

Welcome to your CDP Climate Change Questionnaire 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The Travelers Companies, Inc., together with its consolidated subsidiaries (collectively "company" or "Travelers"), is a leading provider of a wide range of commercial and personal property and casualty insurance products and services to businesses, government units, associations and individuals. Our products are distributed primarily through independent insurance agents and brokers but also include exclusive agents, direct marketing and/or salaried employees. A component of the Dow Jones Industrial Average, Travelers has approximately 30,000 employees and operations in the United States and selected international markets.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Row 1	January 1, 2018	December 31, 2018	No

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Financial control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Travelers Board of Directors and its Risk Committee consider changing climate conditions as part of, and integral to, overseeing our business and operations. The Board of Directors plays an important role in overseeing our Enterprise Risk Management (ERM) organization, including our company's evaluation of potential risks and opportunities relating to changing climate conditions. The Risk Committee of the Board, composed of six independent directors in 2018, assists the Board in overseeing the operational activities of our company and identifying and reviewing risks and opportunities that could have a material impact on Travelers, including risks related to changing climate conditions. Consistent with its Charter, the Risk Committee has oversight responsibility for climate-related strategies, processes and controls, including catastrophe risk modeling, reinsurance and product underwriting and pricing.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies 	As an integral part of Travelers business operations, the company continually monitors, assesses and responds to the risks and opportunities posed by changing climate conditions in order to provide insurance products and services that address customers' needs and to price those products and services at levels that will allow us to achieve

	<p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>appropriate financial returns. As such, Travelers, its Board of Directors and the Risk Committee consider changing climate conditions as part of, and integral to, managing and overseeing the company's business and operations. Climate-related issues are integrated into many topics subject to oversight by the Risk Committee, including but not limited to, catastrophe risk modelling, reinsurance and product underwriting and pricing. Accordingly, and by definition, climate-related issues are also incorporated into our process of reviewing and guiding the Company's risk management policies. Climate-related issues, such as the impact of changing weather patterns on various perils, including wildfires, and the mitigation of such impact, are discussed in reports to the Risk Committee by the Company's Chief Risk Officer and other members of senior management.</p>
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C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Risks Officer (CRO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Other C-Suite Officer, please specify Chief Underwriting Officer	Both assessing and managing climate-related risks and opportunities	Quarterly
Risk committee	Both assessing and managing climate-related risks and opportunities	Quarterly
Other committee, please specify Enterprise CAT Strategy & Analysis Group	Both assessing and managing climate-related risks and opportunities	Quarterly

Other committee, please specify Committee Climate, Energy & Environment	Both assessing and managing climate-related risks and opportunities	As important matters arise
Facility manager	Managing climate-related risks and opportunities	Not reported to the board

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Travelers monitors climate-related risks and opportunities within, and as part of, the Enterprise Risk Management (ERM) organization and framework. A senior executive team, including EVP and Chief Risk Officer (CRO), who reports to the EVP and Chief Financial Officer, and the EVP and Enterprise Chief Underwriting Officer (CUO), who reports to our Chairman and CEO, oversees the ERM process to implement effective risk management strategies to understand and manage Travelers portfolio of risks to be within its risk appetite. The Board of Directors oversees ERM, including through its Risk Committee, which reviews insurance operation controls and oversees performance of the ERM program. Through ERM, we work to identify and assess climate change-related issues. We regularly review emerging issues, including changing climate conditions, to consider potential changes to our risk models and their use, and to help assess the need to adjust underwriting or pricing strategies, coverage terms or to develop new products. Our integrated, iterative and collaborative process includes evaluating risk/reward, setting underwriting and operational strategies, and monitoring results of our ERM. We consider external environments and influences, including the economy and insurance marketplace, views of regulators, the investment community and rating agencies. All corporate leaders and the Board are engaged in ERM; other key internal risk management functions include the Management and Operating Committees, the Enterprise and Business Risk Committees, and the Enterprise Underwriting group (EU) which includes Enterprise Catastrophe (CAT) Strategy. ERM activities include Travelers Emerging Issues Committee and Committee on Climate, Energy and the Environment (CEEC). Travelers CUO and EU formed the CEEC in 2006; this cross-functional workgroup facilitates coordination and supports climate-related initiatives and strategies companywide by sharing information and leveraging expertise. CEEC has four subgroups led by senior staff and aligned with a key focus: Risk Identification and Management: Chaired by EU, supports business activities to identify, assess and monitor climate-related risks. Participants include: CRO, ERM, CUO, EU, Enterprise CAT Strategy, Investments, Government Relations, Risk Control, Legal and Claim; Products, Market Development and Customer Services: Chaired by Business Insurance Global Renewable Energy Practice (GREP) Lead, supports activities to identify, assess, implement and monitor climate-related product opportunities, explore potential new markets, and expand service opportunities to respond to changing climate and green trends. Participants include: Business Insurance, EU, Risk Control, Claim, GREP, and all business units; External Relations, Communications, and Industry Leadership: Chaired by Government Relations, supports external-facing corporate groups on matters pertaining to climate, energy, and the environment;

Participants include: the Travelers Institute, Government Relations, Corp. Communications, Enterprise CAT Strategy, EU, Risk Control, Community Relations, and Investor Relations; and Facilities and Operations Management: Chaired by Corporate Admin. Services, coordinates initiatives and activities to develop and implement environmentally responsible corporate practices, including emission reduction practices and monitoring to achieve emission reduction goals. Participants include Travelers Facilities Managers. Facilities Managers are in our Corporate Real Estate group and research and implement initiatives to help reduce Travelers' carbon footprint. They ensure equipment operates efficiently and submit annual operating results for each facility to EPA's Energy Star Program to ensure that it continues to meet designation standards. The Enterprise CAT Strategy group assesses CAT risk and manages the development of strategic CAT efforts, including the use of proprietary and third-party computer models to analyze CAT events and related risks. Based on active monitoring and evaluation and recent events and expenses and other factors, these models are continually updated and are an integral part of our ERM process supporting our long-term financial strategies and objectives. Business-level risk committees, including Enterprise CAT Strategy's CAT Committee, the Enterprise Risk Committee, the Emerging Issues Committee and the CEEC, meet multiple times a year with senior management to discuss potential risks and opportunities impacting Travelers related to the environment and changing climate conditions.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Monetary reward

Activity incentivized

Other, please specify

Risk/reward metrics

Comment

Travelers' employees are eligible to receive performance-based compensation, including cash bonuses. Bonuses are based on many factors such as the individual performance of the employee and the overall performance of the company, including taking into account catastrophe and other weather events.

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Other non-monetary reward

Activity incentivized

Other, please specify
reducing car use

Comment

For the purpose of encouraging environmentally and socially responsible behaviors and supporting employee efforts to conserve natural resources, Travelers provides a variety of incentives to employees to use mass transit and alternatives to driving alone. These incentives include subsidizing the purchase of bus passes in some cities, buying bus passes in bulk at a discount in others, and offering employees the opportunity to make pre-tax purchases of passes. In the Hartford, CT area, our largest employee concentration, Travelers is the reported highest user of the bus system, with over 20 percent of employees participating. Travelers charges for employee parking, which encourages many employees to take advantage of mass transit. In some cities, the company owns and maintains commuter vans and in others provides free parking for non-owned commuter vans. Travelers is also an advocate of bicycling, providing bike racks and free parking for bicycles as well as showers and lockers in some locations. For the two largest employee locations, the League of American Bicyclists' Bicycle Friendly Business program has awarded Travelers designations for its Hartford, CT and St. Paul, MN locations' bicycling programs.

Who is entitled to benefit from these incentives?

Other, please specify
CAT Staff, Product & Account Underwriters

Types of incentives

Monetary reward

Activity incentivized

Other, please specify
Risk/reward metrics

Comment

Evaluation of risk/reward in climate-related perils in pricing selection and underwriting

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	1	3	Aligns with the average length of a Travelers policy period and the timeframe for which we perform detailed business plans.
Medium-term	3	5	Aligns with Travelers development and execution of business strategies that impact directional planning and market-related adjustments based on ongoing or changing conditions.
Long-term	5	50	Aligns with longer-term changes (e.g., climate-related risk, energy consumption/energy sources) that present risks and opportunities that extend beyond the short- and medium-term.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	Travelers is exposed to natural catastrophe (CAT) risks in the US and globally through international and Lloyd's operations. Changing climate conditions can impact CAT frequency and severity and we monitor climate-related events in real time. Our National CAT Center, staffed by CAT management pros, allows us to direct strategic event responses from a secure, remote place. Using state-of-the-art tools, we actively monitor weather and claim trends, enabling us to turn information into action. We monitor climate-related risks and at least annually make short-term tactical adjustments. We use CAT models to evaluate event

		exposures and report aggregate exposures regularly to management and the Board Risk Committee. Risk management for these perils is integrated within, and as part of, our Enterprise Risk Management function. We monitor climate-related risks impacting business strategy and market adjustments on a 3-5 year horizon and long-term (transition) risks on a 5-50 year horizon.
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C2.2b

(C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.

Risk management for climate-related risks is integrated within, and as part of, our business model and Enterprise Risk Management (ERM) function. Our Board of Directors and its Risk Committee consider changing climate conditions as part of, and integral to, overseeing Travelers’ business and operations. The Board Risk Committee, composed of six independent directors in 2018, assists the Board in overseeing our operational activities and in identifying and reviewing risks that could have a material impact on Travelers, including climate-related risks and significant catastrophe (CAT) losses. We define a “CAT” as an event that is designated a CAT by certain organizations such as Property Claim Services (for U.S. and Canada), and Travelers’ estimates of ultimate losses before reinsurance and taxes exceed a pre-established dollar threshold. The CAT disclosure threshold is primarily determined at the reportable segment level; our 2018 threshold ranged from about \$18 million to \$30 million of losses before reinsurance and taxes. In addition to the Board Risk Committee, management-level Enterprise Risk and Underwriting Risk Committees are key parts of our ERM structure. A senior executive team, including the EVP, ERM and Chief Risk Officer (CRO), who reports to the EVP and Chief Financial Officer, and EVP and Enterprise Chief Underwriting Officer (CUO), who reports to Travelers Chairman and CEO, oversees the ERM process. For climate-related risks, several management groups and business-level risk committees, including Enterprise Underwriting (EU), Enterprise CAT Strategy, Emerging Issues Committee and the Committee on Climate, Energy and the Environment (CEEC), advise the Board and its Risk Committee. The CEEC is a cross-functional workgroup formed in 2006 to facilitate and support Travelers’ climate-related initiatives and strategies by sharing information and leveraging expertise. CEEC’s Risk Identification and Management subcommittee is chaired by EU; participants include ERM, Enterprise CAT Strategy, business underwriting groups, Risk Control, Investments, Government Relations and Legal. It meets monthly to assess climate-related risks identified by or referred to the group for review. Members stay current on climate-related risks, including through industry publications and external conferences, and actively monitor climate-related litigation and novel liability theories; climate-related law and regulatory changes; market-based efforts such as carbon pricing or cap-and-trade programs; efforts to adopt policies or implement programs designed to reduce emissions impacting global temperatures; and risks of emerging technology trends and products. The group is updated regularly by internal experts on new scientific analyses and published reports on weather trends and effects of changing climate conditions. Most reports focus on forward-looking impacts, including materials from the U.N.’s Climate Change Panel (IPCC); U.S. National Climate Assessment Reports; and articles from peer-reviewed journals. When a potential risk is identified, the

subcommittee engages in a comprehensive process to assess potential impacts to Travelers. The process includes key internal stakeholder groups and may be elevated to senior management and the Board as appropriate. For example, in 2018 Denver, CO approved a new Green Building Ordinance requiring that certain buildings have a “cool roof”, green space, solar panels, or other specified green space or renewable energy. We considered impacts on risk appetite and assessed our available proprietary Green Building-related products and services for Denver. We are monitoring implementation for pricing and underwriting impacts and our Risk Control and Claim teams are monitoring loss trends. Separately, the Enterprise CAT Strategy group assesses CAT risk and manages development of strategic CAT efforts, including using proprietary and third-party models and geospatial analysis to analyze CAT events and related risks. Based on active monitoring and evaluation, and recent events and expenses and other factors, these models are continually updated and are an integral part of our ERM process supporting our long-term financial strategies and objectives. Our Government Relations team helps shape climate-related federal policies or state regulations impacting Travelers. For example, in 2018, the federal Disaster Recovery Reform Act was passed. Under this long-standing priority for Travelers and the BuildStrong Coalition, Congress now provides states and localities with dedicated pre- and post-disaster funds that can save lives and help reduce future CAT costs by fortifying homes using IBHS proven technologies. We note that a 2018 National Institute of Building Sciences study evaluating results of 23 years of federal mitigation grants found that federal funding can save the U. S. \$6 in future disaster costs for every \$1 spent on hazard mitigation.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Travelers' domestic insurance subsidiaries are collectively licensed to transact insurance business in all U.S. states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands and are subject to regulation in the various states and jurisdictions in which they transact business. The extent of regulation varies, but generally derives from statutes that delegate regulatory, supervisory and administrative authority to a department of insurance in each state and jurisdiction. The regulation, supervision and administration relate, among other things, to standards of solvency that must be met and maintained, the licensing of insurers and their agents, the nature of and limitations on investments, premium rates, restrictions on the size of risks that may be insured under a single policy, reserves and provisions for unearned premiums, losses and other obligations, deposits of securities for the benefit of policyholders, approval of policy forms and the regulation of market conduct, including the use of credit information in underwriting as well as other underwriting and claims practices. State insurance

		<p>departments also conduct periodic examinations of the financial condition and market conduct of insurance companies and require the filing of financial and other reports on a quarterly and annual basis. State insurance regulation continues to evolve in response to the changing economic and business environment as well as efforts by regulators internationally to develop a consistent approach to regulation. For example, in 2018, the California State Insurance Commissioner issued a 2018 Climate Risk Carbon Initiative Coal Divestment Follow-up Survey to further assess whether more insurers doing business in California were voluntarily divesting or committing to divest some or all of their thermal coal holdings as compared to insurer responses received under California’s 2016 Climate Risk Data Survey issued to insurers with a request that insurers voluntarily divest from any investments in thermal coal.</p>
Emerging regulation	Relevant, always included	<p>Laws or regulations that are adopted or amended may be more restrictive than current laws or regulations and may result in lower revenues and/or higher costs of compliance and thus could materially and adversely affect our results of operations and limit our growth. For example, in August 2018, the U.S. EPA issued a proposed Affordable Clean Energy rule (ACE) as a next step in EPA’s proposal to repeal the Clean Power Plan or “CPP” issued in 2015 under the Obama Administration. Repeal of federally established, consistent standards for CO2 emissions from certain fossil fuel-fired power plants could result in states establishing their own individual standards, making underwriting and pricing more challenging. In addition, because tighter emissions controls, along with other factors, help drive the demand for cleaner renewable energy sources, the EPA’s plan to repeal the CPP could adversely affect the growing renewable energy market by reducing the demand for renewable energy. Over time, this may result in lower demand for Travelers insurance products and services relating to renewable energy.</p>
Technology	Relevant, always included	<p>Similar to other industries, the insurance industry is undergoing rapid and significant technological and other change. Traditional insurance industry participants, technology companies, “InsurTech” start-up companies, the number of which has increased significantly in recent years, and others are focused on using technology and innovation to simplify and improve the customer experience, increase efficiencies, redesign products, alter business models and effect other potentially disruptive changes in the insurance industry. If we do not anticipate, keep pace with and adapt to technological and other changes impacting the insurance industry, it will harm our ability to compete, decrease the value of our products to customers, and materially and adversely affect our business. Furthermore, innovation, technological change and changing customer preferences in the markets in which we operate also pose risks to our business. For example, technologies</p>

		<p>such as driverless vehicles, assisted-driving or accident prevention technologies, technologies that facilitate ride or home sharing, smart homes or automation could reduce the number of vehicles in use and/or the demand for, or profitability of, certain of our products, create coverage issues or impact the frequency or severity of losses, and we may not be able to respond effectively. Satellite derived building characteristics could improve the customer experience and catastrophe modeling vulnerability assumptions. Weather and climate models continue to improve via higher resolution and more accurate parameterizations of atmospheric processes due to increased computational capabilities. For example, in 2019, NOAA released a significant upgrade to their flagship weather model, the Global Forecast System (GFS), which will increase weather forecasting accuracy in the 1-7 day time period. The aforementioned examples could lead to changes in catastrophe model risk estimates which would need to be closely monitored, evaluated, and validated. Technological resiliency and mitigation continues to improve via building materials innovation (e.g. solar integrated impact-resistant roof tiles) but market penetration remains low.</p>
Legal	Relevant, always included	<p>Climate-related legal risk can impact our competitive position in our various businesses based on many factors, including but not limited to our:</p> <ul style="list-style-type: none"> • ability to avoid and mitigate fraudulent claims; and • ability to adapt to changes in business models, technology, customer preferences or regulation impacting the markets in which we operate. <p>Travelers CEEC Risk Identification and Management subcommittee closely monitors climate change-related litigation for potential changes to current liability theories that could impact our customers or our ability to offer insurance products and related services. For example, on November 14, 2018, the Pacific Coast Federation of Fishermen's Associations, Inc. filed a lawsuit in California Superior Court (San Francisco County) against Chevron Corp. and other entities in the fossil fuel industry alleging that climate change resulting from the defendants' production of fossil fuels has impaired the Dungeness Crab fishery (Case No. CGC-18-571285). Updates to management on climate-related legal risk are provided through Travelers ERM process.</p>
Market	Relevant, always included	<p>Travelers' competitive position in the marketplace is based on many factors, including the following:</p> <ul style="list-style-type: none"> • ability to profitably price business, retain existing customers and obtain new business. For example, population growth in high risk areas or in areas with weaker adoption and enforcement of building codes, urban expansion, and average house size increases are some

		<p>potential causal factors for why CAT losses may have increased since 2000.</p> <ul style="list-style-type: none"> • premiums charged, contract terms and conditions, products and services offered (including the ability to design customized programs). For example, state insurance regulation could impact our ability to manage property exposures in areas vulnerable to climate-driven losses. Travelers actively engages in efforts to increase and support resilient building methods. We provide credits for homes designated as IBHS FORTIFIED. • ability to provide products and services in a cost effective manner. For example, Travelers CAT response strategy is to respond to a significant CAT event using our own personnel, minimizing reliance on independent adjusters and appraisers; and • local presence. For example, Travelers uses its own employees to respond to CAT events. The Field CAT Team is the first responder and Claim centers not directly impacted contribute resources to the impacted center(s). Each claim center has a CAT Plan to facilitate its effective response to an event. <p>The marketplace also is affected by the available insurance industry capacity, as measured by statutory capital and surplus, and the availability of reinsurance from traditional sources such as reinsurance companies and capital markets (through CAT bonds), and non-traditional sources, such as hedge funds and pension plans. For example, Travelers uses a corporate CAT excess-of-loss reinsurance treaty to manage its exposure to CAT losses and to protect its capital. We also use CAT bonds to protect against certain weather-related losses in the Northeastern U.S.</p>
<p>Reputation</p>	<p>Relevant, always included</p>	<p>The effects of emerging issues on our business are uncertain and evolving. As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claim and coverage may emerge. Emerging Issues are issues that may adversely affect our business, including by extending coverage beyond our underwriting intent, by increasing the number, size or types of claims or by mandating changes to our underwriting practices. Emerging issues include, but are not limited to:</p> <ul style="list-style-type: none"> • judicial expansion of policy coverage and the impact of new or expanded theories of liability; For example, some novel theories of liability have been proposed in certain climate-related lawsuits filed in recent years. Travelers monitors climate-related litigation through the CEEC; • plaintiffs targeting property and casualty insurers, including us, in purported class action litigation relating to claims-handling and other practices; For example, following Hurricanes Katrina and Rita in 2005, plaintiffs filed federal class action lawsuits against many property

		<p>casualty insurers, including Travelers, in Louisiana U.S. District Courts. The plaintiffs alleged that insurers had unfairly or improperly handled claims following those extreme events during the 2005 Hurricane Season.</p> <ul style="list-style-type: none"> • the assertion of “public nuisance” or similar theories of liability, where plaintiffs seek to abate hazards to public health and safety and/or recover damages purportedly attributable to a “public nuisance”. For example, a series of coordinated climate change-related lawsuits filed in several state and federal courts, including new complaints filed in 2018, are currently being monitored by Travelers and include allegations relating to public or private nuisance; and • claims relating to potentially changing climate conditions, including higher frequency and severity of weather-related events. In some instances, these emerging issues may not become apparent for some time after we have issued the affected insurance policies. As a result, the full extent of liability under our insurance policies may not be known for many years after the policies are issued.
Acute physical	Relevant, always included	<p>Our property and casualty insurance operations expose us to claims arising out of catastrophes. Catastrophes can be caused by various natural events, including, among others, hurricanes, tornadoes and other windstorms, tsunamis, hail, wildfires, severe winter weather, floods and earthquakes. The geographic distribution of our business subjects us to catastrophe exposures in the United States and Canada, which include, but are not limited to: hurricanes from Maine through Texas; and tornadoes throughout the Central, Mid-Atlantic and Southeastern regions of the United States. In addition to our operations in the United States and Canada, our international operations subject us to catastrophe exposures in the United Kingdom, the Republic of Ireland and Brazil as well as to a variety of worldwide catastrophe exposures through our Lloyd’s operations. Responding to short-term, acute physical changes in natural catastrophe risk is an important component of our business model. For example, on an annual basis, Travelers incorporates drought and vegetation (i.e. fuel for wildfires) updates into underwriting and ratemaking decisions for wildfire, which allows us to respond to changes in short-term wildfire risk. Our catastrophe underwriting also incorporates lessons learned from recent events like the 2017 Tubbs Wildfire (California) and the 2018 Camp and Woolsey Fires (California).</p>
Chronic physical	Relevant, always included	<p>Severe weather events over the last two decades have underscored the unpredictability of future climate trends, and created uncertainty regarding insurers’ exposures to financial loss as a result of catastrophes and other weather-related events. For example, hurricane and storm surge activity have impacted areas further inland than previously experienced, and demographic changes have resulted</p>

		<p>in larger populations in coastal areas which historically have been subject to severe storms, thus expanding our potential for losses from hurricanes. Additionally, both the frequency and severity of tornado and hail storms in the United States have been more volatile during the last decade. The frequency and severity of wildfire losses have been elevated in more recent years. Demographic changes in areas prone to wildfires have expanded our potential for losses from wildfires. Accordingly, we may be subject to increased losses from catastrophes and other weather-related events. For example, in 2018, two hurricanes struck the U.S. in September (Florence) and October (Michael). Also, in 2018, the Camp Fire and Woolsey Fire in California resulted in total combined losses of \$453 million incurred as of 12/31/18 (pre-federal income tax and net of reinsurance).</p>
Upstream	Relevant, always included	<p>The marketplace is affected by the available capacity of the insurance industry, as measured by statutory capital and surplus, and the availability of reinsurance from both traditional sources, such as reinsurance companies and capital markets (through catastrophe bonds), and non-traditional sources, such as hedge funds and pension plans. Travelers reinsures a portion of the risks it underwrites in order to manage its exposure to losses and to protect its capital. Travelers also utilizes reinsurance to manage its aggregate exposures to catastrophes. Travelers monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements on a regular basis. Reinsurers are selected based on their financial condition, business practices, the price of their product offerings and the value of collateral provided. Travelers conducts an ongoing review of its risk and catastrophe coverages and makes changes. For example, Travelers utilizes a corporate catastrophe excess-of-loss reinsurance treaty with unaffiliated reinsurers to manage its exposure to losses resulting from catastrophes and to protect its capital. In addition to the coverage provided under this treaty, Travelers also utilizes catastrophe bonds to protect against certain weather-related losses in the Northeastern United States, and a Northeast catastrophe reinsurance treaty to protect against losses resulting from weather-related catastrophes in the Northeastern United States.</p>
Downstream	Relevant, always included	<p>Overall, our competitive position in our various businesses is based on many factors, including but not limited to our:</p> <ul style="list-style-type: none"> • ability to profitably price our business, retain existing customers and obtain new business. For example, population growth in high risk areas or in areas with weaker adoption and enforcement of building codes, urban expansion, and average house size increases are some potential causal factors for why catastrophe losses may have increased since 2000. • ability to provide our products and services in a cost effective manner. For example, Travelers catastrophe response strategy is to

		<p>respond to a significant catastrophic event using our own personnel, enabling us to minimize reliance on independent adjusters and appraisers. Our Claim Services group has developed a large dedicated catastrophe response team and trained a large Enterprise Response Team of existing employees who can be deployed on short notice in the event of a catastrophe that generates claim volume exceeding the capacity of the dedicated catastrophe response team. In recent years, these internal resources were successfully deployed to respond to a record number of catastrophe claims.</p> <ul style="list-style-type: none"> • ability to provide new products and services to meet changing customer needs. For example, Travelers Hybrid Auto product is available to personal insurance customers and our hybrid auto products are filed and available in most states. • ability to adapt to changes in business models, technology, customer preferences or regulation impacting the markets in which we operate. For example, Travelers' green building, renewable energy and clean technology products are filed and available in most states.
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C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Travelers uses a long-term financial strategy to manage risk/reward over time. Through our Enterprise Risk Management (ERM) framework, we actively evaluate risk/reward on both an individual and portfolio basis. This evaluation impacts the risks we decide to insure and the appropriate rate to charge. Risk management for physical, liability and transitional climate-related risks is addressed within our business model and ERM framework. We regularly review emerging issues, including changing climate conditions, to consider potential changes to our risk models and their use, as well as to help assess the need to adjust underwriting, pricing or reinsurance strategies, coverage terms and conditions. We evaluate event exposures using catastrophe (CAT) models and report aggregate exposure and strategies regularly to management and the Risk Committee of the Board. Our ERM process includes evaluating risk and reward, setting underwriting and operational strategies, and monitoring the results of our efforts. We consider various external environments and influences, including the economy and insurance marketplace, views of regulators, the investment community and rating agencies. For climate-related risks, several management groups and business-level risk committees, including the Enterprise CAT group, the Enterprise Risk Committee, the Emerging Issues Committee and the Committee on Climate, Energy and the Environment (CEEC), advise the Board and its Risk Committee. We use various analyses and methods, including proprietary and third-party computer modeling processes, to make underwriting and reinsurance decisions designed to manage our exposure to catastrophic events. For example, in 2019 Travelers has a corporate reinsurance program and catastrophe bond program that can potentially provide protection for certain losses from climate-related risks. In addition to CAT modeling and analysis, we model and analyze our exposure to other extreme events. These analytical techniques are an integral component of our ERM process and further support Travelers' long-

term financial strategies and objectives. Travelers' ERM program and capital modeling are highly-rated by industry rating organizations (Standard & Poor's Level II ERM rating is 'Very Strong', the highest possible). For climate-related opportunities, the CEEC Products, Market Development and Customer Services subcommittee is chaired by our Business Insurance Global Renewable Energy Practice Lead and includes Travelers' specialized industry experts from relevant disciplines across the company, including our Risk Control professionals. This team collaborates to assess the feasibility of exploring potential new markets and monitors the impact of climate and green trends on current product offerings. They share ideas and explore pursuing additional climate-related opportunities. After completing a vigorous process to evaluate the viability of an opportunity, if a determination is made that a product is viable and within our risk appetite, further vetting is conducted through our ERM process prior to product development and/or launch. For example, in connection with the climate-related opportunity driven by increased interest in Renewable Energy, a number of internal groups work to develop insurance products across multiple industry sectors such as off-shore wind within the renewable energy sector. These cross-functional teams analyze general industry standards, market data and loss trends to develop proprietary insurance products such as Travelers WindPak® and SolarPak® coverages. Offshore wind technology opens up the opportunity to develop sites that can be built quickly, at GW (gigawatt) scale, close to key markets making offshore wind an important addition to cost-effectively decarbonize the energy sector. Global offshore wind capacity is expected to reach 520 GW by 2050 and Travelers is positioned to benefit from the increased economic activity by insuring more renewable energy offshore wind projects globally, including off-shore wind projects in Europe and Asia, along with the first US off-shore wind farm project, Block Island Wind Farm.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Mandates on and regulation of existing products and services

Type of financial impact

Other, please specify

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

Increased insurance regulation may be adopted in response to certain disasters or catastrophes. Such measures may include, among other things, imposing moratoriums on policy cancellation or non-renewal for non-payment of premium; establishing further claims handling requirements or procedures or imposing additional claims data reporting requirements; establishing mediation programs for resolution of disputed claims and modifying adjuster licensing procedures for independent and public adjusters.

For example, in connection with the 2018 California wildfires (Camp Fire and Woolsey Fire), former California Insurance Commissioner Dave Jones issued formal notices to insurers (1) November 15, 2018 Notice regarding Expedited Claim Handling Billing Grace Period Procedures for California Wildfires calling upon property insurance companies to implement emergency expedited claims handling processes and billing grace periods. The Department sought flexibility from insurers with respect to advance payment of additional living expenses (ALE) which is not required under California law; advance payment of at least 25% of policy limits for personal property (contents) coverage; granting of billing leniency for at least 30 days for customers in designated wildfire disaster areas (which many insurers already provide voluntarily); and flexibility in administering personal property (contents) claims including requirements relating to inventory forms and itemization requirements (e.g., allow a listing of "100 DVDs" instead of requiring a list of specific titles in connection with proof of loss among other suggested relief; and (2) December 3, 2018 Notice regarding Residential Personal Property Coverage for Wildfire Insurance Claims calling on all insurers to follow certain practices of other insurers who are voluntarily providing at least 75% and up to 100% of Personal Property (Contents) coverage limits without requiring the insured to complete a detailed property inventory. The Notice further requested that insurers advise the Department whether or not they would comply with the requested relief and what percentage of limits would be paid without requiring completion of an inventory.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

453,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Costs associated with these risks vary and are hard to predict. The financial impact figure of \$453 million stated above represents the total combined Losses Incurred attributable to the California Camp Fire and Woolsey Fire as of 12/31/18 (pre-federal income tax and net of reinsurance). Any amounts attributable directly to the increased regulation example above would be included in this total and the impact of such amounts on the Total Losses would be low.

Management method

The company's exposure to catastrophes both by peril and by geographic region is monitored on a regular basis. Where needed, such exposure analysis can lead to changes in the underwriting strategy for a given peril/location. The company also may establish new or additional procedures and processes and may need to adjust staffing levels or its use of contracted services to help ensure that it remains compliant with additional regulatory standards imposed on insurers in the event of a future disaster or catastrophe. Any such regulatory standards likely would be implemented through efforts involving our Government Relations group in impacted state(s) and, when filing forms with state regulators is required, our Regulatory Affairs group. For example, the company has established a committee to work on regulatory and building code issues including promoting responsible development in areas less prone to weather events and stronger building codes. This committee seeks to build partnerships with third parties, including the Insurance Institute for Business and Home Safety (IBHS), Habitat for Humanity and the BuildStrong Coalition.

Cost of management

0

Comment

The cost of managing compliance with any additional regulatory standards could vary and would be impacted by the number and types of additional standards imposed on insurers, including following a future disaster or catastrophe.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Mandates on and regulation of existing products and services

Type of financial impact

Other, please specify
higher costs; less revenue

Company- specific description

States have, from time to time, passed legislation, and regulators have taken action, that have the effect of limiting the ability of insurers to manage catastrophe risk, such as legislation prohibiting insurers from reducing exposures or withdrawing from catastrophe-prone areas or mandating that insurers participate in residual markets. Participation in residual market mechanisms has resulted in, and may continue to result in, significant losses or assessments to insurers, including Travelers, and, in certain states, those losses or assessments may not be commensurate with our direct catastrophe exposure in those states.

For example, as a result of Hurricane Harvey, the Texas Windstorm Insurance Association (TWIA) assessed the property and casualty insurance industry \$281.8 million USD. Travelers' share of that was \$15.3 million USD.

Following catastrophes, there are sometimes legislative and administrative initiatives and court decisions that seek to expand insurance coverage for catastrophe claims beyond the original intent of the policies or seek to prevent the application of deductibles. Also, our ability to adjust terms, including deductible levels, or to increase pricing to the extent necessary to offset rising costs of catastrophes, particularly in the Personal Insurance segment, requires the approval of regulatory authorities in certain states.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

15,300,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Costs associated with these risks may vary as will Travelers share of such costs based on the state and specific action. For example, financial impacts to Property Residual markets vary significantly with storm activity year-to-year and state-to-state.

Management method

The company's Enterprise Catastrophe Strategy and Analysis department (Enterprise CAT) has operational responsibility for assessment of catastrophe risk and for managing the development of strategic CAT efforts. Through its Emerging Issues Committee and Committee on Climate, Energy and the Environment, Travelers works with its business units and corporate groups to identify and assess climate change-related liability issues, which are continually evolving and may be hard to fully evaluate. The company regularly reviews emerging issues, including changing climate conditions, to consider potential changes to its modeling and the use of such modeling, as well as to help determine the need for new underwriting strategies, coverage changes or new products. Travelers supports public and private policy actions to address the issues of insurance affordability and availability in areas susceptible to catastrophic climate events, including supporting better and enforced building codes and prudent land use planning. For example, the company has developed Travelers Coastal Wind Zone Plan, a comprehensive plan to improve the availability and affordability of named storm wind insurance for coastal homeowners.

Cost of management

0

Comment

The costs of managing the impacts of climate-related risks are embedded in our overall, ongoing risk management process, and any costs to manage legislative and regulatory risks, including those associated with changing climate conditions, are incremental to the costs of running our business.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Enhanced emissions-reporting obligations

Type of financial impact

Other, please specify

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

Under the current Administration in Washington, the regulatory environment generally remains uncertain. Continued uncertainty over the future of EPA regulations regarding air and water (including coal-related standards) may give rise to more environmental regulation at the state level. This, in turn, may result in differing sets of standards in each state, which could make insurance risk more difficult to underwrite and price, particularly as air and water travel beyond state boundaries.

For example, in August 2018, the U.S. EPA issued a proposed Affordable Clean Energy rule (ACE) as a next step in EPA's proposal to repeal the Clean Power Plan or "CPP" issued in 2015 under the Obama Administration. Repeal of federally established, consistent standards for CO₂ emissions from certain fossil fuel-fired power plants could result in states establishing their own individual standards, making underwriting and pricing more challenging. In addition, because tighter emissions controls, along with other factors, help drive the demand for cleaner renewable energy sources, the EPA's plan to repeal the CPP could adversely affect the growing renewable energy market by reducing the demand for renewable energy. Over time, this may result in lower demand for Travelers insurance products and services relating to renewable energy.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The Financial Impacts to Travelers associated with these risks are hard to predict and may vary based on the jurisdiction, Travelers current market share and the nature of the specific reporting obligation.

Management method

As with any regulatory change, underwriting and risk control may need to adapt to address any changes in the applicable regulatory environment(s). Costs associated with managing these risks are embedded in our overall ongoing risk management

process. For example, a new Green Building Ordinance was approved by the Denver City Council on October 29, 2018 and took effect on November 2, 2018 replacing a 2017 voter-led green roof ordinance. The new Green Building Ordinance requires certain new buildings to have the following green building requirements: a “cool roof” plus one of several additional options including green space, solar panels, off-site renewable energy purchase (with specific requirements), demonstration of decreased energy consumption, building certification of LEED Gold or other specified certification or a combination of green space and renewable energy device(s) with specific requirements. In lieu of providing required green space, a building owner may pay into a designated green building fund at rates based on square footage of the required green space. The ordinance also provides separate requirements for meeting green building requirements for certain existing buildings. We considered impacts on underwriting risk appetite and opportunities to market Green Building-related products and services. Going forward, we will assess whether product or service changes are needed in the Denver market and our Claim team will monitor related claim trends.

Cost of management

0

Comment

The costs of managing the impacts of climate-related risks are embedded in our overall, ongoing risk management process, and any costs to manage legislative and regulatory risks, including those associated with changing climate conditions, are incremental to the costs of running our business.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact

Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations

Company- specific description

The incidence and severity of catastrophes are inherently unpredictable, and it is possible that both the frequency and severity of natural catastrophic events could increase. Severe weather events over the last two decades have underscored the unpredictability of future climate trends, and potentially changing climate conditions could add to the frequency and severity of natural disasters and create additional

uncertainty as to future trends and exposures. During that time period, the insurance industry experienced increased catastrophe losses due to a number of potential causal factors, including, in addition to weather/climate variability, more people living in high-risk areas, population growth in areas with weaker enforcement of building codes, urban expansion and an increase in the average size of a house. Hurricane activity has impacted areas further inland than previously experienced by us, and demographic changes have resulted in larger populations in coastal areas which historically have been subject to severe storms and related storm surge, thus expanding our potential for losses from hurricanes. Additionally, both the frequency and severity of tornado and hail storms in the United States have been more volatile during the last decade. The frequency and severity of wildfire losses have also been elevated in more recent years. Demographic changes in areas prone to wildfires have expanded our potential for losses from wildfires. Moreover, the Company's catastrophe models may be less reliable due to the increased unpredictability in frequency and severity of severe weather events and emerging trends in climate conditions, among other factors. In addition to catastrophe modeling, we evaluate the findings contained in governmental reports, such as the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report and the U.S. Fourth National Climate Assessment Reports, as well as other external scientific studies related to climate to assess potential impacts on our underwriting and pricing decisions. For example, we have evaluated the extent to which phases of the Atlantic Multi-Decadal Oscillation, the El Niño Southern Oscillation, the North Atlantic Oscillation and Saharan dust conditions may influence changes in basin frequency, severity or U.S. landfall risk of hurricanes.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,200,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Estimated losses, comprising claims and allocated claim adjustment expenses, from a single event occurring in a one-year timeframe will equal or exceed the indicated loss

amounts, based on proprietary and third-party catastrophe models utilized by Travelers at December 31, 2018. For weather natural catastrophe perils, the 1-in-250 year (0.4% likelihood of exceedance) return period event loss is estimated at \$2.2 billion (net of reinsurance and federal income tax).

Management method

Management methods include underwriting and using CAT models to assess catastrophe risk potential. We actively monitor and evaluate changes in third-party models and, as needed, calibrate the CAT model estimates delivered via our proprietary processes. We consider CAT model stochastic loss estimates, historical loss experience, loss trend projections, lessons learned from recent events, underwriting practices, market share analyses, external scientific analyses and other factors, including non-modeled losses, to refine our proprietary view of CAT risk. We continually update our proprietary models, which are an integral part of our ERM process and support our long-term financial strategies and objectives, as new information and techniques emerge. Importantly, our underwriting appetite evolves as the environment evolves, and we modify our underwriting if we believe that the risks exceed our risk appetite. We are able to respond quickly since most of our policies renew annually. This gives us the flexibility to adjust our pricing, underwriting strategy and related policy terms and conditions, as appropriate. In addition to making short-term tactical adjustments to our underwriting strategy and product pricing based on the climate-related risks we identify, we monitor climate-related risks on a medium- and long-term horizon to arrive at a holistic view of climate-related impacts on our business, further allowing us to adjust and refine our strategy, products and pricing.

Cost of management

0

Comment

Our catastrophe underwriting incorporates lessons learned from recent events like the 2017 and 2018 California wildfires, and hurricanes Harvey, Katrina and Superstorm Sandy. Those lessons are reflected in our disciplined approach to terms and conditions which make outcomes more predictable; risk control initiatives, which make a difference in risk mitigation, selection, and pricing; proprietary flood underwriting which factors in building footprints compared to segmented flood zones; and proprietary wildfire underwriting, which factors in terrain slope, vegetation density and propensity to burn, road access including proximity to fire stations, as well as historical footprints. Travelers sponsors the IBHS, the BuildStrong Coalition, Habitat for Humanity® and the Wharton Risk Center to promote stronger building codes and more resilient communities and to influence industry standards and best practices. We provide credits for homes designated as IBHS FORTIFIED.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact

Other, please specify

Shift in consumer preferences

Company-specific description

Environmental legislation and regulation on the state and local levels, such as those pertaining to solar energy, could lead to an increase in demand for Travelers products that respond to customer needs resulting from such regulation. For example, San Francisco's Green Building Code (SFGBC) has requirements for new building construction that facilitate the development of renewable energy facilities and living roofs. The SFGBC standard requires that 15% of the roof space on most new construction is solar. Effective January 1, 2017, SFGBC provides a "living roof" alternative that requires between 15 and 30% of roof space on most new construction to incorporate solar, living (green) roofs, or a combination of both. This allows developers to replace required solar with living roof at a rate of 2 square feet of living roof for every 1 square foot of solar. These requirements apply to all new residential and commercial buildings that have 2,000 square feet (or more) gross floor area and have 10 or fewer occupied floors. Our dedicated Global Renewable Energy Practice, which provides solutions for renewable energy businesses, enables Travelers to evaluate and pursue the opportunities presented by the expanding renewable energy industry. Through a vigorous risk assessment by our specialized underwriters, we have the ability to tailor coverage to specific needs of renewable energy clients on an admitted or non-admitted basis. Our specialized insurance and surety products that address renewable energy associated risk such as Travelers SolarPak® could result in a potential increase in Business Insurance and Bond and Speciality Insurance net written premium.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Environmental legislation and regulation on the state and local levels, such as those pertaining to solar energy, could lead to an increase in demand for Travelers products that respond to customer needs resulting from such regulation. Growth in the renewable energy and clean technology industry segments, because of regulatory requirements, could result in increased sales of insurance products that serve these industries.

Strategy to realize opportunity

Travelers' green building, renewable energy and clean technology products are filed and available in most states. As an integral part of our business operations, we monitor, assess, and respond to the risks and opportunities posed by evolving climate and more environmentally friendly trends to provide insurance products and services that address our customers' needs. The production and sales of products and services that are responsive to climate and environmental trends occur in the ordinary course as part of our established business model. Our product development teams can react quickly to adjust products to address emerging perils. These products and services are an integral part of our normal business operation. Therefore, the net additional annual cost associated with this opportunity from the company baseline is \$0.

Cost to realize opportunity

0

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Type of financial impact

Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)

Company-specific description

Renewable energy is in a transformational period. According to the International Renewable Energy Agency's (IRENA) Nurturing Offshore Wind publication, over the next several decades (2050) \$13.1 Trillion is expected to be invested in new power generation capacity worldwide. Per IRENA, offshore wind technology opens the opportunity to develop sites that can be built quickly, at GW (gigawatt) scale, close to key markets making offshore wind an important addition to cost-effectively decarbonize the energy sector. According to IRENA, global offshore wind capacity looks to reach 520GW by 2050 as innovation continues and industry matures. The Renewables Portfolio Standard (RPS) has been enacted in 29 states and Washington, DC, and Alternative Energy Portfolio Standards (AEPS) have been adopted by three states. These standards are part of the renewable energy and alternative energy frameworks established by the U.S. Department of Energy and individual states. In addition, eight states and one territory have set renewable energy goals that are expected to increase the need for renewable energy products and services. These standards and goals and the related increased demand for renewable energy products and services provides the opportunity to develop new insurance products tailored to changes in related markets. Our dedicated Global Renewable Energy Practice, which provides solutions for renewable energy businesses, enables Travelers to evaluate and pursue the opportunities presented by the expanding renewable energy industry. Our Global Renewable Energy Practice consists of an expert team of professionals from businesses across the company who are dedicated to promoting our expertise and unique capabilities in the market and demonstrating our ability to provide solutions for renewable energy businesses. This enables Travelers to evaluate and pursue the opportunities presented by the expanding renewable energy industry.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Per BNEF's 2018 Renewal Energy Report Global, renewable and clean energy investments of \$ USD \$332.1 billion in 2018, which was the fifth year in a row to exceed \$300B mark. According to the Institute for Energy Economics and Financial Analysis article citing Bloomberg NEF, the portfolio standards being enacted in 29 US jurisdictions, and eight states setting renewable energy goals are all examples of initiatives that have helped drive the nation's \$64.2 billion investment market for on-shore and off-shore wind, solar, and other renewable energy sources.

Strategy to realize opportunity

Our Global Renewable Energy Practice (GREP) offers solutions for renewable energy businesses and facilitates their growth. In the last three years, our GREP grew its gross written premiums by a compounded annual growth rate of over 35%. When we identify a potential opportunity, we conduct a vigorous review to assess its viability and related risks. This involves experts from relevant disciplines across Travelers, including industry and Risk Control professionals. After determining that a product is viable and within our risk appetite, it is further vetted through our ERM process prior to product development and launch. We continue to aggressively pursue the renewable energy sector, seeking to insure commercial and residential solar installations globally and on- and off-shore wind farms in EU, ASIA, LATAM, and the US, including Block Island Wind Farm. As an integral part of our business operations, we monitor, assess, and respond to the opportunities posed by evolving climate-related trends to provide insurance products and services that address our customers' needs. The production and sales of products that respond to climate-related trends occur in the ordinary course under our business model. Our green building, global renewable energy and clean technology products are available in most states. These products and services are an integral part of our normal business operation; net additional annual cost associated with this opportunity from the company baseline is \$0.

Cost to realize opportunity

0

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Ability to diversify business activities

Type of financial impact

Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)

Company-specific description

Travelers Risk Control employs a network of safety and loss prevention professionals who provide assessment and consulting services to our customers and our Business Insurance (BI) domestic and international operations. Our network of 600+ Risk Control consultants and our self-service portal for business insurance customers provide a comprehensive framework and numerous planning resources, including individualized planning, to help businesses of all types plan for natural disasters, with a focus on safety and preserving business operations.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Climate trends, which manifest themselves over long periods of time, provide a long-term opportunity for Travelers Risk Control department to offer and develop services to help current and potential customers mitigate the risks associated with changing climate conditions. For example, to help mitigate and minimize property losses caused by weather-related events, Travelers Risk Control has developed a comprehensive framework of technical planning resources to assist customers with conducting business

impact analyses to prioritize and implement risk management action plans and physical improvements. Risk Control monitors events and claim trends and partners with associations such as the Insurance Institute for Business and Home Safety to assess innovative building products and new technologies to minimize wind, hail, flood and wildfire exposures. This deep domain expertise allows us to help customers improve their resiliency over time.

Strategy to realize opportunity

Travelers Risk Control professionals provide guidance to our customers that have incorporated “green” products or systems to reduce carbon emissions and/or increase environmental sustainability. These products and systems include, for example, solar panels on residential and commercial rooftops, lithium ion batteries used to store solar energy and vegetative roofs on commercial buildings.

Travelers Risk Control maintains technical committee memberships on the National Fire Protection Association (NFPA), UL Fire Council, the Property Insurance Research Association and other associations to research and evaluate the reliability and fire safety of “green” products and systems to determine how these products and systems impact fire, structural and safety exposures. This knowledge is used to continually update our views and empowers our Risk Control professionals to help our customers mitigate the risks associated with changing climate conditions and “green” trends, with a goal of improving outcomes while strengthening customer relationships. Therefore, the net additional annual cost associated with this opportunity from the company baseline is net \$0.

Cost to realize opportunity

0

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact

Increased revenue through demand for lower emissions products and services

Company-specific description

State and Local regulatory requirements such as the OneNYC (GBEE - Greener, Greater Buildings Plan) drive renovation work that could lead to increased construction activity, potentially creating opportunities to grow our contractor's book of business in impacted states such as the Top 10 States for LEED – MA, NY, IL, HI, MD, MN, GA, CA, VA, CO and DC. Travelers consults with industry advocates for better building standards that are designed to increase the survivability of commercial and residential structures. Travelers' specialized Construction casualty and surety teams, which also have expertise in "green" construction, provides: highly skilled underwriting; customized IndustryEdge® products for specific industries (such as our IndustryEdge® for Electrical Contractors and IndustryEdge® for General Contractors); and tailored programs and services to help reduce contractors' cost of risk, including risk associated with "green" construction products. IndustryEdge® is our fully integrated business risk solution which combines underwriting, risk control and claims services tailored to a range of different industries and businesses helping customers to reduce the cost of losses and mitigate their risks.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Environmental legislation such as that pertaining to state and local regulatory requirements for "green" buildings could lead to an increase in demand for Travelers products that respond to customers' needs pertaining to these regulations. Growth in the renewable energy and clean technology industry segments, as a result of regulatory incentives, could result in increased sales of insurance products that serve these industries and a potential increase in Business Insurance net written premiums. Our dedicated Global Renewable Energy Practice provides comprehensive solutions for renewable energy businesses and facilitates their growth. As noted above in Opportunity 2, in the last three years, our Global Renewable Energy Practice grew its gross written premiums by a compounded annual growth rate of over 35%.

Strategy to realize opportunity

Travelers is managing the opportunity by seeking business for the products we already have in the insurance market and by working to stay in front of developments that may result in changes in our products. As an integral part of our business operations, we monitor, assess, and respond to the risks and opportunities posed by evolving climate and more environmentally friendly trends to provide insurance products and services that address our customers' needs. The production and sales of products and services that are responsive to climate and environmental trends occur in the ordinary course as part of our established business model. Our green building, renewable energy and clean technology products are filed and available in most states. Our product development teams can react quickly to adjust products to address emerging perils. The products and services are an integral part of our normal business operation. Therefore, the net additional annual cost associated with this opportunity from the company baseline is \$0.

Cost to realize opportunity

0

Comment

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	<p>Renewable energy is in a transformational period. According to the International Renewable Energy Agency's (IRENA) Nurturing Offshore Wind publication, over the next several decades (2050) \$13.1 Trillion is expected to be invested in new power generation capacity worldwide. Per IRENA, offshore wind technology opens the opportunity to develop sites that can be built quickly, at GW (gigawatt) scale, close to key markets making offshore wind an important addition to cost-effectively decarbonize the energy sector. According to IRENA, the global offshore wind capacity looks to reach 520GW by 2050 as innovation continues and the industry matures. The portfolio standards being enacted in 29 US jurisdictions, and eight states setting renewable energy goals are all examples of initiatives that have helped drive the nation's \$64.2b investment market for on-shore and off-shore wind, solar and other renewable energy and clean technology sources (according to an IRENA figure).</p> <p>Based upon the research conducted by the CEEC Products , Market Development & Customer Services subcommittee on identify potential new products and assessing their feasibility, Travelers launched the Global Renewable Energy Practice in 2014, providing coverage products such as our SolarPak®, WindPak® and Lloyds Syndicate</p>

		<p>5000 to effectively manage the growing multinational demand for renewable energy products and services. Travelers continues to aggressively pursue opportunities in the renewable energy sector, such as by providing coverages for commercial and residential solar installations globally and for on-shore and off-shore wind farms globally including off-shore wind projects in Europe, Asia and the first US off-shore wind farm project, Block Island Wind Farm. Travelers continues to establish a flexible, complex and unified set of standards for the global renewable energy market opportunities. These initiatives and investments have significantly contributed to Travelers Global Renewable Energy Practice's business units domestically and internationally by increasing its gross written premiums by a compounded annual growth rate of over 35%.</p>
<p>Supply chain and/or value chain</p>		
<p>Adaptation and mitigation activities</p>	<p>Impacted</p>	<p>Travelers sponsors the Insurance Institute for Business and Home Safety (IBHS), the BuildStrong Coalition, Habitat for Humanity, and the Wharton Risk Center to promote stronger and more resilient building codes and influence industry standards and best practices. Travelers is an executive committee board member of IBHS, an independent, non-profit, scientific research organization supported by property insurance and reinsurance companies. Completed in 2010, IBHS is a full scale research testing facility capable of producing wind speeds up to 130 mph, rainfall rates up to 8 inches per hour, hail impact testing via ice cannons, and flying ember testing for wildfire risk and mitigation. Better science, testing, and understanding leads to improved building codes and standards. The IBHS FORTIFIED building code standards were developed based on full scale performance testing in the laboratory. At Travelers, mitigation credits are available for homes designated as FORTIFIED by IBHS.</p> <p>Travelers is an executive committee board member of the BuildStrong Coalition, composed of national business and consumer organizations, companies, and emergency management officials. BuildStrong is dedicated to advocating the federal government to legislate and incentivize state adoption and enforcement of building codes to protect property, save lives from the devastation of natural disasters, and reduce loss costs. The Disaster Recovery Reform Act, passed in 2018, incentivizes states to invest in resiliency to qualify for federal cost-share increases of post-disaster funds. Widespread adoption and enforcement of building codes strengthen the Federal Emergency Management Agency's (FEMA) goal of better equipping cities to prepare, prevent, respond to, and recover from natural disasters. A 2017 National Institute of Building Sciences' study concluded that for</p>

		<p>every \$1 spent on hazard mitigation \$6 is saved on future disaster costs while \$4 is saved by investing in hazard mitigation measures designed to exceed select building code requirements.</p> <p>Travelers provides extensive prepare and prevent resources to the general public (https://www.travelers.com/resources/weather) in conjunction with real-time weather alerts, bulletins, and mitigation tips to clients prior to and during events. Adaptation and mitigation activities have a meaningful impact on our business and business strategy.</p>
Investment in R&D	Impacted for some suppliers, facilities, or product lines	<p>Travelers invests in research and development to better understand product design and pricing in order to mitigate losses.</p> <ul style="list-style-type: none"> • Travelers developed a portal (Home Central) for consumers to evaluate and mitigate their risk. • Travelers actively monitors and evaluates changes in third-party catastrophe risk models and, when necessary, calibrates its catastrophe model estimates. Travelers considers historical loss experience, weather/climate trends, underwriting practices, market share analyses, external scientific analysis and various other factors to account for non-modeled losses to refine our proprietary view of catastrophe risk. • Travelers is invested in geospatial technology and capabilities in an effort to better understand and quantify spatial trends or changes in natural catastrophe risk. • Travelers is a key sponsor of the Insurance Institute for Business and Home Safety (IBHS) to understand and quantify the impact of building codes and standards on loss. Over the last decade, IBHS has identified gaps through full-scale laboratory testing at their state-of-the-art facility and influenced changes to existing building code standards and best practices to mitigate potential losses. • Travelers is a key sponsor of the Wharton Risk Management and Decision Processing Center where researching more effective ways to communicate risk and mitigate loss is a key focus. In addition, improving decision-making in the presence of uncertainty and engaging decision-makers in designing effective risk management policies are additional focus areas. • Artificial intelligence (AI) is a tool which has many potential applications to insurance and risk management. We are committed to and invested in better understanding AI and how it can be applied to our business. <p>Investment in Research and Development has a high impact on our business and business strategy.</p>
Operations	Impacted	<p>Weather has a high impact on our operations. Travelers Claim University was developed as part of our strategic management of and response to catastrophic events as well as non-weather related</p>

		<p>extreme events. Our Catastrophe response objectives are to control the financial risk and create an exceptional customer service experience in a dynamic catastrophic environment. We accomplish our objectives through the use of our own employees, without dependency upon third party claim handling resources outside of Travelers. Our employees understand our business culture and customer service values. Our strategy is to use our collective knowledge and expertise in a collaborative way in responding to our customers at a time they need us the most.</p> <p>The National Catastrophe Response Center (CAT Center) is the foundation for our Catastrophe Response. It functions as the command and control center coordinating our response with Field Operations. Coordination of those strategies is managed from the Catastrophe Operations Management Center (COM Center) room within the CAT Center.</p> <p>The Field Catastrophe Team is considered the first responder during an event, and its claim professionals are strategically located in teams across the country. This group understands the challenges involved with working in disaster areas and are on call to be deployed anywhere in the country within hours. The Field CAT organization includes 27 teams of dedicated staff, skilled to handle high frequency and high severity events 365 days a year.</p> <p>Field Operations consists of 18 claim centers across the country (19 across North America) that have a critical role in our Catastrophe Response. The impacted claim center owns the catastrophe response. Claim centers not directly impacted by the event contribute resources to the impacted claim center(s). Each claim center has a Catastrophe Plan to facilitate its effective response to an event.</p> <p>The Enterprise Response Team (ERT) is a business strategy that engages the core values and skills of the entire Enterprise population in response to catastrophic events. We do not rely on external third party claim handling resources to manage excess volume, as our customers choose Travelers for their insurance needs. During a catastrophic event in their lives, our customers deserve the values and commitment to superior customer service that our employees embody.</p>
Other, please specify		

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	<p>Our revenues have been positively impacted by the opportunities presented by renewable energy. Our dedicated Global Renewable Energy Practice, which provides solutions for renewable energy businesses, enables Travelers to evaluate and pursue the opportunities presented by the expanding renewable energy industry. Travelers is positioned to benefit from the increased economic activity by insuring more renewable energy projects globally. Our dedicated Global Renewable Energy Practice provides solutions for the life span of a renewable energy business, from research and development and manufacturing to permanent operations, as well as on- and off-shore wind, solar and biopower operations. This practice is designed to help Travelers capture a greater share of the expanding renewable energy industry domestically and internationally, as trends toward renewable and clean energy sources continue to accelerate. We continue to aggressively pursue the renewable energy sector, such as by providing coverages for commercial and residential solar installations globally and for on-shore and off-shore wind farms globally, including the first U.S. off-shore wind farm project, Block Island Wind Farm. For the three-year period ended December 31, 2018, our Global Renewable Energy Practice — domestically and internationally — grew its gross written premiums by a compounded annual growth rate of over 35%.</p>
Operating costs	Impacted	<p>As discussed above, as a property-casualty insurance company, weather impacts Travelers operating costs. Whether that impact is low, moderate or high in any given quarter is driven by the frequency and severity of weather-related events including catastrophes and non-catastrophe events. Travelers continually monitors its investment in claim resources to maintain an effective focus on claim outcomes and a disciplined approach to continual improvement. In recent years, the Company has invested significant additional resources in many of its claim-handling operations, including the utilization of drone technology, and routinely monitors the effect of those investments to ensure a consistent optimization among outcomes, cost and service. Travelers Claim University was developed as part of our strategic management of and response to catastrophic events as well as non-weather related extreme events. Our Catastrophe response objectives are to control the financial risk and create an exceptional customer service experience in a dynamic catastrophic environment. We accomplish our objectives through the</p>

		use of our own employees, without dependency upon third party claim handling resources outside of Travelers. Our employees understand our business culture and customer service values. Our strategy is to use our collective knowledge and expertise in a collaborative way in responding to our customers at a time they need us the most.
Capital expenditures / capital allocation	Impacted	Weather has a high impact on Travelers capital expenditures and capital allocation. We heavily invest in natural catastrophe risk models and other risk assessment tools which require considerable licensing, information technology (IT), and staffing costs. On an annual basis, we monitor changes in catastrophe model output on our book of business, changes in the state-of-the-science, and weather and non-weather loss trends as part of the natural catastrophe planning process by business unit and by peril.
Acquisitions and divestments	Not yet impacted	For 2018, Travelers did not undertake any climate-related acquisitions or divestments.
Access to capital	Impacted	Weather can impact Travelers access to capital. Travelers utilizes a corporate catastrophe excess-of-loss reinsurance treaty with unaffiliated reinsurers to manage its exposure to losses resulting from catastrophes and to protect its capital. In addition to the coverage provided under this treaty, Travelers also utilizes catastrophe bonds to protect against certain weather-related losses in the Northeastern United States, and a Northeast catastrophe reinsurance treaty to protect against losses resulting from weather-related catastrophes in the Northeastern United States. For example, in 2019 Travelers has a corporate reinsurance program and catastrophe bond program that can potentially provide protection for certain losses from climate related risks.
Assets	Impacted	Weather can have a high impact on Travelers assets. As a result of weather-related catastrophes, for example, Travelers often pays claims under the insurance policies it has written for its policyholders. This may create a reinsurance recoverable under Travelers' catastrophe reinsurance policies. In 2018, Travelers reinsurance recoverables totaled \$8.370 billion (a portion of which related to catastrophes).
Liabilities	Impacted	Weather can have a high impact on Travelers liabilities. As a result of weather events, Travelers often incurs losses under the insurance policies it has written for its policyholders. These losses comprise part of Travelers loss reserves. The process of estimating loss reserves involves a high degree of judgment and is subject to a number of variables. These variables are affected by both internal and external events, such as changes in claims. In 2018, Travelers total loss reserves were \$50.7 billion.

Other		
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C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

As previously described, we have dedicated committees that identify, assess and mitigate climate related risks and opportunities as part of our ERM process. Additionally, we continue to analyze our impacts on the environment and work to minimize negative implications. This is accomplished utilizing an environmental management system that is based upon a continuous analysis of our operations to determine how they could be made more efficient and how we could lessen our environmental impacts. Some of the key elements of our environmental management system include: periodic recommissionings of facilities; evaluating emerging technologies and their potential use in our facilities; partnering with power and other utility providers to review our operations and, when available, utilizing their incentive programs to help fund our improvements; utilizing technology to fine tune the operations parameters; and with respect to waste, minimizing and recycling as much waste as possible. To help measure our progress for continual improvements in efficiency, all Travelers-owned facilities go through an annual Energy Star recertification process. As a result of our successes in reducing our carbon we modified our reduction goal to a 40% reduction by 2020. In 2017, we spent considerable time changing our data collection and tracking process and vendors involved as well as putting in place the methodology to report for the first time on Scope 3 Business Travel. We will continue to report Business Travel going forward. Our real estate team conducts facilities assessments on all owned sites annually, these collective reviews help us to determine which building initiatives to focus on in the next year and drive sustainable initiatives as appropriate. A recent business decision made (as part of our owned space interior renovation program) was to upgrade all lighting on Hartford Campus to LED fixtures in an effort to reduce our utility consumption, extend the asset life of our lights on campus and provide an enhanced environment for Travelers employees.

C3.1d

(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios	Details
Other, please specify Company developed scenario	We start with an evaluation of our real estate footprint and operational efficiency opportunities to reduce cost. We then assess the real estate portfolio and planned initiatives and opportunities for enhancement. This is an annual process conducted by the real estate team and monitored/implemented through the day-to-day efforts of our facilities and real estate project teams. This process ultimately builds our 10-year capital plan so that we can see what building/operational improvements are necessary and when. We conduct an ongoing evaluation of alternative energy options as it relates to these building operation initiatives and if there are opportunities to reduce our energy consumption. Finally we evaluate potential changes to energy regulations and those impacts on our costs and operations. Most recent impacts of scenario analysis have been to modify our reduction goal and to make the decision to continue to purchase steam and chilled water for the next five years from our market provider in Hartford, CT in lieu of building our own operating plant.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Scope

Scope 1+2 (location-based)

% emissions in Scope

100

Targeted % reduction from base year

40

Base year

2011

Start year

2011

Base year emissions covered by target (metric tons CO2e)

84,603

Target year

2020

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

% of target achieved

85

Target status

Underway

Please explain

This is the third goal established by Travelers. The first goal was a reduction of 7% through 2011 based on a 2006 base year. The company surpassed that goal and set a new one of 4% through 2020 based on a 2011 base year. We subsequently increased it to a 40% reduction by 2020 with the same 2011 base year.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0

To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	0	0
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type

Energy efficiency: Building fabric

Description of initiative

Maintenance program

Estimated annual CO₂e savings (metric tonnes CO₂e)

0

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

>30 years

Comment

Maintenance targeting windows and roofs to reduce energy loss. All new roofing is installed with a warranty. Average amount spent annually for preventative maintenance and repair to ensure building integrity is \$50,000 excluding any replacement costs. Roof and window replacements occur based on long term strategic plan and those costs are capitalized. This maintenance and replacement program for building fabric will be ongoing for the life of each building. Roof and window maintenance/repair does not

have a payback period whereas full replacement will be capitalized and have varying payback periods depending on project scope.

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO₂e savings (metric tonnes CO₂e)

0

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

4 - 10 years

Estimated lifetime of the initiative

16-20 years

Comment

Continued upgrading of lights to LED working with local utility companies for incentives when available. Total amount spent by site is not measured and will have varied lifetime and payback depending on specific building and any incentives for that specific project. Currently with our renovations of interiors on our Hartford campus we have spent \$3M dollars and plan to spend an additional \$3.9M over the next 2.5 years on LED conversion portion of the project.

Initiative type

Energy efficiency: Processes

Description of initiative

Process optimization

Estimated annual CO₂e savings (metric tonnes CO₂e)

0

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

Ongoing upgrading of IT equipment in data centers to more energy efficient options. Total amount spent by site is not measured and will have varied lifetime and payback depending on which equipment is changed in that specific data center. We typically upgrade the equipment every three years.

Initiative type

Process emissions reductions

Description of initiative

New equipment

Estimated annual CO2e savings (metric tonnes CO2e)

0

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

Partnering with car manufacturing companies to continue transition of fleet to more efficient vehicles/engines upon replacement.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal finance mechanisms	After making sure we are in compliance with all regulatory requirements/standards, individual projects are reviewed based upon a number of factors, including overall impact on future operating costs, future carbon counts, potential for overall building deterioration if delayed, and the relationship to other capital investments. We do not separately track the costs and returns of these types of projects from all of the others designed to maintain and improve our ongoing operations. For example, if a project benefits us in the reduction area but also produces a business operating efficiency we don't try to allocate some of the savings to one initiative and some to another.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2011

Base year end

December 31, 2011

Base year emissions (metric tons CO2e)

37,436

Comment

Scope 2 (location-based)

Base year start

January 1, 2011

Base year end

December 31, 2011

Base year emissions (metric tons CO₂e)

47,167

Comment

Scope 2 (market-based)

Base year start

January 1, 2011

Base year end

December 31, 2011

Base year emissions (metric tons CO₂e)

47,167

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

25,591

Start date

January 1, 2018

End date

December 31, 2018

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

29,880

Scope 2, market-based (if applicable)

29,880

Start date

January 1, 2018

End date

December 31, 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

We own a small facility in London that is not included in our reporting as the total scope 1 & 2 emissions are less than 0.5% of our total scope 1 & 2 emissions.

Relevance of Scope 1 emissions from this source

Emissions are not evaluated

Relevance of location-based Scope 2 emissions from this source

Emissions are not evaluated

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Small building has not been part of our reporting due to small impact as it's total scope 1 & 2 emissions are less than 0.5% of our total scope 1 & 2 emissions.

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Explanation

Not evaluating at this time.

Capital goods

Evaluation status

Relevant, not yet calculated

Explanation

Not evaluating at this time.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Explanation

Do not engage in any Scope 3 related fuel and energy related activities.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Explanation

Not evaluating at this time.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Explanation

We do not calculate at this time.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

18,584

Emissions calculation methodology

Miles traveled for air, rail and rental cars are provided by travel providers. All miles are then multiplied by the emissions factors provided in table 8 of the EPA Emissions Factors for Greenhouse Gas Inventories.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Employee commuting

Evaluation status

Relevant, not yet calculated

Explanation

We do not calculate at this time.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Explanation

Any emissions emitted from upstream leased assets would be captured in our scope 1 and 2 emissions.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Explanation

The only downstream transportation and distribution would be in the form of policies and information regarding their policies or best practices in avoiding risk. We encourage much of this distribution as possible to take place electronically however many state regulations require certain notices to be provided in writing and customers must be a part of the decision to receive electronically. Currently, we are advertising a partnership with American Forests where we will plant a tree for every Personal Insurance customer that chooses paperless billing.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Explanation

There are no physical products other than policy materials mentioned above.

Use of sold products

Evaluation status

Not relevant, explanation provided

Explanation

There are no physical products other than policy materials mentioned above.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Explanation

There are no physical products other than policy materials mentioned above.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Explanation

There are no physical products other than policy materials mentioned above.

Franchises

Evaluation status

Not relevant, explanation provided

Explanation

Travelers has no franchises.

Investments

Evaluation status

Relevant, not yet calculated

Explanation

We do not calculate at this time.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Explanation

Have nothing that doesn't fit into the stated categories

Other (downstream)

Evaluation status

Not relevant, explanation provided

Explanation

Have nothing that doesn't fit into the stated categories

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00000183

Metric numerator (Gross global combined Scope 1 and 2 emissions)

55,471

Metric denominator

unit total revenue

Metric denominator: Unit total

30,282,000,000

Scope 2 figure used

Location-based

% change from previous year

3.55

Direction of change

Decreased

Reason for change

All of the emissions reduction activities mentioned above such as LED lighting conversions, building automation upgrades and programming adjustments and fleet car program efficiencies as well as company revenue increase.

Intensity figure

1.85

Metric numerator (Gross global combined Scope 1 and 2 emissions)

55,471

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

30,000

Scope 2 figure used

Location-based

% change from previous year

1.06

Direction of change

Increased

Reason for change

All of the emissions reduction activities mentioned above such as LED lighting conversions, building automation upgrades and programming adjustments and fleet car program efficiencies aided in maintaining an essentially flat intensity figure from the prior year. A slight increase can be attributed to electricity increase at Data Centers as it was a year where equipment was refreshed (most equipment is on three year cycle - so is

replaced every three years. During the replacement both new and old machines run until all testing is complete to shut down old machines.)

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO ₂ e)	GWP Reference
CH ₄	20	IPCC Second Assessment Report (SAR - 100 year)
N ₂ O	107	IPCC Second Assessment Report (SAR - 100 year)
CO ₂	25,464	IPCC Second Assessment Report (SAR - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO ₂ e)
United States of America	25,591

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO ₂ e)
Mobile combustion	24,329
Office Activity	1,262

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	29,880	29,880	75,042	9,614

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Office Activity	29,880	29,880

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption				

Other emissions reduction activities				
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions	581	Increased	1	Scope 1 & 2 in 2017 were 54,890 - this was modestly increased to in 55,471 in 2018 for a difference of 581. The primary drivers can be attributed to electricity increase at Data Centers as it was a year where equipment was refreshed (most equipment is on three year cycle - so is replaced every three years. During the replacement both new and old machines run until all testing is complete to shut down old machines.).
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	104,569	104,569
Consumption of purchased or acquired electricity		9,614	46,696	56,310
Consumption of purchased or acquired heat		0	2,635	2,635
Consumption of purchased or acquired steam		0	13,107	13,107
Consumption of purchased or acquired cooling		0	12,603	12,603
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		9,614	179,610	189,224

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Aviation Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

18,595

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-cogeneration or self-trigeneration

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

113

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-cogeneration or self-trigeneration

113

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

5,619

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-cogeneration or self-trigeneration

Comment

Fuels (excluding feedstocks)

Fuel Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

80,242

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-cogeneration or self-trigeneration

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Aviation Gasoline

Emission factor

9.75

Unit

kg CO2 per gallon

Emission factor source

EPA eGRID 2016

Comment

Diesel

Emission factor

10.08

Unit

kg CO2 per gallon

Emission factor source

EPA eGRID 2016

Comment

Fuel Gas

Emission factor

8.78

Unit

kg CO2 per gallon

Emission factor source

EPA eGRID 2016

Comment

Natural Gas

Emission factor

53.06

Unit

kg CO2 per million Btu

Emission factor source

EPA eGRID 2016

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	113	113	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

No purchases or generation of low-carbon electricity, heat, steam or cooling accounted with a low-carbon emission factor

Low-carbon technology type

Region of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed associated with low-carbon electricity, heat, steam or cooling

Emission factor (in units of metric tons CO2e per MWh)

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Travelers Verification Statement 2018 final.pdf

Page/ section reference

2 page document attached

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Travelers Verification Statement 2018 final.pdf

Page/ section reference

2 page document attached

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope

Scope 3- at least one applicable category

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

 Travelers Verification Statement 2018 final.pdf

Page/section reference

2 page document attached

Relevant standard

ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Climate change is integrated into supplier evaluation processes

% of suppliers by number

20

% total procurement spend (direct and indirect)

25

% Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Program focuses on vendors that are known to have an environmental impact. Many of these vendors are large companies with comprehensive sustainability programs. Most are in the information technology, print finishing, furniture, fixtures, and other operations related fields.

Impact of engagement, including measures of success

We utilize the responses in our evaluation and selection of suppliers. Thereafter, the suppliers are held to requirements of law per contracts and our supplier code of conduct. We have found that many of these suppliers are focusing on reducing their environmental impact on an annual basis.

Comment

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

We meet with peer companies as well as trade associations (i.e. BOMA, IFMA and CoreNet Global) on strategies that others have used and the successes they have been able to achieve that we may be able to apply. In some cases, these best practices have been implemented to our operations such as building automation setting adjustments (i.e. how far ahead of the workday pumps and motors turn on to begin cooling or heating and when they turn off for the day).

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

Funding research organizations
 Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify National Flood Insurance Program Re-Auth	Support	Travelers partners with industry trade groups and academic institutions in developing sound principles for NFIP re-authorization. The Travelers Government Relations team and business leaders directly engage with members of Congress and the Administration on proposed legislation.	Various Bills have been proposed in the House and Senate. Travelers supports principles that include: multi-year re-authorization, mitigation grants to consumers, improved flood maps, greater transparency to consumers, long term program solvency and improvements to the claim settlement process.
Other, please specify The Disaster Recovery Reform Act	Support	Travelers serves on the Executive Committee of the BuildStrong Coalition, a leading advocacy organization comprised of insurers, consumer organizations, contractors, manufacturers, and emergency management officials dedicated to promoting a nationwide mitigation and resiliency program along with the adoption of building codes. The Coalition successfully advocated for inclusion of The Disaster Recovery Reform Act, as part of supplemental disaster recovery aid legislation passed in 2018. The provision adjusts the federal cost share reimbursement from 75 percent to as high as 85 percent by incentivizing states to invest in resiliency through the adoption of mitigation plans, adoption and enforcement of building codes, participation in the community rating system, and among other things, funding	With the passage of the Act, the Coalition, along with Travelers, is now providing suggestions to FEMA in order to issue guidance on how to weight measures and investments in mitigation based on actuarial assessments. Travelers strongly supports reforms that mitigate risk and strengthen the resiliency of communities in the face of natural disasters. Stronger building codes and resiliency plans enable families to benefit by protecting their property and loved ones, while reducing personal disaster costs and by helping citizens and businesses recover more quickly after a natural disaster.

		mitigation projects that reduce risk and exposure.	
Adaptation or resilience	Support	Travelers supports, on a direct and indirect basis, the concept of rate adequacy and risk based pricing across states, including coastal states and in particular those that maintain state sponsored insurance entities, e.g., windpool, fairplan and residual markets. Through our participation with these state-sponsored insurance entities, we support associated measures around risk based pricing, including discounts for wind mitigation. In addition, we support the windpools mitigation grant pilot programs that have been developed in South Carolina and Alabama.	Support concept of risk-based and actuarially sound rates so these markets stay true to their respective charters to serve as a market of last resort for insureds. Advocate reducing the potential for the US taxpayer to bear the brunt of inadequate capitalization of these markets by encouraging review and action related to market solvency.
Other, please specify Travelers Coastal Wind Zone Plan	Support	Travelers' proposal to improve the availability and affordability of catastrophic wind coverage in communities along the Gulf and Atlantic coasts. This initiative promotes risk mitigation strategies such as better building codes and prudent land use planning, and advocates for rating transparency and a consistent regulatory environment to address the insurance availability crisis in vulnerable coastal areas.	To advance the principles of the Travelers Coastal Wind Zone Plan and to raise awareness of the need to address the threats posed to coastal areas, the Travelers Institute convened a coastal risk symposia series. These policy discussions were conducted in collaboration with organizations such as Ceres and The Insurance Institute for Business and Home Safety, and brought together business, government, and community leaders to identify strategies and solutions to protect and insure hurricane prone coastal regions.
Other, please specify Trav Institute sm/med business advocacy	Support	The Travelers Institute convenes small and medium-sized business leaders, public policymakers, and industry experts across the country to examine solutions to the challenges facing small businesses today, with particular	To help small and medium-sized businesses thrive, panel discussions raise awareness around business risks and promote education about business continuity planning and disaster preparedness to help companies

		focus on business continuity planning and cybersecurity.	assess and reduce business vulnerability and increase resilience against natural events. In 2018, events were held in Irvine, CA to mark National Small Business Week, as well as San Antonio and Las Vegas. Recent events have featured notable speakers from the U.S. Department of Homeland Security, the FBI, Federal Reserve Banks, the U.S. Small Business Administration, the National Association of Women Business Owners, the Women’s Business Development Council, and Insurance Commissioners.
Other, please specify Community Resilience - Award	Support	To promote excellence in building resilient communities in the United States, the Travelers Foundation, in collaboration with the Travelers Institute, has created an annual Excellence in Community Resilience Award of \$100,000 to raise awareness about disaster preparedness and promising practices for response and recovery after major events. Applicants’ initiatives demonstrate leadership in addressing safety, community resiliency, and/or financial threats related to catastrophic events. In addition, programs take into consideration the varying needs of all residents of the geographic region.	We continue to be a constructive participant in the public policy dialogue on these important issues facing our industry, customers, agents, and brokers, and the community at large, assisting with public awareness of the need for public planning. The award is presented each year at the Travelers Institute’s Kicking Off Hurricane Preparedness Season symposium. In 2018, Smart Home America, a nonprofit that promotes the use of stronger construction methods, improved building codes and policies that create resilient communities, was honored.
Other, please specify Community Resilience - Symposium	Support	An annual “Kicking Off Hurricane Preparedness Season” symposium offers consumers and businesses preparedness tips for hurricane season. The 2018 symposium was held at the Federal Reserve Bank of Dallas Houston Branch and featured the Branch’s senior vice president	The Kicking Off Hurricane Preparedness Season symposium features expert speakers who explore how local governments, businesses and families can prepare for and recover from severe weather. Speakers have included representatives from the Federal Emergency Management

		sharing lessons learned from their response to Hurricane Harvey.	Agency (FEMA), the Insurance Institute for Business and Home Safety (IBHS), the Federal Reserve Bank and others, who share practical tips and encourage preparedness, just before the start of the Atlantic hurricane season. Past events have also been held on Capitol Hill and at the American Museum of Natural History in New York, as part of the Nature's Fury exhibit.
Other, please specify Team Rubicon	Support	In 2016, Travelers began a three-year commitment as the exclusive insurance sponsor of Team Rubicon's Mobile Training Center (MTC), a new disaster response outreach program. In 2017 and 2018, the MTC visited approximately 79 cities, engaging more than 3,200 individuals and training nearly 1,000 members in response-related courses. Team Rubicon, a nonprofit organization, unites the skills and experiences of military veterans with first responders to rapidly deploy emergency response teams after disasters, all while providing veterans with a new sense of purpose, community and identity.	\$1 million grant provided to Team Rubicon to fund its Mobile Engagement Team. The Mobile Training Center will travel across the U.S. to provide large-scale training events, recruit volunteers and establish relationships with state and local emergency management agencies. Team Rubicon was the first annual recipient of Travelers' Excellence in Community Resilience Award in 2015.
Other, please specify CT DEP Advisory Panel-Resilient Building	Support	Continuing participation as an advisory panel member on development of a Property Assessed Resilient Building (PARB) long-term finance mechanism to assist homeowners with flood mitigation and loss control measures.	Travelers continues to participate in initiatives that are intended to proactively provide the public with the benefit of improved community resiliency before a natural disaster occurs. The increased resiliency from wind and flood loss control mechanisms installed before an extreme weather event serve to reduce disaster recovery costs and protect lives.
Other, please specify	Support	The Connecticut Institute for Resilience and Climate Adaptation (CIRCA) is a	As a member of the CIRCA Executive Steering Committee, including the CIRCA Matching

<p>CT Inst Resilience & Climate Adaptation</p>		<p>partnership of the University of Connecticut and the Connecticut Department of Energy and Environmental Protection. The mission of CIRCA is to assist Connecticut towns and cities to adapt to a changing climate and to enhance the resilience of their infrastructure. Travelers is a key member of the CIRCA Executive Steering Committee and is involved in the CIRCA Matching Funds Program.</p>	<p>Funds Program, Travelers is involved with CIRCA's consideration of requests from Connecticut municipalities, institutions, universities, foundations, and other non-governmental organizations for matching funds for projects that address the mission of CIRCA. The priority areas of the CIRCA Matching Funds Program are those that involve collaboration with CIRCA to address at least one of the following priority areas: (i) Improve scientific understanding of the changing climate system and its local and regional impacts on coastal and inland floodplain communities; (ii) Develop and deploy natural science, engineering, legal, financial, and policy best practices for climate resilience; (iii) Undertake or oversee pilot projects designed to improve resilience and sustainability of the natural and built environment along Connecticut's coast and inland waterways; (iv) Create a climate literate public that understands its vulnerabilities to a changing climate and which uses that knowledge to make scientifically informed, environmentally sound decisions; (v) Foster resilient actions and sustainable communities – particularly along the Connecticut coastline and inland waterways – that can adapt to the impacts and hazards of climate change; and (vi) Reduce the loss of life and property, natural system and ecological damage, and social disruption from high impact events.</p>
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C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

BuildStrong Coalition

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

BuildStrong Coalition is a leading advocacy organization comprised of insurers, consumer organizations, contractors, manufacturers, and emergency management officials dedicated to promoting a nation-wide mitigation and resiliency program along with the adoption of building codes. BuildStrong is dedicated to advocating the federal government to legislate and incentivize state adoption and enforcement of building codes to protect property, save lives from the devastation of natural disasters, and reduce loss costs. The Coalition successfully advocated for inclusion of The Disaster Recovery Reform Act, as part of supplemental disaster recovery aid legislation passed in 2018. The provision adjusts the federal cost share reimbursement from 75 percent to as high as 85 percent by incentivizing states to invest in resiliency through the adoption of mitigation plans, adoption and enforcement of building codes, participation in the community rating system, and among other things, funding mitigation projects that reduce risk and exposure. The Coalition is working to align federal, state, and local governmental and private sector resources and priorities to unlock the full potential of and follow the mandates set forth under new and existing disaster programs.

How have you influenced, or are you attempting to influence their position?

Travelers strongly supports reforms that mitigate risk and strengthen the resiliency of communities in the face of natural disasters. Stronger building codes and resiliency plans enable families to benefit by protecting their property and loved ones, while reducing personal disaster costs and by helping citizens and businesses recover more quickly after a natural disaster. Travelers serves on the Executive Committee of the BuildStrong Coalition. With the passage of the Act, the Coalition, along with Travelers, is now providing suggestions to FEMA in order to issue guidance on how to weight measures and investments in mitigation based on actuarial assessments. Travelers strongly supports reforms that mitigate risk and strengthen the resiliency of communities in the face of natural disasters. Stronger building codes and resiliency plans enable

families to benefit by protecting their property and loved ones, while reducing personal disaster costs and by helping citizens and businesses recover more quickly after a natural disaster.

Trade association

Multiple

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

Travelers is a member of, and active participant in, numerous trade associations. We join trade associations and similar organizations for a number of reasons, including to further our commercial interests, educate our employees or enhance our ability to serve customers. Trade associations operate independently and, as is often the case with a trade association, we do not necessarily agree with every position it takes. In addition, we do not necessarily take a public position on all matters in which a trade association is involved.

How have you influenced, or are you attempting to influence their position?

For example, with respect to the National Flood Insurance Program (NFIP) Re-authorization, Travelers supports principles that include: multi-year re-authorization, mitigation grants to consumers, improved flood maps, greater transparency to consumers, long term program solvency and improvements to the claim settlement process. Travelers partners with industry trade groups and academic institutions in developing sound principles for the NFIP Re-Authorization.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

The Travelers Institute leads the company's participation in public policy dialogue. The Institute draws upon the industry expertise of Travelers' senior management and the technical expertise of the company's risk professionals and other experts to provide information, analysis, and recommendations to policymakers and regulators. The Institute is led by a senior level executive and member of the company's Management Committee. In addition to the aforementioned Travelers Coastal Wind Zone Plan initiative, the Kicking Off Hurricane Preparedness Season symposium and the Travelers Institute Small Business – Big Opportunity® series, the Institute hosts a consumer insurance education series, Insurance Essentials: Your Questions Answered, to help raise awareness of extreme weather and offer guidance on mitigating associated risks. Through a symposium series as well as an educational

Insurance Guide, available in print and online, the Institute promotes educational activities for consumers about how insurance offers solutions so they may prepare and protect what is most important in the event of extreme weather.

Associations Travelers works with a number of external organizations around building stronger, more resilient homes and businesses, advocating for stronger building codes to support risk mitigation and reduced loss costs. These organizations include:

- Building Science: Insurance Institute for Business and Home Safety- One of a kind research lab researching construction techniques to reduce loss costs for residential and commercial risks
- Habitat For Humanity – Fortified Homes in Coastal Communities
- Building Code Advocacy: BuildStrong Coalition- Public policy advocate of stronger building codes with consistent minimum statewide codes predicated on the position that stronger codes lead to more resilient homes and businesses and reduced loss costs.

Travelers Risk Control Services- We also help policyholders to reduce losses caused by severe weather events through the following Risk Control Services:

- Travelers Risk Control division provides on-site risk management services for many of our customers and makes recommendations to assist them with their loss prevention and mitigation strategies, including those related to severe weather and natural hazards.
- Travelers Risk Control division also manages an interactive website available to Travelers customers. The website provides a wide variety of information and resources to help reduce losses, including those caused by severe weather and natural hazards. Topics include Business Continuity Risk Management and Natural Hazards Awareness, and the website provides guides for preparation, protection, response, and recovery.
- In addition, our Risk Control division conducts workshops and webinars designed to provide useful information to assist customers with loss mitigation strategies and techniques including those related to severe weather and natural hazards.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

As an integral part of both our short-term and long-term strategies, we monitor, assess, and respond to the risks and opportunities posed by evolving climate and “green” trends to provide insurance products and services that address our customers’ needs and to price these products and services at levels that will allow us to achieve appropriate financial returns. Responsibility for executing our strategies related to climate and the environment continues to reside primarily in the business and corporate areas where there is applicable authority, expertise, and execution capability. The enterprise Climate, Energy, and the Environment Committee (CEEC) facilitates coordination and supports the various climate-related initiatives and strategies across the enterprise. This cross-functional committee is a venue for sharing information and leveraging expertise across the organization. The CEEC is segmented into sub-groups aligned with four key areas of focus. 1. Risk Identification and Management: Supports business area activities related to identifying, monitoring, and assessing climate-related risks. The sub-committee includes representatives from the Enterprise Risk

Management group, the Emerging Issues group, the Enterprise Catastrophe Strategy and Analysis group, the Investment group, Government Relations, Risk Control, Claim, and Enterprise Underwriting.2. Products, Market Development, and Customer Services: Supports activities across the enterprise related to the identification and development of new products, exploration of potential new markets, and expansion of service opportunities that help our customers prepare for and respond to the potential risks related to potential changing climate and “green” trends. This sub-committee includes representatives from Business Insurance Underwriting and Product, Enterprise Underwriting, Risk Control, Claim, the Travelers Renewable Energy and Clean Technology Practice group, and all business units. 3. External Relations, Communications, and Industry Leadership: Supports the work of Travelers external-facing groups on matters pertaining to climate, energy, and the environment. This sub-committee includes representatives from the Travelers Institute, Government Relations, Corporate Communications, Enterprise Catastrophe Strategy and Analysis, Enterprise Underwriting, Risk Control, Community Relations, and Investor Relations. Note that Travelers is a member of, and active participant in, numerous trade associations. We join trade associations and similar organizations for a number of reasons, including to further our commercial interests, educate our employees, or enhance our ability to serve customers. Trade associations operate independently and, as is often the case with a trade association, we do not necessarily agree with every position it takes. In addition, we do not necessarily take a public position on all matters in which a trade association is involved. 4. Facilities and Operations Management: Coordinates Travelers initiatives and activities related to developing and implementing environmentally responsible corporate practices across the enterprise, including establishing and implementing emission reduction practices and monitoring progress in achieving emission reduction goals.

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

 Travelers Annual Report 2018.pdf

Page/Section reference

Enterprise Risk Management (pages 26-27); Risk Factors (pages 37-56); Catastrophe Modeling (pages 89-90); Changing Climate Conditions (page 91); CEO’s Annual Letter to Shareholders (p.3, 3rd full paragraph, 2nd sentence)

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In other regulatory filings

Status

Underway – previous year attached

Attach the document

 Travelers' Response to NAIC Climate Risk Disclosure Survey for Reporting Year 2017.pdf

Page/Section reference

Governance (Question 2); Strategy (Questions 4, 5, 7, 8); Risks & opportunities (Questions 2, 3, 4, 6, 8); Emissions figures (Question 1) ; Emission targets (Question 1)

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 Travelers TCFD Report2018.pdf

Page/Section reference

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Governance (page 2) ; Strategy (pages 3-11) ; Risk Management (pages 11-12);
Metrics & Targets (pages 12-14)

Publication

In mainstream reports

Status

Complete

Attach the document

 2019 Travelers Proxy Statement.pdf

Page/Section reference

Corporate Governance (pages 17 and 20); Shareholder Engagement (page 50)

Content elements

Governance

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

 Travelers Sustainability Report 2018 - Portions on Climate Strategy and Eco-Efficient Operations.pdf

Page/Section reference

“Climate Strategy” (pages 22-25) and “Eco-Efficient Operations” (pages 49-52) portions
of Travelers Sustainability Report 2018

Content elements

- Governance
- Risks & opportunities
- Other, please specify
 encourage sustainable consumers

Comment

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Vice Chairman and Chief Legal Officer	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms