the standards it uses to judge the appropriate level of granularity in a proposal, noting that 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" as well as "references to well-established national or international frameworks when assessing proposals related to disclosure . . . as indicative of topics that shareholders are well-equipped to evaluate." *Id.*

B. The Proposal Does Not Inappropriately Interfere with Management Discretion

The Company Letter argues that the Proposal interferes "with the Board and management's discretion to make informed judgments about the conduct of the Company's business." Company Letter at 3. This is an inaccurate description of the Proposal, which requests nothing more than that the Company disclose a commonly disclosed and widely used metric.

The Proposal's disclosure request falls well within the bounds of permissible proposals established by Commission and Staff guidance and precedent. The Company does not argue that the disclosure of GHG emissions from its underwriting, insuring, and investment activities, i.e., its Scope 3 emissions, are too granular a topic for investor concern. Nor could it; the SEC itself has proposed that companies be required to disclose Scope 3 emissions if those emissions are "material or if the registrant has set a GHG emissions target or goal that includes Scope 3 emissions."[1] There can be no question that Chubb's Scope 3 emissions are material, given that they constitute 75 to 90 percent of insurance company emissions.[2]

1. Policy disagreements do not provide a basis for exclusion under Rule 14a-8(i)(7)

The Company Letter focuses on the "management/board discretion" prong of the micromanagement test. Of course, any proposal that asks a company to do *anything* theoretically "limits [the] discretion of the board or management" to not do that thing. But that does not per se constitute micromanagement. Rather, the question is "to what extent" the proposal limits management discretion. Staff Legal Bulletin No. 14L. Here, the Proposal's intrusion on management discretion is as minimal as possible: it simply asks the Company to disclose the GHG emissions from its underwriting, insuring, and investment activities, which account for the majority of its GHG emissions. It does not ask Chubb to reduce those emissions or otherwise change its activities.

The gravamen of the Company's argument is that the Proposal is excludable because it contravenes the Company's decision not to disclose the requested emissions data. *See* Company Letter at 6 ("Chubb's Board and management considered and rejected the Proposal's approach of disclosing Scope 3 emissions at this time."). The argument portion of the Company Letter is dedicated to listing: (a) the Company's policy objections to the emissions disclosure request, and

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[1] Press Release, *SEC Proposes Rules to Enhance and Standardize Climate-Related Disclosures for Investors*, SEC (Mar. 21, 2022), https://www.sec.gov/news/press-release/2022-46.

[2] Deloitte Risk & Compliance Journal, *Insurers Well-Positioned to Help Clients Transition to Net Zero*, Wall Street Journal (Jan. 30, 2024), https://deloitte.wsj.com/riskandcompliance/insurers-well-positioned-to-help-clients-transition-to-net-zero-ab1985b8.

(b) the Company's current climate policies. *See* Company Letter at 4-6 (detailing the Company's "strategy to address climate change"), 6-10 (listing a number of policy objections the Company has to the requested disclosures). These are arguments the Company can make to its shareholders in urging them to vote against the Proposal, but they have nothing to do with whether the Proposal micromanages the Company. Rule 14a-8 does not put the Staff in the position of judging the relative merits of corporate policy.

By focusing on policy objections to the Proposal, the Company's arguments are a retread of its unsuccessful arguments from last season in seeking to exclude a proposal also dealing with Scope 3 emissions. *See Chubb Limited* (Mar. 27, 2023). That proposal requested that the Company disclose 1.5°C-aligned medium- and long-term Scope 3 emissions reduction targets. As it does now with emissions disclosures, the Company argued that setting targets was "one single approach" to climate policy and that it had "considered and rejected" setting targets. In fact, the proponent in 2023 noted that these arguments were a retread of arguments the Company made *the year before that*, concerning a proposal that requested that Chubb report on if and how it intended to measure, disclose, and reduce its Scope 3 emissions. *See Chubb Ltd.* (Mar. 26, 2022). The Company sought to exclude the 2022 proposal on micromanagement grounds by arguing that it "require[ed] compliance with a very specific report when there may be multiple ways to achieve the goals of the Proposal." This argument —that a request for a report inappropriately interferes with management's discretion not to issue that report — was rejected in 2022, was rejected in 2023, and the Staff should reject the Company's third attempt this year.

The ultimate effect and purpose of this argument is to foreclose all possible shareholder proposals. The Company's logic is that if a proposal "interfere[es] with the discretion of management and the Board to implement the approach . . . that, in their business judgment, [is] most effective" — i.e., if management disagrees with the proposal — it is micromanagement. *See* Company Letter at 12. This has never been the case.

2. The Proposal does not demand that the Company abandon all other climate initiatives

The Company's argument additionally relies on the fallacious assumption that the Proposal is intended to replace the entirety of the Company's climate policy. The Company Letter states that the Proposal "articulates one single approach to shared climate goals: tracking and disclosing Scope 3 emissions. The Company . . . considered and rejected the Proposal's approach and instead applies an underwriting-focused, fact-based strategy grounded in science and substance." Company Letter at 4.

In its no-action request, Chubb suggests — as many issuers increasingly are — that the Staff should read a hidden "cease every other policy and *only* implement this proposal" clause into the Proposal, yet no such instruction exists or is implied here. The Proposal simply requests that the Company disclose the requested emissions so that shareholders can assess the magnitude of the Company's climate risk and contribution to climate change. The Proposal does not require Chubb to forego any other climate strategy it has elected to pursue. Thus, the Company Letter is incorrect when it asserts that the Proposal "seeks to reroute Chubb's climate strategy and disclosure efforts." Company Letter at 6. Once more, if the Company thinks that emissions disclosure is not the best use of its resources (or that it will necessitate some sort of resource

trade-off with current actions), that is an argument to make to shareholders – not a reason to exclude the Proposal.

Nor is emissions disclosure, as a policy, inconsistent with a "fact-based strategy grounded in science and substance." *See* Company Letter at 4. Emissions assessment and disclosure is an important early step in credible corporate climate policy, as most well-regarded frameworks acknowledge.[3] Here, the requested emissions disclosure will supplement and complement — not replace — the Company's existing policies. So, while the Company Letter may denigrate emissions disclosure as "narrowly focusing on counting" it is a reasonable and well-accepted shareholder position that assessing emissions is an important and necessary step to "facilitating the reduction of GHG emissions in the real economy." *See* Company Letter at 5. Not only does understanding its GHG emissions help the Company focus its climate actions, it also provides critical information to shareholders interested in monitoring the Company's climate progress. There is no serious debate about the utility of emissions disclosures: more than 95% of climate disclosure users report that Scope 3 emissions disclosures are useful for decision-making.[4] This is one reason among many why more than 3,000 companies disclose their Scope 3 emissions.[5] Additionally, forward-looking insurance companies are now either disclosing or have committed to disclosing their insurance-related Scope 3 emissions.[6]

3. The Staff precedent cited in the Company Letter is inapposite

Because the Company Letter largely sidesteps the question of whether the Proposal micromanages it, the Staff precedent it cites is easily distinguishable. In *Amazon.com, Inc.* (Apr. 7, 2023), the proposal requested that the company "measure and disclose" a specific sub-category of Scope 3 emissions. The Staff's decision that, based on arguments around the GHG Protocol, the proposal micromanaged the company "by imposing a specific method for implementing a complex policy disclosure without affording discretion to management" is inapplicable here, where the Proposal merely *requests the disclosure*, without seeking to impose a method for its implementation. Indeed, the Supporting Statement makes clear that initial

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[3] *See, e.g.*, *Developing an Asset Owner Climate Change Strategy*, Principles for Responsible Investment (Nov. 3, 2015), https://www.unpri.org/climate-change/developing-a-climate-change-strategy-step-one-measure/628.article ("Step one: measure."); *Why disclose as a company*, CDP, https://www.cdp.net/en/companies-discloser ("Disclosure is the essential first step to drive environmental action . . . ."); *Financed Emissions: The Global GHG Accounting & Reporting Standard Part A*, Partnership for Carbon Accounting Financials (Dec. 2022), https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf ("Measuring financed emissions allows financial institutions to make transparent climate disclosures on their GHG emissions exposure, identify climate-related transition risks and opportunities, and set the baseline emissions for target-setting in alignment with the Paris Agreement."); *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition*, GHG Protocol, https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf ("[C]ompanies must be able to understand and manage their GHG risks if they are to ensure long-term success in a competitive business environment, and to be prepared for future national or regional climate policies. A well-designed and maintained corporate GHG inventory can serve several business goals, including: Managing GHG risks and identifying reduction opportunities . . . .").

[4] Maida Hadziosmanovic, Kian Rahimi, Pankah Bhatia, *Trends Show Companies Are Ready for Scope 3 Reporting with US Climate Disclosure Rule*, World Resources Inst. (June 24, 2022), https://www.wri.org/update/trends-show-companies-are-ready-scope-3-reporting-us-climate-disclosure-rule.

[5] *Id.*

[6] This includes, among others, Swiss Re, Achmea, Generali, NN Group, Allianz, Aviva, Fidelis MGU, and a.s.r. Netherlands.

disclosures may reasonably rely on estimates rather than measurement. In short: this Proposal requests the Company disclose the major components of its GHG emissions; it does not demand specific implementation methods for how to do so.

The same distinction recurs throughout the Company's cited precedents. *See, e.g.*, *Chubb Limited (Green Century)* (Mar. 27, 2023) (proposal requested specific, time-bound phase-out of new fossil fuel exploration and development projects); *JPMorgan Chase & Co. (The Christensen Fund et al.)* (Mar. 30, 2018) (proposal requested report on risks associated with lending, underwriting, advising, and investing associated with, specifically, tar sands production and transportation, with additional specifications concerning implementation of the report). In other cases cited by Chubb, the policies demanded by the proposals were simply too granular and too limiting of management discretion. *See, e.g.*, *The Coca-Cola Company* (Feb. 16, 2022) (proposal requested company submit all political statements for prior approval by shareholders); *Tesla, Inc.* (May 6, 2022) (proposal requested that company liquidate all cryptocurrency assets); *Amazon.com, Inc. (Sacks)* (Jan. 18, 2018) (proposal would have required company to list items in a specific order on its website).

By contrast, proposals requesting that companies take general action — such as disclosing — with respect to Scope 3 emissions are generally not excluded on micromanagement grounds. *See Chubb Ltd.* (Mar. 27, 2023) (*supra*); *The Travelers Companies, Inc.* (Mar. 30, 2023) (proposal requested company issue report addressing if and how it intended to measure, disclose, and reduce its Scope 3 emissions); *Chubb Limited* (Mar. 26, 2022) (*supra*). If this Proposal were to reach a different outcome, proponents would be in the strange position of being able to request that companies *reduce* their Scope 3 emissions — but not to request that companies *disclose* their Scope 3 emissions. That cannot be the case.

II. The Company Has Not Substantially Implemented the Proposal

Despite the Company's vehement disagreement with the Proposal and its insistence that the Proposal would require it to "reroute" from its current policy, the Company Letter also argues that the Company has substantially implemented the Proposal. It does not, however, meet its burden of demonstrating that it has done so.

A. The Rule 14a-8(i)(10) Substantial Implementation Standard

To meet its burden to show that the Proposal can be excluded under Rule 14a-8(i)(10), the Company must show that it has addressed the Proposal's <u>underlying concerns</u> and <u>essential objectives,</u> *see Exelon Corp.* (Feb. 26, 2010); *accord. Best Buy Co., Inc.* (Apr. 22, 2022), and must also demonstrate that its "particular policies, practices and procedures <u>compare favorably</u> with the guidelines of the proposal." *Texaco, Inc.* (Mar. 28, 1991) (emphasis added).

B. The Company Has Not Addressed the Proposal's Underlying Concern or Essential Objective, and Its Actions Do Not Compare Favorably with the Proposal

1. The Proposal's underlying concern and essential objective relate to the Company's inadequate disclosures, not the sufficiency of its climate policies

The Company Letter asserts that "direct[ing] Chubb to support global 1.5°C goals to help reduce climate risk and reduce the climate footprint of the Company's underwriting, insuring and investment activities" is the underlying concern and essential objective of the Proposal. Company Letter at 12. But analysis of the actual Proposal makes clear that its actual underlying concern is the lack of accessible and decision-useful information to investors about Chubb's climate progress, or lack thereof. The Proposal points to Chubb's apparent ongoing climate-unsafe investing, insuring, and underwriting practices as demonstrative of a potential source of climate risk to investors. But it does not ask the Company to address or reduce that risk. Instead, it argues that "Chubb has not given investors sufficient information on the magnitude and extent of its insured, invested, and underwriting emissions" and that "Chubb is behind peers in reporting its emissions." Thus, the Proposal requests that Chubb "disclos[e] the GHG emissions from its underwriting, insuring, and investment activities."

The need for information sufficient to assess the climate risk that Chubb poses to its shareholders is a distinct concern and objective. Transparent and consistent disclosure of the Company's major Scope 3 emissions will allow investors to assess overall climate risk to Chubb, climate risk to their portfolios, and the role that Chubb plays in generating that risk. The requested disclosures also allow investors to make meaningful comparisons between peer companies. More material information means a better functioning market. Investors' interest in this information is independent of their interest, identified by the Company Letter, in having Chubb take action to reduce climate risk.

In sum, the Proposal: (a) focuses on and promotes interests independent of the goal of "direct[ing] Chubb to support global 1.5°C goals" or "to reduce the [Company's] climate footprint," and (b) does not, in fact, request that the Company take any action to support global 1.5°C goals or reduce its climate footprint. While the Proposal is concerned with climate risk, as is almost every climate-related proposal, the underlying concern or essential objective of the Proposal — the Company's failure to provide meaningful, decision-useful Scope 3 climate information — has not been met.

2. The Company has not addressed the Proposal's underlying concern or essential objective, and its actions do not compare favorably with the Proposal

Much of Chubb's substantial implementation argument revolves around its various climate policies, including its underwriting criteria, its Climate+ energy transition underwriting strategy, and its investment portfolio. *See* Company Letter at 13-15. For the reasons described above, these practices are irrelevant to the Proposal, which does not concern Chubb's substantive climate policy — only its disclosures.

The Company's existing disclosures are insufficient to address the Proposal's underlying concern. The Company's TCFD Report, as the Company Letter notes, discloses its Scope 1 and 2 emissions and minimal categories of Scope 3 emissions such as employee business travel and air travel. *See Company* Letter at 13.[7] These Scope 3 disclosure categories are minor and do not satisfy the elements of the request. The undisclosed Scope 3 emissions associated with the Company's insuring, investing, and underwriting activities easily dwarf these, representing the vast majority of the Company's climate risk.[8] More importantly, by disclosing these minimal categories, and ignoring the activities likely to constitute Chubb's most significant Scope 3 emissions – its insuring, underwriting, and investment activities – not only deprives investors of necessary information but may mislead investors that rely on Chubb's Scope 3 reporting as being comprehensive of all relevant, material emissions sources.

Given Chubb's limited Scope 3 emissions disclosures, investors have virtually no information about the exact scope or nature of the climate risk associated with its GHG emissions. This matters, because Scope 3 emissions information is critical and decision-useful. The Company Letter itself explains why:

> In addition, for any large commercial insurer like Chubb, its Scope 3 emissions will span a vast range of economic activities, including activities with little direct GHG emissions, high-emitting activities that are subject to significant transition risks, high-emitting activities that do not have significant transition risks, and activities that help to reduce emissions in the real economy. Chubb believes that aggregating these activities into a Scope 3 metric conflates potentially meaningful information with information that is not useful, and specifically does not enable investors to understand the potential exposure of the insurer to climate risks or the insurer's progress on 1.5°C goals.

Company Letter at 8. The Company concludes this observation by asserting that it, therefore, "does not see the value" of disclosing Scope 3 emissions for "the management of its climate risks or decision-relevant information to Chubb's investors." *Id.*

But the Company *just explained* the value of disclosures. The Proponents seek emissions data from sources likely to create climate risk. By failing to disclose the requested Scope 3 emissions data, Chubb is forcing its investors to estimate the Company's climate risk, with incomplete data. Disclosures providing more information about the various sources of climate risk can only improve investors' understanding. A lack of information leads to market inefficiencies. Fully 95% of climate disclosure users consider material Scope 3 information decision-useful.[9] And, of course, it is ultimately up to investors — not Chubb — to decide what information they consider material. *See TSC Industries v. Northway, Inc.* 426 U.S. 438, 449 (1976) (holding that

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[7] *Chubb 2022 Climate-Related Financial Disclosure* at 13, Chubb (2022), https://www.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/chubb_2022_climate-related_financial_disclosure_report.pdf.

[8] *See* Deloitte Risk & Compliance Journal, *Insurers Well-Positioned to Help Clients Transition to Net Zero*, Wall Street Journal (Jan. 30, 2024), https://deloitte.wsj.com/riskandcompliance/insurers-well-positioned-to-help-clients-transition-to-net-zero-ab1985b8.

[9] Maida Hadziosmanovic, Kian Rahimi, Pankah Bhatia, *Trends Show Companies Are Ready for Scope 3 Reporting with US Climate Disclosure Rule*, World Resources Inst. (June 24, 2022), https://www.wri.org/update/trends-show-companies-are-ready-scope-3-reporting-us-climate-disclosure-rule.

information is material if there is "a substantial likelihood that the . . . fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available"). The Commission has likewise recognized the importance of Scope 3 emissions data as a decision-useful metric for investors, observing that "capital markets have begun to assign financial value to [Scope 3 emissions data], such that it can be material information for investors about financial risks facing a company."[10]

Moreover, the Company's current disclosures do not allow for meaningful and decision-useful comparisons between companies, a core purpose of emissions disclosure frameworks. Thus, as Columbia Law School's Cynthia Hanawalt and Charlie Assereto have noted, "[t]he failure to disclose one or more categories will of course hinder comparisons between companies."[11]

This concern is the driving motivation behind the SEC's proposed climate disclosure rules, which noted "a lack of transparency and standardization" and argued that a mandatory standard for reporting GHG emissions "would help in producing consistent, comparable, and reliable climate-related information for investors."[12] In particular, the Commission noted that "disclosures can benefit investors in the aggregate . . . by allowing them to make comparisons across firms, which can aid in their capital allocation decisions."[13] However, because "registrants fully internalize the costs of disclosure but not the benefits," they may "under-disclose relative to what is optimal from the investors' perspective."[14]

For these reasons, as described above, full Scope 3 emissions disclosure "is an integral part of both the TCFD framework and the GHG Protocol, which are widely accepted," as well as numerous other frameworks, including PCAF and CDP.[15]

The Company Letter also argues that it is engaged in a Scope 3 methodology assessment. While continuing to refine its methodology is undoubtedly aligned with the Proposal, it does not substantially implement it. This is particularly the case where the Company has been claiming for years that it cannot act because it is engaged in such an assessment, while its peers increasingly disclose relevant information.

The Company unsuccessfully made the same argument last year, with respect to a proposal asking it to set Scope 3 emissions reduction targets. *See Chubb Ltd.* (Mar. 27, 2023) (*supra*). In 2022, it also unsuccessfully made the argument that it was waiting for Scope 3 methodology. *See Chubb Ltd.* (Mar. 26, 2022) (*supra*). In its 2022 TCFD Report, the Company asserted that it expected to have measurements of Scope 3 emissions for high-emitting activities by last year:

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[10] Proposed Rule, *The Enhancement and Standardization of Climate-Related Disclosures for Investors* at 173, SEC (2022), https://www.sec.gov/files/rules/proposed/2022/33-11042.pdf.
[11] Charlie Assereto and Cynthia Hanawalt, *A Comparative Analysis of the SEC's Climate Disclosure Proposal*, Columbia Sabin Center (Dec. 15, 2023), https://blogs.law.columbia.edu/climatechange/2023/12/15/a-comparative-analysis-of-the-secs-climate-disclosure-proposal/.
[12] SEC Proposed Climate Rule at 31, 155.
[13] *Id.* at 324.
[14] *Id.*
[15] *Id.* at 173; *see also supra*. Insurers will also fall within the bounds of the European Union's Corporate Sustainability Reporting Directive, which will require insurers to disclose underwritten, insured, and investment emissions. *A European Perspective on Insurance-Associated Emissions*, Deloitte (Oct. 2023), https://www2.deloitte.com/content/dam/Deloitte/nl/Documents/financial-services/deloitte-nl-a-european-view-on-iae-reporting.pdf.

"Focusing in the near term on the highest GHG emitting activities could provide scientifically sound metrics that [Chubb] can use internally to measure Scope 3 emissions for certain industries in 2023."[16] However, the Company has not yet done so despite sound methodologies having been developed. Chubb acknowledges as much in its 2023 TCFD Report: "Over the past year, a number of organizations have promulgated approaches to the calculation of Scope 3 emissions in the insurance industry."[17] The PCAF insurance-associated emissions standard was developed by a 16-company working group including Allianz, Aviva, Liberty Mutual, Swiss Re, Generali, Munich Re, and Zurich.[18]

Despite this progress, the Company's has *backtracked* on its stated progress and intentions towards disclosures. Strikingly absent from Chubb's 2023 TCFD Report is any mention of Scope 3 emissions measurements from its high-emitting activities as promised in the previous year's report.[19] Instead, the Company's 2023 TCFD Report launches a broadside against the very idea of measuring its Scope 3 emissions for its high emitting insurance, underwriting, and investments activities. The 2023 Report says that such methodologies are "unlikely to provide any useful metric in advancing the low-carbon transition," that the Company "do[es] not see the value" in providing such emissions disclosures, and that investors' demands for information are better satisfied by the Company instead describing its "efforts to grow our support of the transition activities of our clients."[20]

While the Company may argue that it is simply waiting for the right methodology to come along — while also arguing that full Scope 3 emissions disclosures are bad climate policy because, for example, they are "narrowly focused on counting" — these denials underscore that the Company's "methodology assessment" and limited Scope 3 disclosures do not substantially implement the Proposal. Hypothetical future action cannot serve as the basis for a substantial implementation argument. *See Hewlett Packard Co.* (Dec. 19, 2013) and *Starbucks Corp.* (Nov. 27, 2012) (granting no-action relief based on substantial implementation only after companies provided supplemental notification that they had completed action promised in initial no-action request).

C. The precedents cited in the Company Letter are distinguishable

The Company Letter is correct in stating that a company need not have "implement[ed] every aspect of the proposal" to be found to have substantially implemented the proposal. Company Letter at 17. However, edge cases involving significant steps by the company towards the proposal's goals and objectives are far removed from the circumstances here, where the Company vociferously and specifically objects to the disclosures requested in the Proposal. This is not a circumstance where, as the Company Letter describes one of the precedents it cites, the Company has "adopted a version of the proposal with slight modification and clarification as to

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[16] Chubb 2022 TCFD Report at 1.
[17] *Chubb 2023 Climate-Related Financial Disclosure* at 1, Chubb (Aug. 2023), https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/chubb_2023_climate-related_financial_disclosure_report.pdf.
[18] *Insurance-Associated Emissions: The Global GHG Accounting & Reporting Standard: Part C*, PCAF (Nov. 2022), https://carbonaccountingfinancials.com/files/downloads/pcaf-standard-part-c-insurance-associated-emissions-nov-2022.pdf.
[19] *See* Chubb 2023 TCFD Report at 1.
[20] *Id.*

one of its terms." Company Letter at 17 (describing *Masco Corp.* (Mar. 29, 1999)). Rather, here, the Company has mischaracterized the Proposal as seeking a change in the Company's substantive climate policy and then argued that the Proposal would require it to "reroute" and "redirect[]" from its current approach. *See* Company Letter at 6.

As such, the Staff precedents cited by the Company are largely inapposite. In *JPMorgan Chase & Co.* (Feb. 5, 2020), the proposal requested that the company align its governance with the "Statement of the Purpose of a Corporation." The Board reviewed the statement and "determined that no additional action . . . is required, as the Company already operates in accordance with the principles set forth" therein. The Staff concurred with the company's substantial implementation argument. Here, by contrast, the Company is arguing that, effectively, it has reviewed the Proposal and *rejected* it. It can hardly be said, then, to have substantially implemented it. So, too, in *Exxon Mobil Corp.* (Mar. 19, 2010), where the proposal requested that the company permit shareholders to act by written consent, which was already permitted under New Jersey law and the company's articles of incorporation.

In other precedents cited by the Company, the companies were able to demonstrate substantial incremental progress towards the policy put forward by the proposal — not a wholesale rejection of it. *See, e.g.*, *IDACORP, Inc.* (Apr. 1, 2022) (proposal requesting company disclose short-, medium-, and long-term GHG emissions reductions targets was substantially implemented by existing disclosures of short-, medium-, and long-term emissions reductions targets, despite proponent's request for more detail); *Exxon Mobil Corp. (As You Sow/Schubiner)* (Mar. 9, 2021) (proposal requesting company report on potential risks to its plastics business from global decarbonization was substantially implemented by company reports on future of its plastics business, despite proponent's request for more detail as to certain disclosures*); Exxon Mobil Corp. (Burt)* (Mar. 23, 2009) (corporation disclosed every category of data requested by the proposal, proponent wanted more detail as to one category).

The Company Letter places the most emphasis on *Alliant Energy Corp.* (Mar. 30, 2023). There, the proposal requested the company report annually to shareholders about its progress toward, and the ongoing feasibility of, its announced 2050 net-zero goal. The company noted that it "annually discloses its progress toward achieving its net zero aspiration" and that its annual disclosures "address the feasibility of achieving its net zero aspiration." Here, by contrast, the Company's annual disclosures explicitly exclude the information requested by the Proposal; assert that the information requested by the Proposal is "unlikely to provide any useful metric" and that the Company does not "see the value" in such disclosures; the Company appears to have backtracked on earlier commitments to make such disclosures; and the Company Letter vociferously argues that the disclosure requested in the Proposal is bad policy for a number of reasons. The Company Letter describes *Alliant* as falling into a line of precedent in which "the Staff has consistently permitted exclusion of shareholder proposals that request a report on information that the company has already publicly disclosed." Company Letter at 18. Unlike the case in *Alliant*, there is no dispute here that the Company has not disclosed and does not want to disclose the information requested in the Proposal.

The more apt precedent to look to is the data disclosure proposal in *Eli Lilly & Co.* (Mar. 10, 2023) and *Pfizer Inc.* (Feb. 10, 2022). Both proposals (substantially the same in each case) requested that the companies disclose quantitative data about recruitment, retention, and

promotion demonstrating the effectiveness of the companies' diversity, equity, and inclusion efforts. In each instance, the company argued that it provided quantitative data regarding the racial, ethnic, and gender breakdown of its employees in certain positions. But the proponent successfully argued in each case that the data provided constituted only a "snapshot" at a single point of time, not data sufficient to demonstrate the effectiveness of the companies' DEI programs. Similarly, here, to the extent that the Company has made limited Scope 3 disclosures, such disclosures lack the material information sought by Proponents. Accordingly, the Company has no basis on which to exclude the proposal for substantial implementation.

CONCLUSION

The Proposal requests that the Company disclose its insured, underwriting, and invested GHG emissions. There is no dispute that the Company has failed to provide the information requested. This information is critical to investors to understand the full range of climate risk to the Company and to their portfolios, and to make meaningful comparisons between companies. The Company seeks to exclude the Proposal for micromanagement, but its argument is simply that it disagrees with the Proposal — not that, as the micromanagement standard requires, the Proposal inappropriately interferes with management's discretion or that it is too granular for investors to understand. Under the Company's logic, any proposal that it disagrees with would fail its micromanagement test.

Similarly, the Company's substantial implementation argument also fails. Far from substantially implementing the Proposal, the Company has expressly rejected it and backtracked on tentative initial steps toward it. Its current activities do not compare favorably with the Proposal in terms of addressing the Proposal's underlying concern and essential objectives, which are based on information transparency — not substantive climate policy.

Based on the foregoing, we believe that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2023 proxy statement pursuant to Rule 14a-8. We urge the Staff to deny the no action request.

Sincerely,

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cc:

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