

Sustainability Report 2021





CEO Message



At Travelers, we manage risk for our customers, and for over 160 years they've trusted us to be there when it matters most. In 2021, despite the ongoing challenges of the global pandemic, we continued to deliver the risk management products and services our customers need to live their lives and run their businesses. Our years of experience prepared us for this moment, and we're building upon that foundation to sustain our success for the future.

Our continued success requires that we do three things successfully: **perform**, **transform** and make good on the **Travelers Promise**.

At Travelers, **perform** is the flywheel that sets everything we do in motion. Perform for us means executing on our long-term financial strategy to generate industry-leading returns on equity over time. In each of the past 10 years, we have outperformed the industry in terms of average return on equity and, as a consequence, in creating shareholder value. By continuing to execute successfully on our long-term financial strategy, we will continue to outperform and create shareholder value.

Our formidable competitive advantages are the foundation of our success. However, we understand that the competitive advantages that have fueled our achievements over the past decade will not necessarily be the same as those we will need to continue to lead for the next decade. Consequently, **transform** means positioning the company to continue to perform by ensuring that our competitive advantages remain relevant and differentiating tomorrow and 10 years from tomorrow. To that end, we have embraced an ambitious innovation agenda guided by our vision to be *the undeniable choice for the customer and an indispensable partner for our agents and brokers*.

Perform is how we deliver industry-leading results today, and transform is the way we prepare to do so tomorrow. Each depends on the other, and both depend on one thing: the **Travelers Promise**.

The Travelers Promise is a commitment to take care of our customers, our communities and each other. This includes being there to help our customers recover after the storm and also giving them the security they need to invest in their families and businesses. It also includes caring for the communities in which we live and work by supporting academic and career success, and promoting the development of thriving neighborhoods and enriched communities. Finally, it is about making Travelers a great place to work for our diverse workforce—the best talent in the industry—and a great partner for our agents and brokers. In the end, the Travelers Promise is about taking care of the people we are privileged to serve.

Put another way, for Travelers, sustainability comes down to this: Only by successfully delivering on our perform and transform agenda will we earn the resources we need to keep the Travelers Promise. And only by faithfully keeping the Travelers Promise will we earn the support of key stakeholders essential to our perform and transform success. That is how we are going to deliver results next quarter and succeed for the next quarter century.

With that in mind, I invite you to read on about the ways we are driving sustainability at Travelers.

A handwritten signature in black ink, appearing to read "Alan". The signature is fluid and cursive, with a large initial "A" and a long horizontal stroke at the end.

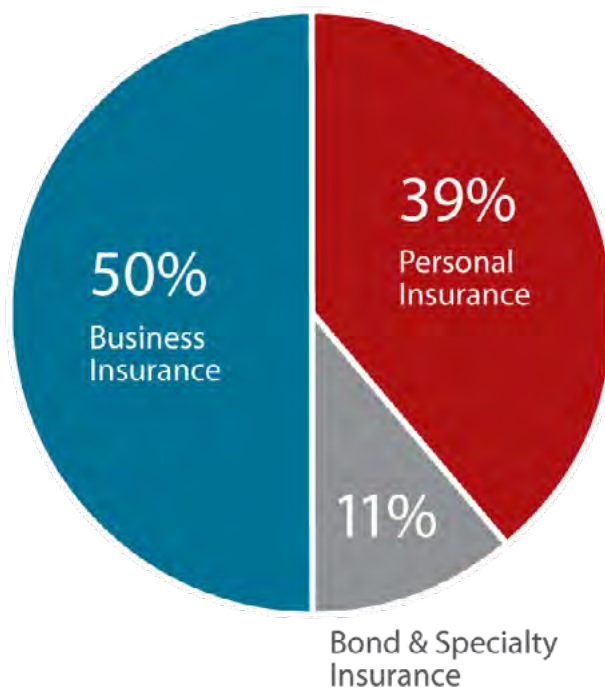
Alan Schnitzer, Chairman and Chief Executive Officer



Company

The Travelers Companies, Inc. (NYSE: TRV) is a leading provider of commercial, personal and specialty insurance products and services to businesses, government units, associations and individuals. Our diverse business lines offer our customers a wide range of coverage sold primarily through independent agents and brokers. Travelers has approximately 30,000 employees and relationships with approximately 13,500 independent agents and brokers in the United States, Canada, the United Kingdom and the Republic of Ireland. Travelers is the only property casualty company in the Dow Jones Industrial Average and generated revenues of approximately \$35 billion in 2021.

Net Written Premiums





Business Insurance

Business Insurance offers a broad array of property and casualty insurance products and services to our customers, primarily in the United States, as well as in Canada, the United Kingdom and the Republic of Ireland, and throughout other parts of the world as a corporate member of Lloyd’s.

Leading U.S. commercial writer, with a top-five position in five major product lines, including number one in workers compensation and commercial multi-peril^[1]



Personal Insurance

Personal Insurance offers a broad range of property and casualty insurance products and services covering individuals’ personal risks, primarily in the United States, as well as in Canada. Our primary products of automobile and homeowners insurance are complemented by a broad suite of related coverages.

A top-10 writer of U.S. personal automobile and homeowners insurance, and a leading personal insurance writer with independent agents^[2]



Bond & Specialty Insurance

Bond & Specialty Insurance offers surety, fidelity, management liability, professional liability, and other property and casualty coverages and related risk management services to our customers, primarily in the United States. Bond & Specialty Insurance also offers certain surety and specialty insurance products in Canada, the United Kingdom, the Republic of Ireland and Brazil (through a joint venture).

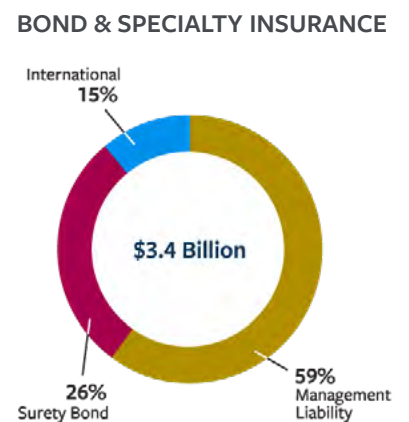
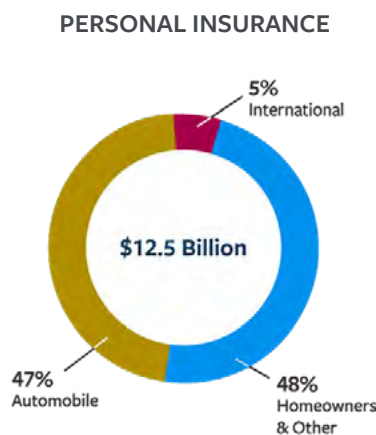
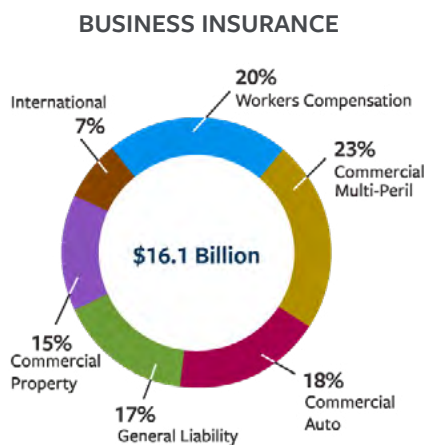
Leading writer of surety in the U.S.^[3]

1 2021 U.S. Statutory DWP. Five major project lines: Commercial Multi-Peril (Commercial Multiple Peril (Liability), Commercial Multiple Peril (Non-Liability), Farmowners Multiple Peril); Commercial Auto (Commercial Auto No-Fault (Personal Injury Protection), Commercial Auto Physical Damage, Other Commercial Auto Liability); General Liability (Other Liability Occurrence, Product Liability); Workers Compensation; and Surety. Copyright© 2022, S&P Global Market Intelligence. Used with permission.

2 2020 U.S. Statutory DWP. 2021 data not available at time of publication.© A.M. Best Company, Inc. Used with permission.

3 2021 U.S. Statutory DWP. Copyright© 2022, S&P Global Markets Intelligence. Used with permission.

2021 Net Written Premiums





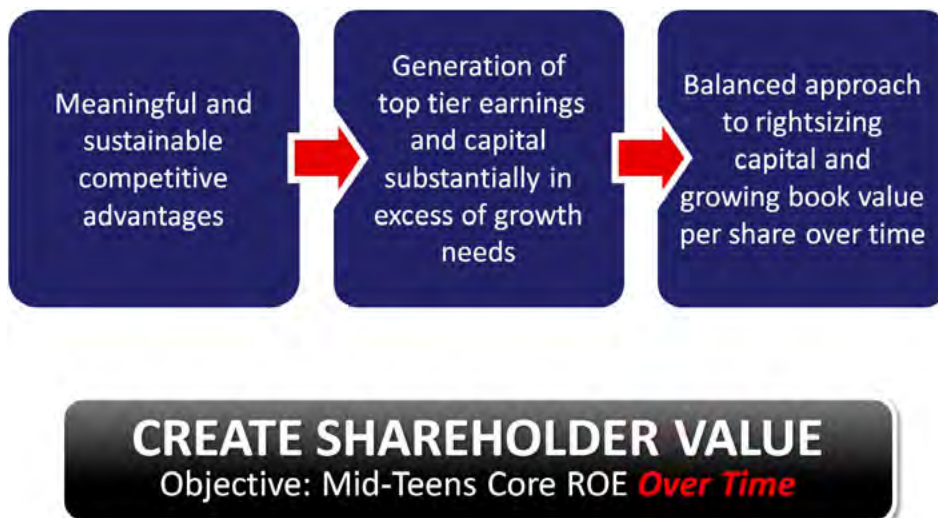
Business Strategy & Competitive Advantages

At Travelers, our simple and unwavering mission for creating shareholder value is to deliver superior returns on equity by leveraging our competitive advantages; generate earnings and capital substantially in excess of our growth needs; and thoughtfully rightsize capital and grow book value per share *over time*. Our Board of Directors regularly reviews this long-term financial strategy. Executing our long-term strategy requires that we fulfill our promise to take care of our customers, our communities and our employees. By executing our financial strategy, investing strategically in the future and delivering on the Travelers Promise, we will continue to deliver meaningful shareholder value over time.

Business Strategy

Our Long-Term Financial Strategy for Creating Shareholder Value

More than a decade ago, Travelers laid out a clear, simple and unwavering mission for creating shareholder value:



Our results in achieving the elements of this long-term financial strategy speak for themselves. Over the past decade:

- Our return on equity has significantly outperformed the average return on equity for the industry.
- We returned more than \$28 billion of excess capital to our shareholders.
- We grew dividends per share at an average annual rate of 8%.
- We have grown book value per share and adjusted book value per share at a compound annual rate of 7%.

Importantly, over this 10-year period, our return on equity has been less volatile than that of others in the property and casualty industry. The level and consistency of our return on equity over time reflect the value of our competitive advantages and demonstrate the discipline with which we run our business.

Delivering Industry-Leading Return on Equity Over Time

The results we deliver are due to our deliberate and consistent approach to creating shareholder value. We have been clear for many years that one of our crucial responsibilities is to produce an appropriate return on equity for our shareholders. This has meant developing and executing financial and operational plans consistent with our goal of achieving superior returns, which we defined many years ago as a mid-teens core return on equity over time. We emphasize that the objective is measured *over time* because we recognize that the macroeconomic environment, loss cost trends, weather, and geopolitical and other factors impact our results from year to year, and that there are years—or longer periods—and environments in which a mid-teens return is not attainable. In that regard, we established the mid-teens goal at a time when the 10-year Treasury was yielding around 5%, and mid-teens was simply the quantification of what qualified as an industry-leading return in that environment. Our ability to achieve a mid-teens return over time going forward will depend on interest rates returning to more normal levels by historical standards. In any event, we will always seek to deliver industry-leading returns over time.

Our focus on core return on equity encompasses multiple performance objectives key to creating shareholder value. The measure is a function of both core income and shareholders' equity (excluding unrealized gains and losses on investments). Accordingly, core return on equity reflects a number of separate areas of financial performance related to both our income statement and balance sheet, including the quality and profitability of our underwriting and investment decisions, the pricing of our policies, the effectiveness of our claims management and the efficacy of our capital and risk management.

Granular and Deliberate Execution

One critical component of our ability to deliver exceptional returns over time is our granular approach to underwriting. In our commercial businesses, that means execution, including the allocation of capital, on an account-by-account or class-by-class basis. In personal lines, that means a very high degree of account segmentation and the allocation of capital generally by product and geography. With that and our advanced data and analytics, we select the risks we write and price our products deliberately with our targeted return in mind. Underlying all of this is a culture that understands how to balance the art and science of decision-making based on data and analytics. This culture alone is a competitive advantage, and one that we believe is hard to replicate. Our underwriting expertise is a hallmark of our success, and evaluating risk and reward is at the heart of what we do.

We actively manage all levers of profitability available to us, including risk selection, mix of business, claim and expense initiatives, volume, reinsurance, terms and conditions, and price. We have a long track record of capitalizing on all of the available levers to deliver superior returns—and of applying these levers on a strategic and business-by-business basis. This is evident in the way we have executed quite differently in each of our business segments through changing economic and business cycles.

Disciplined Investment Approach

Much like our underwriting strategy, successfully balancing risk and reward is at the heart of our well-defined [investment philosophy](#). Our investment portfolio is managed first and foremost to support our insurance operations and, accordingly, is positioned to meet our obligations to policyholders under a wide range of conditions. With this in mind, we emphasize risk-adjusted returns and credit quality rather than reaching for yield that is not consistent with the underlying risk. Our asset allocation is designed so that the predictable stream of investment income from our fixed income portfolio will provide a firm and reliable foundation for our overall results. In addition, our Investment Policy, approved by our Board of Directors, reflects a long-term approach to sustainable value creation and requires that Travelers [consider environmental, social and governance \(ESG\) factors in the investment process](#), to the extent relevant.

A Balanced Approach to Rightsizing Capital

Our [capital management](#) strategy has been an important driver of shareholder value creation over time. Our first objective for the capital we generate is to reinvest it in our business—organically and inorganically—to create shareholder value. For example, as we continue to grow our premium volumes, as we have for the past few years, we will retain more capital to support that growth. Also, we continue to invest in everything from talent to technology to further our ambitious innovation agenda and advance our strategic objectives. Having said that, we are disciplined stewards of our shareholders' capital. To the extent that we continue to generate capital that we cannot reinvest consistent with our objective of generating industry-leading returns over time, we will manage it the same way we have for more than a decade—by returning it to our shareholders through dividends and share repurchases. By returning excess capital to our investors, we give them the ability to allocate their investment dollars as they see fit, including by investing in companies with different growth profiles or capital needs, thereby efficiently allocating capital across the economy. Over time, that efficient allocation of capital in the marketplace contributes to a stronger economy.

Acquisitions & Footprint

The lens through which we evaluate acquisition opportunities is that a transaction should contribute to our mission by improving our long-term return profile, reducing the volatility of our returns or creating shareholder value through some other important strategic benefit, such as a geographic or product position.

We have a great deal of experience in executing strategic transactions, and we view this as a core competency. The company that we are today has come together through a number of significant transactions over the past two decades.

Across all of our businesses, our strategic focus continues to include creating opportunities to write more business through retaining and growing our relationships with our high-quality in-force accounts and bringing our franchise value to new customers. As we have done successfully over the past few years, we will continue to seek to grow without compromising our return objectives or changing our risk profile, primarily by targeting customers, industries, products and geographies that we know well. In terms of geography, we continue to believe that geopolitical risk and economic instability around the world are underappreciated. Accordingly, we like our North America concentration. That is not to say that we do not continue to recognize value and evaluate opportunities outside of North America, but we have set an even higher bar for those opportunities today.

Investing in Our Future

Our [competitive advantages](#) set us apart; they are foundational to the success of our long-term financial strategy. At the same time, we understand clearly that the world is changing, and changing quickly. Broadly speaking, we see four significant forces of change impacting our industry:

- Consumers' expectations are changing and being shaped by their experiences in other industries.
- Rapid progress in technology is enabling us to reimagine almost every aspect of our business.
- The opportunities presented by data and analytics are becoming even more consequential.
- Traditional distribution is consolidating and alternative models are developing.

We are focused intently on these forces of change. While our long-term financial strategy is not changing, the competitive advantages that have fueled our success over the last decade will not necessarily be the same as those we will need to continue to lead for the next decade. That is the focus of our innovation agenda: making sure that our competitive advantages are as relevant and differentiating tomorrow as they are today.

Ultimately, the vision for our innovation agenda is to be:

the undeniable choice for the customer and an indispensable partner for our agents and brokers.

This vision drives our three [innovation](#) priorities:

- Extending our advantage in risk expertise.
- Providing great experiences for our customers, agents and brokers and employees.
- Optimizing our productivity and efficiency.

A key theme running through our investments is that they are designed in large part to enable us to optimize the top line at attractive returns. We have been investing in these priorities for several years while delivering industry-leading returns and an improving expense ratio.

We are undertaking this work from a position of strength. We have the resources and expertise to be successful. Moreover, our business is complex, and the value of deep domain expertise in understanding risk and the products and services our customers need to manage that risk cannot be underestimated as the starting point for innovation. We believe the winners in our industry will be those who can innovate successfully on top of a foundation of excellence.

* * *

Underlying our financial strategy and our innovation agenda is the Travelers Promise—our promise to be there for our customers, communities and employees. Only by faithfully keeping the Travelers Promise will we earn the support of key stakeholders essential to our success. And only by successfully delivering on our financial strategy and executing our innovation agenda will we earn the resources we need to keep the Travelers Promise. That's why, at Travelers, our business strategy and performance are inextricably linked with the Travelers Promise.

Our Competitive Advantages

Our Competitive Advantages Are Meaningful & Sustainable

Our competitive advantages serve as the foundation of our financial success and help us fulfill our promise to protect our customers.

Underlying our competitive advantages are four key enablers that help set us apart—our talent and expertise, industry-leading data and analytics, technology and financial strength.



RISK SELECTION, UNDERWRITING & PRICING SEGMENTATION

Data and analytics influence the decisions we make and drive innovation throughout the organization—from the development and delivery of our products and services to risk selection, underwriting and pricing. But data and analytics are only as good as the people interpreting them—which is why we match our strength in data and analytics with a deep industry expertise. We regularly introduce new tools and enhance our training and recruitment practices with the goal of ensuring that our expertise in data and analytics stays at the cutting edge. In addition, we are increasingly transforming our data into actionable insights to improve our decision-making.

- Approximately 1,500 employees working in analytics, including actuaries, data scientists and statisticians, data engineers, and data and information analysts.
- An Underwriting function of 4,000+ people, with an average tenure at Travelers of more than 12 years, supported by 4,000+ operations specialists.
- A broad appetite with a deep underwriting specialization in more than 40 industries.

PRODUCT BREADTH & SPECIALIZATION

We engage broadly across nine major lines of insurance in three segments—[Business Insurance](#), [Bond & Specialty Insurance](#) and [Personal Insurance](#). Our portfolio is balanced across these lines of business and further diversified by geography and customer type and size.

- Leading U.S. commercial insurance writer in 2021, with a top-five position in five major product lines, including a number one position in workers compensation and commercial multi-peril.^[1]
- A top-10 writer of U.S. personal automobile and homeowners insurance, and a leading personal insurance writer with independent agents.^[2]
- Approximately 67% of domestic premiums from liability lines (e.g., workers compensation, management liability, general liability, auto insurance) in 2021.
- Approximately 33% of domestic premiums from property lines (e.g., homeowners, commercial property) in 2021.

DISTRIBUTION RELATIONSHIPS

Domestically, we are the carrier of choice among independent agencies and brokers. Our agent and broker partners have a deep understanding of customer needs, and they provide us with insights that are a valuable part of our underwriting and risk selection process.

- Leading commercial lines insurer in the UBS Semi-Annual Insurance Agent Survey when agents were asked to identify their commercial lines carriers.^[3]
- Relationships with approximately 13,500 independent agencies and brokers.

CLAIM SERVICES

Our dedicated Claim professionals are trained to deliver high-quality service and handle claims efficiently and with compassion. We strive to:

- Pay what we owe
- Deliver exceptional customer experiences and
- Use technology, data, analytics and artificial intelligence to work as efficiently and effectively as possible

Our customers, claimants and business partners benefit from our innovative capabilities, including:

- Our unique and flexible [catastrophe response](#) capability, made possible by extensive employee cross-training and advanced workforce management programs. In 2021, we closed more than 92% of our claims arising out of catastrophe events within 30 days.
- Our use of advanced technology in damage inspections, including smartphone-based virtual inspection tools, aerial imagery and drones, which allow our Claim professionals to work more safely and effectively.
 - For example, in 2021, we handled 35% more auto appraisals and 70% more property water claims virtually, as compared to pre-pandemic levels.
 - Travelers is also one of the largest commercial users of drones, with more than 84,000 flights conducted in 48 states since the program's inception.

[1] 2021 U.S. Statutory DWP. Five major product lines: Commercial Multi-Peril (Commercial Multiple Peril (Liability), Commercial Multiple Peril (Non-Liability), Farmowners Multiple Peril); Commercial Auto (Commercial Auto No-Fault (Personal Injury Protection), Commercial Auto Physical Damage, Other Commercial Auto Liability); General Liability (Other Liability Occurrence, Product Liability); Workers Compensation; and Surety. Copyright © 2022, S&P Global Market Intelligence. Used with permission.

[2] 2020 U.S. Statutory DWP. 2021 data not available at time of publication. © A.M. Best Company, Inc. Used with permission.

[3] UBS Semi-Annual Insurance Agent Survey, September 2021.

- Approximately 35 predictive claim models leveraging data and minimizing inconvenience to customers.
- Subrogation recoveries that significantly outperform industry benchmarks.^[1]
- [Travelers Claim University](#), our state-of-the-art training and professional development facility, dedicated to providing technical training and skills-based learning to Claim employees.
- The deliberate cultivation of ethical, customer-centric Claim culture through training, internal communications, management coaching and compliance activities.
- A highly selective hiring process for Claim staff designed to attract, retain and develop employees with empathy, integrity and professional expertise.
- Recognition for Claim professionals who deliver exceptional customer experiences that help build the Travelers brand and business.

RISK MITIGATION & IMPROVEMENT

For over 110 years, our loss prevention professionals have assisted agents, brokers and customers across the country and around the world. We deliver expertise in safety and risk mitigation through one of the largest Risk Control departments in the industry. We complete approximately 120,000 consultations annually, including 60,000 jurisdictional boiler and pressure vessel inspection visits, which contribute to a unique risk assessment database we have assembled over the past decade. We leverage this resource not just for risk mitigation but also for risk selection and pricing.

- [Travelers Risk Control consultants](#) are backed by highly qualified specialists in areas such as fire protection, product liability, transportation and much more.
- Specialized expertise in public entity exposures, emerging and advanced technology, cybersecurity and resilience, and property valuation for both building and business/personal property.
- Leading provider of risk control services with [industry specialization](#) (e.g., [construction](#) and [manufacturing](#)).
- Enhanced [ergonomic assessments](#) for our customers, leveraging artificial intelligence technology.
- Proprietary risk assessment database with 200M+ data points that were compiled over more than a decade.
- Sophisticated [Industrial Hygiene](#) and [Forensics](#) Laboratories.
- Fully functional sprinkler lab for training customers on effective inspection, maintenance and testing of sprinkler systems.
- In 2021, we continued to leverage virtual capabilities to enable the delivery of our Risk Control services and a seamless customer engagement experience during the pandemic.

[1] National Association of Subrogation Professionals (NASP) industry data.



Capital & Risk Management

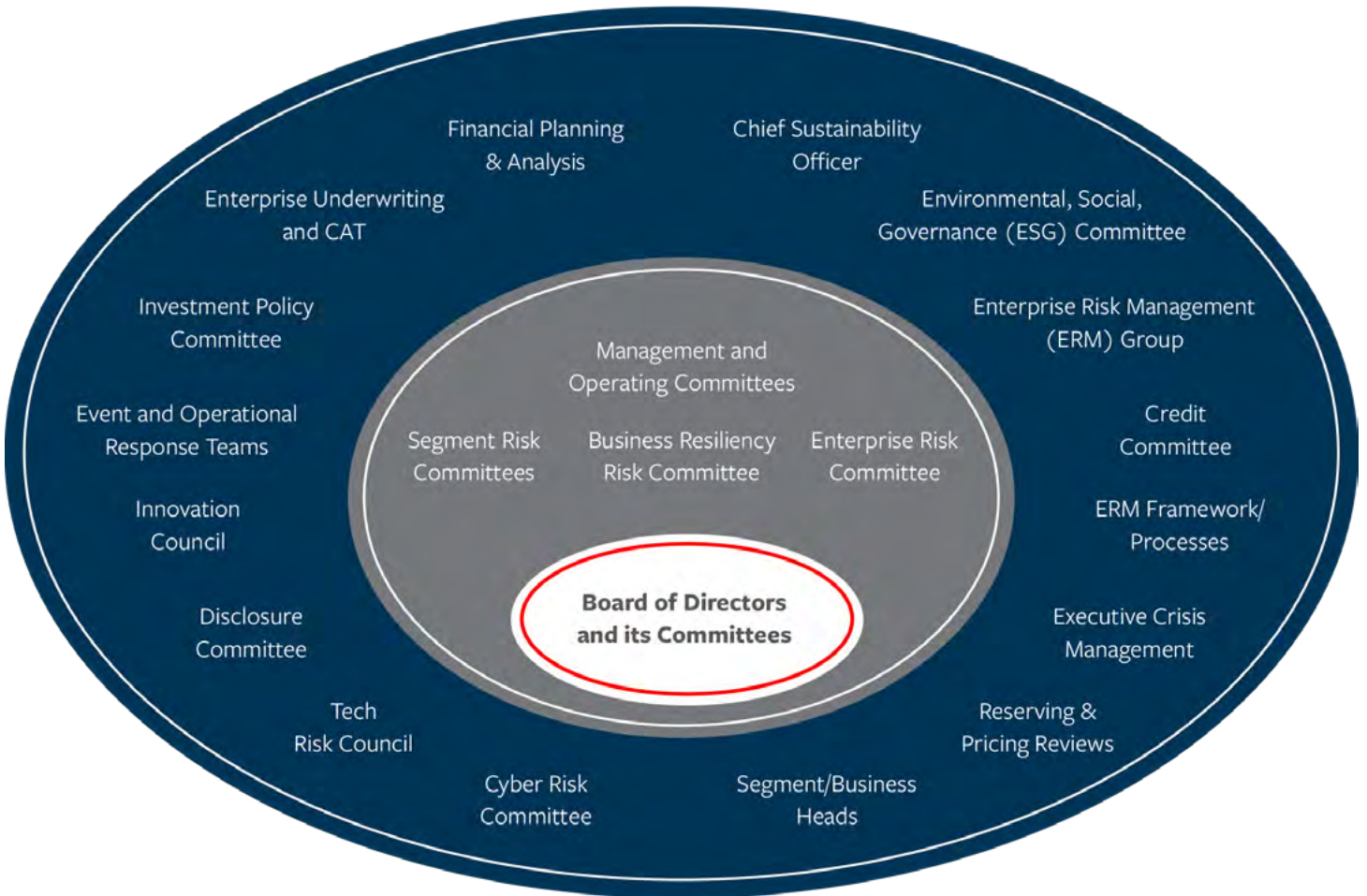
At Travelers, our Enterprise Risk Management (ERM) activities involve both the identification and assessment of a broad range of risks and the execution of coordinated strategies to effectively manage these risks. The mission of our ERM group is to facilitate risk assessment and collaborate in implementing effective risk management strategies to optimize risk and return in alignment with our goals and values.

Approach

ERM at Travelers is an integral part of our business operations. The standards and practices we employ to evaluate and monitor risks are designed to enable a consistent approach to risk management across the organization. We manage our risk-taking to be within our risk appetite in a prudent and balanced manner to create and preserve value for all of the company's stakeholders. ERM also includes an evaluation of the company's risk capital needs, which takes into account regulatory requirements, financial strength and credit rating considerations, among economic and other factors.

A senior executive team, which includes the company's Chief Risk Officer and Chief Underwriting Officer, oversees the ERM process. This team facilitates risk assessments and collaborates with others throughout the enterprise, including risk owners across the organization and senior leaders, to implement effective risk management strategies for Travelers. In addition, our ERM group collaborates with the company's Chief Sustainability Officer to ensure that identification and assessment of environmental, social and governance (ESG) risks are appropriately integrated into our ERM framework. The ERM group also uses third-party modeling processes to evaluate capital adequacy. These analytical techniques are an integral component of the company's ERM process and further support the company's long-term financial strategies and objectives.

The diagram below illustrates some of the different groups, committees, functions and processes involved in our comprehensive approach to overseeing and managing risk.



Board Oversight of Risk

Our Board of Directors oversees our ERM process. As illustrated in the graphic above, the Risk Committee and other committees of the Board are an essential part of our ERM framework and help to establish and reinforce our strong culture of risk management.

The Risk Committee of the Board meets with senior management at least four times a year to discuss ERM activities and provides a report to the full Board of Directors after each such meeting. This approach enables a high degree of coordination between management and the Board.

The Board Risk Committee oversees the implementation, execution and performance of the Travelers ERM program and reviews the strategies, processes and controls pertaining to Travelers insurance operations. The Board also allocates and delegates risk oversight responsibility to various committees of the Board. Accordingly, all committees of the Board share responsibility for oversight of strategic objectives, risk management and the sustainability of our business. We believe that allocating responsibility for specific risks to a committee with a particular skill set improves the effectiveness of the overall oversight of risks and opportunities. The Board reviews and acknowledges these responsibilities annually.

The Board has allocated and delegated risk oversight responsibility to various committees of the Board as follows:

Audit Committee

Responsible for oversight of risks related to the integrity of financial statements, including oversight of financial reporting principles and policies and internal controls; the process for establishing insurance reserves; and risks related to regulatory and compliance matters generally. [Audit Committee Charter](#).

Compensation Committee

Responsible for oversight of risks related to compensation programs, including with respect to formulation and administration of those programs, and regulatory compliance with respect to compensation matters. [Compensation Committee Charter](#).

Investment and Capital Markets Committee

Responsible for oversight of risks in our investment portfolio (including valuation and credit risks), capital structure, financing arrangements and liquidity. [Investment and Capital Markets Committee Charter](#).

Nominating and Governance Committee

Responsible for oversight of risks related to corporate governance matters, including succession planning, director independence and related person transactions; diversity and inclusion efforts; public policy initiatives; and community relations. [Nominating and Governance Committee Charter](#).

Risk Committee

Responsible for oversight of risks related to business operations, including insurance underwriting and claims; reinsurance; catastrophe risk and the impact of changing climate conditions; credit risk in insurance operations; information technology, including cybersecurity; and business continuity planning. [Risk Committee Charter](#).

Enterprise Risk Management

Integrating ERM with an effective internal control environment enables our ERM group to foster, lead and support an integrated, risk-based culture throughout the company. To that end, our ERM group:

- Facilitates risk assessments and enhances the coordination of risk management across all categories of risk throughout the company.
- Develops enterprise-wide risk appetite/tolerance/limits.
- Maintains dynamic capital models to quantify and evaluate the company's risk exposures and their related impact on the company's risk/reward assessment, capital structure and future earnings potential.
- Works in partnership with key risk management leaders in different areas throughout the organization (such as underwriting, reserving, investments, credit, regulatory compliance and operations) to ensure coordinated cross-departmental risk management and governance.
- Identifies, evaluates, and quantifies risks, their correlations and their interdependencies from all sources across the organization.
- Works to enhance effective and credible risk modeling capabilities as part of the company's overall effort to understand and manage its portfolio of risks to be within its risk appetite and tolerance.
- Allocates economic capital to our products and businesses and helps ensure capital efficiency in concert with regulatory and rating agency targets.

In addition, our ERM group leads the company's annual Management Identification of Significant Risks (MISR)—a governance process through which senior risk and business leaders and various committees collaborate to identify the significant inherent and residual risks faced by Travelers. The MISR process assigns management responsibility for individual risks to senior corporate leaders and/or internal groups, committees and processes and assigns oversight responsibility to various Board Committees. The MISR is reviewed with our Board Risk and Audit Committees at least annually and is also reviewed by the Board as part of its annual review of the allocation of risk oversight among its committees.

As part of our ERM process, we use metrics and risk/reward analytics to actively evaluate and adjust our strategies, as well as to further support our long-term financial strategy and business objectives. For example, we use various analyses and methods, including proprietary and third-party computer modeling processes, to make underwriting and reinsurance decisions designed to manage the company's exposure to catastrophic events. In addition to catastrophe modeling and analysis, we model and analyze our exposure to other extreme events. We also utilize proprietary and third-party computer modeling processes to evaluate capital adequacy.

Our approach to ERM is reinforced by our compensation structure, which is designed to encourage a careful balance of risk and reward, both on an individual risk basis and on a companywide basis. Our compensation program also promotes and drives a long-term perspective to managing our business. This long-term perspective is especially important in the property casualty insurance industry, where a short-term focus could create incentives for management to relax the company's underwriting or investment standards to increase revenue and reported profit in the near term but could create excessive risk for shareholders over the longer term. Moreover, results in the property casualty insurance industry can vary significantly when measured year to year because of a variety of factors, including the periodic occurrence of significant catastrophes. Accordingly, we believe that the right way to manage our business is with a long-term perspective, with an eye toward creating value over time. See our [Proxy Statement](#) for a comprehensive discussion of how our compensation program incorporates this long-term perspective.

Business Resiliency

Our approach to business resiliency is designed to allow us to deliver on the Travelers Promise to take care of our customers, communities and employees in the face of unexpected disruptions.

Travelers Business Resiliency Program is our internal ecosystem focused on the goal of ensuring that we can operate consistently for our employees, agents and customers despite crises and operational disruptions and, accordingly, continue to deliver for our shareholders. Our Business Resiliency Program takes a holistic, three-pronged approach that encompasses business continuity, disaster recovery and crisis management.

With support from senior management and with oversight by the Risk Committee of our Board of Directors, our program focuses on both preventive measures (including technology availability design, facility resilience and training/awareness programs) and response preparation (including business contingency planning, technology restoration and crisis management/emergency response).



The Travelers Business Resiliency Risk Committee, composed of members of our executive team, oversees the implementation of our Business Resiliency Program and, along with our management-level Enterprise Risk Committee, is charged with reviewing and approving mission- and business-critical processes, identifying risks to business resiliency and facilitating decisions to accept, mitigate or remediate these risks.

Pursuant to its charter, the Risk Committee of our Board of Directors oversees “the strategies, processes and controls pertaining to business continuity and executive crisis management for the Company and its business operations.” In exercising its oversight, the Risk Committee of our Board meets annually with members of the Business Resiliency Risk Committee and the Enterprise Risk Committee to review the company’s business continuity, disaster recovery and crisis management efforts. Among other things, the Risk Committee reviews the enterprise event response protocols, discusses how those protocols would be (and were) triggered for events ranging from catastrophes to local shootings to bomb threats, and evaluates lessons learned from actual events, such as the COVID-19 pandemic. The Risk Committee also receives quarterly reports regarding preventive measures relating to cyber incidents, including those events affecting suppliers that may impact Travelers. In addition, the Risk Committee is regularly briefed on the steps taken to reduce future risk and improve our threat detection and response processes.

Business Continuity

The primary objective of business continuity is to ensure that the company is prepared to respond to, and recover from, an unexpected disruption. This requires a solid understanding of the risks to our operational structure and involves contingency planning and testing of hundreds of business processes across Travelers. We have inventoried our business processes and categorized them according to their criticality and urgency to the company, and we have tailored our resiliency measures accordingly.

Through annual risk reviews, which are facilitated centrally, each business function updates its resiliency plans with respect to key operational aspects. The plans include specific recovery scenarios and detailed workaround plans to be leveraged in the event of a disruption related to technology, facility, workforce or supplier issues. We also conduct validation exercises to test the effectiveness of those plans.

In addition, as a fundamental part of our enterprise supplier management program, we identify supplier risks and mitigating controls, enabling the company to make informed decisions throughout the life cycle of a supplier relationship. Specifically, we assess the business continuity and disaster recovery risk of our suppliers to evaluate their overall business resiliency, recovery capabilities and limitations. And, we create contingency plans detailing how the company will continue to operate if a supplier becomes unavailable.

Disaster Recovery

We base our approach to disaster recovery on a model that provides redundant infrastructure, application and platform solutions designed to enable continued operation in the event of a disruption. We review these solutions on a regular basis to ensure that they continue to align with our business strategy. In addition, on an annual basis, we perform disaster recovery testing on all of our mission critical and supporting applications.

We inventory all computing platforms with a detailed plan to move to an alternate site, the specifics of which vary by application design and business criticality. We maintain technology availability standards to help ensure adequate designs are deployed and sufficient procedures are in place and tested to restore infrastructure, applications and data in the event of a disaster.

We perform daily backups of production data from our primary facility to our alternate sites. Critical technology infrastructure is designed with sufficient levels of redundancy to support recovery from local or geographic service disruption events.

Crisis Management

Our Crisis Management Operating Model includes two teams: the Operational Response Team (ORT) and the Enterprise Event Response Team (EERT).

Our integrated ORT comes together to manage events, both planned and unplanned, providing a coordinated and facilitated response to situations of all types. The ORT is a group of employees from across the organization, prepared to come together before, during or shortly after an event to ensure that we respond appropriately. The ORT manages corporate security, real estate, technology, cyber, business continuity, and environmental health and safety events. This team is activated and engaged regardless of the severity of the event. The ORT also maintains well-documented emergency response procedures and conducts regular training, scenario planning and exercises in anticipation of potential emergency scenarios. Travelers has event-specific playbooks covering protocols for various scenarios, including a pandemic, natural disaster, data center outage and cybersecurity incident. For example, our corporate pandemic plan, which outlines our strategy for maintaining a safe and healthy workplace while continuing to deliver uninterrupted service to our customers and agent and broker partners, was activated when the COVID-19 outbreak began. Roles and responsibilities of team members are clearly defined, enabling an efficient response to a national crisis or a technology, worksite, workforce or supplier event.

The EERT manages catastrophe events, underwriting and exposure, claim response and regulatory events. When escalation is required, these teams engage with the appropriate group of senior executives tasked with overseeing the execution of our crisis management and emergency response plans related to the event.

Travelers Business Resiliency Management in the Face of COVID-19

Despite the extraordinarily challenging circumstances related to COVID-19, we were able to continue to serve our customers and our agent and broker partners seamlessly due to our extensive planning and preparation for unforeseeable circumstances; the commitment, resourcefulness and professionalism of our team; and the tremendous efforts of our Technology and Operations group. Upon initial reports of the emerging coronavirus in January 2020, we activated our Business Continuity, Crisis Management and Disaster Recovery teams to track the outbreak and begin executing our robust business resiliency plans. In February 2020, the group expanded to include the Executive Crisis Management team, which effectively oversaw and managed the company's response to the rapidly evolving events in real time.

Anticipating a scenario where nearly all employees would need to work remotely and necessary Claim professionals would need to safely engage with customers, our Operational Response Team acted quickly to limit business disruption and maintain the security of information. As part of those efforts, we assessed risk and risk mitigation levers on hundreds of business processes while activating and developing plans to assess and further strengthen our technology infrastructure and cybersecurity.

During the first few months of the COVID-19 pandemic, our Board of Directors met biweekly with our Chief Executive Officer to review management's operational response to the pandemic, as well as strategies to mitigate the short- and long-term risks to the company. The meeting topics covered all aspects of our event response and business continuity, including our transition to a remote working environment, workforce health and safety, productivity, technology and cybersecurity, supply chain management, financial results, capital and liquidity management, legislative and regulatory activity, short- and long-term business impacts and community relief efforts.

Due to our Business Resiliency Management program and our corporate pandemic plan, we were able to seamlessly transition almost our entire workforce practically overnight to safely and effectively work from home, all while maintaining employee productivity and engagement. Our comprehensive planning and ongoing testing, as well as the exceptional response of Travelers employees to the crisis, enabled us to continue to deliver the risk management products and services that our customers need to live their lives and run their businesses, as well as the outstanding, uninterrupted service that our customers and agent and broker partners have come to expect.

Balanced Approach to Capital Management

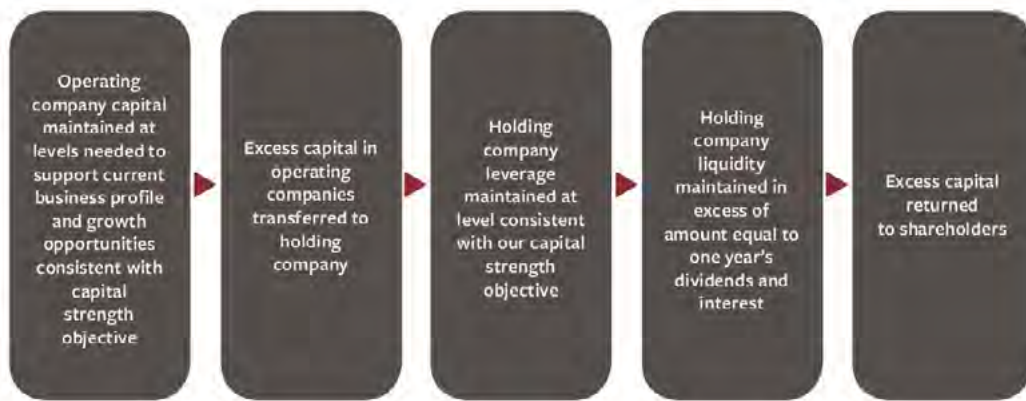
Travelers has consistently provided excellent service to policyholders while delivering strong returns over time. Integral to our long-term financial strategy is a balanced approach to rightsizing capital and generating capital in excess of our growth needs. We maintain operating company capital at levels needed to support our current business profile and growth opportunities consistent with our objective of maintaining significant financial strength and strong credit ratings. Specifically, our capital models first address our need to comply with regulatory risk-based capital requirements and our desire to:

- Maintain significant financial strength and strong credit ratings.
- Continue to remain financially strong after a significant catastrophe event.
- Ensure that we can satisfy the claim payments and other obligations of our business.

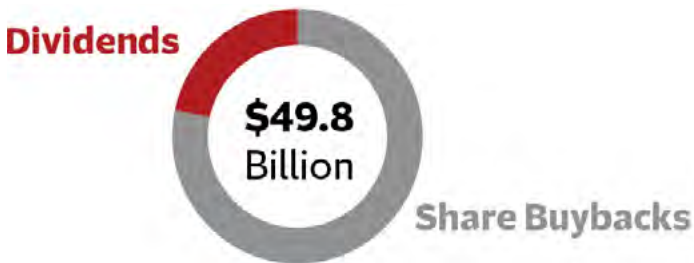
To meet these objectives, we monitor our cash inflows (e.g., premiums, service fees, investment income) and outflows (e.g., claim payments, capital investments, operating expenses) on an ongoing basis. Since most of our policies renew annually, we regularly reassess our pricing and risk appetite against our capital needs.

Our capital management strategy has been an important driver of shareholder value creation over time. As we have said many times, our first objective for the capital we generate is to reinvest it—organically and inorganically—in our business to create shareholder value. We will continue to retain capital to support growth in our business and invest capital to further our ambitious [innovation agenda](#) and advance other strategic objectives. Today, we are making strategic investments in everything from talent to technology. Having said that, we are disciplined stewards of our shareholders' capital, and to the extent that we continue to generate capital that we cannot reinvest consistent with our objective of generating industry-leading returns over time, we will manage it the same way we have for more than a decade—by returning it to our shareholders.

Our Balanced Approach to Capital Management



Over the last 10 years, our [financial success](#) and balance sheet strength have enabled Travelers to grow dividends per share at an average annual rate of 8% while increasing our book value per share by 92%. These accomplishments are on top of returning more than \$28 billion of excess capital to the company's shareholders over the same 10-year period. Our financial strength is also reflected in our strong credit ratings from four of the major rating agencies.



Since the initial share repurchase authorization in May 2006 and through December 31, 2021, **TRV has returned \$49.8 billion** of capital to shareholders: **\$37.9 billion** in share repurchases at average price of **\$70.28 per share** and **\$11.9 billion** in dividends.



Investment Management

The primary purpose of our investment portfolio is to position us to fulfill our promise to our customers to fund future claim payments. For this reason, we employ a thoughtful investment philosophy that focuses on stable and appropriate risk-adjusted returns.

Approach

We strive to be thoughtful underwriters on both sides of our balance sheet, and we have always allocated our assets to support our insurance operations, not the reverse. Because the primary purpose of our investment portfolio is to fund future claim payments, Travelers employs a risk-adjusted approach to its investment portfolio. Our asset allocation gives us a high level of confidence that our capital is adequate to support our insurance business, in both good times and bad. Our approach has served us remarkably well over a long period and allows us to invest in our businesses with an eye to the future.

Our Co-Chief Investment Officers—members of our Management and Operating Committees—lead our investment department, which directly manages our fixed income assets (93% of our investment portfolio), as well as our investments in equity securities, real estate, private equity limited partnerships, hedge funds, real estate partnerships and joint ventures. The Investment and Capital Markets Committee of the Board oversees our investment strategy and the risks related to our investment portfolio (including valuation and credit risks), capital structure, financing arrangements and liquidity.

Well-Defined and Consistent Investment Philosophy

Our investment portfolio is a key source of stability and strength for Travelers. The portfolio is managed first and foremost to support our insurance operations and, accordingly, is positioned to meet our obligations to policyholders under almost every foreseeable circumstance—anything from a global pandemic to a significant natural disaster to a financial crisis. With this in mind, we are focused on risk-adjusted returns and credit quality rather than reaching for yield that is not commensurate with the underlying risk.

Our asset allocation is designed so that the predictable stream of investment income from our fixed income portfolio will provide a firm and reliable foundation for our business. In addition, the allocation between fixed income and alternative investments is designed such that when the market is challenging for our alternative investment portfolio, we still have a shot at reaching our target returns, and when the alternative portfolio has a strong year, we will benefit from the upside.

Our performance over the past two years is a perfect illustration of how effective this disciplined investment strategy is in managing through very different and volatile market conditions. In 2020, we saw record low interest rates (the 10-year Treasury hit a stunning low of 0.318%), and we experienced significant volatility in the equity markets that negatively impacted the returns from our alternative investment portfolio. Nonetheless, we delivered strong 2020 net investment income of \$1.9 billion after-tax, contributing to a strong core return on equity of 11.3%. In 2021, the alternative investment portfolio benefited from the recovery in the equity markets, and the same disciplined strategy and well-constructed portfolio delivered net investment income of \$2.5 billion after-tax, contributing to an industry-leading core return on equity of 13.7%.

Strategy, not serendipity, drove these strong results throughout two very different economic and market environments—that is the value of our thoughtful and disciplined approach.

Investment income reliable contributor to results; \$2.5 billion, after-tax, in 2021

(\$ in millions as of December 31, 2021, unless otherwise noted).



| After-Tax Yield | FY'21 | FY'20 |
|---------------------------|-------------|-------------|
| Long-Term Securities | 2.3% | 2.6% |
| Short-Term Securities | 0.1% | 0.6% |
| Total Fixed Income | 2.2% | 2.4% |
| Non-Fixed Income | 15.2% | 3.5% |
| Total Investments | 3.0% | 2.4% |

| Fixed Income Portfolio | | % |
|----------------------------|-----------------|------------|
| Municipal | \$36,862 | 42% |
| Corporates | 34,528 | 40% |
| Short-Term Securities | 3,836 | 4% |
| U.S. Government & Agencies | 3,562 | 4% |
| Mortgage-Backed Securities | 1,817 | 2% |
| Foreign Governments | 1,041 | 1% |
| Total Fixed Income | \$81,646 | 93% |

| % Fixed Maturities by Rating ¹ | |
|---|------------|
| Aaa | 43% |
| Aa | 23% |
| A | 19% |
| Baa | 14% |
| Investment Grade | 99% |
| Below Investment Grade | 1% |

| Non-Fixed Income Portfolio | | % |
|--|----------------|-----------|
| Private Equities | \$2,672 | 3% |
| Real Estate & Real Estate Partnerships | 1,747 | 2% |
| Equity Securities | 893 | 1% |
| Hedge Funds & Other | 417 | 1% |
| Total Non-Fixed Income | \$5,729 | 7% |

[1] Rated using external rating agencies or by Travelers when a public rating does not exist. Ratings shown are the higher of the rating of the underlying insurer or the insurer in the case of securities enhanced by third-party insurance for the payment of the principal and interest in the event of issuer default. Below investment grade assets refer to securities rated "Ba" or below.

Responsible Investing

As of December 31, 2021, Travelers invested assets totaled \$87.4 billion, of which 93% was invested in fixed maturity and short-term investments. This high-quality investment portfolio generated net investment income of \$3 billion pre-tax in 2021.

In addition to achieving appropriate risk-adjusted returns, our investments enable many environmental and social improvements. As one of the largest investors in municipal bonds, we provide funding to approximately 950 different municipal issuers, with the proceeds of our investments used to improve the quality of life in communities across 48 states, the District of Columbia and Puerto Rico. For example, we invest in municipal bonds that support water and sewer projects (\$6 billion), which help mitigate pollution, provide safe drinking water, promote conservation and, in many cases, respond to changing climate conditions. Additionally, our investments in K-12 education (\$10.8 billion) and higher education (\$5 billion) support enterprises directly involved in improving communities and students' lives. We currently own almost \$2.4 billion in fixed income securities classified as "green bonds" by Bloomberg. We also maintain smaller investments in low-income housing tax credits, which help build affordable housing. See the [Investment Portfolio](#) section in our Form 10-K for a detailed breakdown of our investment portfolio. For additional detailed information related to our investment holdings, please see our most recent [annual audited statutory basis financial statements](#) for the Travelers Combined Pool and other non-pooled entities. A summary of the investments held by investment type, country and credit rating (where applicable) can be found in the Summary Investment Schedule (Exhibit 2 for the Travelers Combined Pool Audit and Exhibit 1 for the other non-pooled companies audits). Additional investment information can be found in the Supplemental Investment Risks Interrogatories (Exhibit 3 for the Travelers Combined Pool Audit and Exhibit 2 for the other non-pooled companies audits).

ESG Factors in Investment Decisions

We recognize the importance of responsible investment and, accordingly, incorporate environmental, social and governance (ESG) factors in assessing the sustainability of the entities in which we invest. We have traditionally limited our exposure to public equity securities and other riskier asset classes. Since we invest overwhelmingly in fixed income securities, our analysis of ESG factors focuses primarily on credit risk. Our Investment Policy, approved by our Board of Directors, reflects a long-term approach to sustainable value creation and requires Travelers' consideration of ESG factors in the investment process, to the extent relevant.

With respect to our fixed income investments, we invest using a variety of qualitative and quantitative criteria that take into account both expected returns and risks including interest rate, credit and prepayment risks. Our fundamental investment process weighs, on an appropriate basis, financial statement data, management information, relevant ESG factors, third-party research and other information. In addition, our asset allocation process considers the expected return advantages offered in the market in compensation for bearing various risks, including credit risk and ESG risks.

We have assigned internally developed ESG scores to all issuers in our fixed income portfolio. In certain circumstances, this process has led to the exclusion of potential investments or the divestment of portfolio holdings ("negative screening") due to ESG risks where we believed that the expected returns were not consistent with the underlying risks—in other words, where we did not believe we would be appropriately compensated for the risks that we would be assuming.

Consistent with our credit-based approach to investing, we have also recently announced a [public commitment](#) to avoid making new debt or equity investments in companies with significant exposure to thermal coal mining, tar sands or coal-based electricity generation.

In addition, in our municipal bond, mortgage and real estate investments, we consider the impact that changing climate conditions may have on any given city, state or region. Since we assume catastrophe risks such as earthquakes and windstorms in our capacity as an insurer, we also seek to manage our portfolio's credit risk to such events by assessing our investment exposures in impacted geographic areas. In addition, for municipal bond issuers in the Southwestern United States and other areas of the country susceptible to drought, all investment analyses include an assessment of water supply adequacy.

For further discussion on the incorporation of ESG factors in our investment process and the impact of the regulatory environment in which we operate on the investments we make, please see our [SASB disclosure](#).



Lead Director Message



As independent Lead Director of Travelers, I am privileged to serve a company that helps its customers achieve their personal and business goals by protecting the things that matter most to them. I am also proud to oversee a management team that takes an integrated approach to sustained value creation.

As a Board, we have a responsibility—just as management does—to act as stewards of our shareholders’ capital by creating shareholder value *over time*. I emphasize *over time* because in the property and casualty insurance business, decisions are made and strategies are developed based on tens and even hundreds of years of data. At Travelers, we’ve observed that the companies that create the most shareholder value are the ones that think not quarter-by-quarter but decade-by-decade, as our company does. In that sense, Travelers has been managing with a mindset focused on sustainability long before it became fashionable.

As Alan notes in his message, management has also long recognized that to succeed in its mission of creating shareholder value over time, the company must not only *perform* and *transform* but also take care of its customers, communities and employees—or, as we refer to it, fulfill the *Travelers Promise*. The Board agrees—the company’s mission of creating shareholder value is inextricably linked with upholding the *Travelers Promise*. In fact, Travelers’ success for over 160 years is owed, in large part, to keeping that Promise.

Our Board takes a holistic approach to its oversight responsibilities, with the goal of ensuring that the decisions Travelers makes today maximize its long-term sustainability. Working closely with Travelers leadership, the Board provides oversight of the company’s business, financial strategy and operations.

In addition to overseeing capital allocation, investment management, enterprise risk management and other business topics traditionally overseen by boards, the Board meets regularly with senior Travelers leaders to review strategic plans and initiatives related to a broad variety of business-relevant risks and opportunities. These include, for example, risks and opportunities related to changing climate conditions, data privacy and cybersecurity, ethics and compliance, human capital management, diversity and inclusion, and community relations, to name just a few. Recognizing the importance of a strong company culture, our discussions include a focus on how the company is fostering a culture of candor and respect at every level of the organization.

In 2021, the Board continued to review the ongoing impacts of the global pandemic, including its impact on our employees. As part of a larger strategic planning session, we reviewed strategies related to the company's human capital management efforts, including talent management and the employee experience, diversity and inclusion, and the future of work. Additionally, this last year, as we have done in the past, the Risk Committee and the Board met regularly with leaders throughout the organization, including the Chief Risk Officer, the Chief Underwriting Officer and the SVP for Catastrophe Risk Management, to discuss catastrophe risks, including weather volatility and changing climate conditions.

Among other things, these discussions focused on Travelers' underwriting risk management approach in light of catastrophe volatility, the potential impact of climate-related perils to Travelers and its customers, and strategies for mitigating climate-related risks.

In 2021, technology and cybersecurity risks continued to be top of mind for the Board and for me, as Chair of the Risk Committee. The Risk Committee and the Board met regularly with the Chief Technology and Operations Officer, the Chief Information Security Officer and other senior leaders to review evolving cyber risks and their impact on our company, our cyber products and our customers. In addition, over the past year we reviewed how Travelers technology continues to support innovation in our businesses and drive improvements in our customer experience.

We recognize that given the pace of change in today's world, our business will continue to face new and evolving challenges. As a Board, we will continue to examine each issue with the attention and thoughtfulness it deserves, with the overarching goal of ensuring Travelers' ability to create shareholder value over time. We feel confident that this approach will enable Travelers to continue to perform today and transform for tomorrow.

On behalf of the Travelers Board, I look forward to continuing to serve the interests of our shareholders and other stakeholders. In the meantime, I encourage you to read more about Travelers' holistic approach to sustained value creation on this site.

A handwritten signature in black ink, appearing to read 'T.C. Schermerhorn', is positioned above the name of the signatory.

Todd C. Schermerhorn, Lead Director



Governance Practices

The Board of Directors and management of Travelers are committed to implementing sound corporate governance practices with the goal of ensuring that the company operates ethically and with integrity and is managed to maximize the long-term interests of its shareholders.

Approach

Our commitment to good corporate governance is reflected in our [Governance Guidelines](#), which describe the Board's views on a wide range of governance topics. These Governance Guidelines are reviewed annually by the Nominating and Governance Committee, and any changes deemed appropriate are submitted to the full Board for its consideration. Our [2022 Proxy Statement](#) discusses our robust corporate governance practices, which are designed to support sustained value creation for our shareholders.

The Board works with management to set the short-term and long-term strategic objectives of our company and to monitor progress on those objectives. Strategic topics are generally discussed at each Board meeting, and the Board and management participate in a separate strategy session each year. In setting and monitoring strategy, the Board, along with management, considers the risks and opportunities that impact the long-term sustainability of our business model and whether the strategy is consistent with our core values, culture and [risk appetite](#). The Board regularly reviews:

- Our progress with respect to our strategic goals.
- The risks, including the environmental, social and governance (ESG) risks, that could impact the long-term sustainability of our business.
- The related opportunities that could enhance our long-term sustainability.

The Board oversees these efforts in part through its standing committees, based on each committee’s responsibilities and areas of expertise. Each committee regularly reports to the Board regarding its areas of responsibility. The Board has allocated and delegated risk oversight responsibility to its committees in accordance with the following principles:

| Committee | Responsible for oversight of: |
|---------------------------------------|---|
| Audit | <ul style="list-style-type: none"> • Risks related to the integrity of financial statements, including oversight of financial reporting principles and policies and internal controls. • The company’s process for establishing insurance reserves. • Risks related to regulatory and compliance matters. |
| Risk | <ul style="list-style-type: none"> • The company’s Enterprise Risk Management activities. • Risks related to business operations, including insurance underwriting and claims; reinsurance; catastrophe risk and the impact of changing climate conditions; credit risk in insurance operations; and information technology, including cybersecurity. • The company’s business continuity plans. |
| Compensation | <ul style="list-style-type: none"> • The company’s pay-for-performance philosophy and practices designed to ensure equitable pay across the organization. • Risks related to compensation programs, including formulation, administration and regulatory compliance with respect to compensation matters. |
| Investment and Capital Markets | <ul style="list-style-type: none"> • Investment portfolio risks (including valuation and credit risks), capital structure, financing arrangements and liquidity. |
| Nominating and Governance | <ul style="list-style-type: none"> • Risks related to corporate governance matters, including succession planning, director independence and related person transactions. • Workforce diversity and inclusion efforts, public policy initiatives and community relations. |

Each committee is also responsible for monitoring reputational risk to the extent arising out of its area of responsibility.

Each Board committee has a written charter, which contains specific responsibilities, including the abovementioned risk oversight functions.

With respect to oversight of ESG-related risks and opportunities, each committee is assigned responsibility for oversight of matters most applicable to its charter responsibilities. We believe that allocating responsibility to a committee with relevant knowledge and experience improves the effectiveness of the Board’s oversight. For example, as indicated above, the Audit Committee oversees risks related to regulatory and compliance matters; the Compensation Committee oversees implementation of our pay-for-performance philosophy and practices designed to ensure equitable pay across the organization; the Nominating and Governance Committee oversees our workforce diversity and inclusion efforts, public policy initiatives and community relations; and the Risk Committee oversees strategies pertaining to management of catastrophe exposure, changing climate conditions and information technology, including cybersecurity.

With a focus on continually improving the ability of the Board to provide informed oversight, the Nominating and Governance Committee oversees educational sessions for directors on matters relevant to our company, business strategy and risk profile. For example, topics of those sessions have focused on the role that corporate culture and board oversight played in publicized lapses in corporate governance at other firms.

The Board and each of its committees evaluate and discuss the allocation of oversight responsibility every year, along with their respective performance and effectiveness.

In addition, our Chief Sustainability Officer and our ESG management committee—a multidisciplinary committee consisting of senior company executives that meets at least quarterly—drive the prioritization and management of, and reporting on, sustainability issues. We also regularly engage with our investors, our customers, our employees, our agents and brokers, regulators, rating agencies and other stakeholders on business issues and the ESG topics of interest to them.

To learn more about the specific risk oversight functions delegated to each Board Committee and our Enterprise Risk Management activities, see the [Capital & Risk Management](#) section of this site, and view our [Proxy Statement](#) to see specific Board Committee responsibilities. To learn more about our stakeholder engagement and how we identify our priority sustainability topics, see the [About Our Sustainability Reporting](#) section of this site.

Board Independence & Diversity

An effective and independent Board of Directors is critical to good corporate governance. All of our directors, other than our Chairman and CEO, are independent. All committees are comprised of independent directors, other than the Executive Committee on which our Chairman and CEO serves.

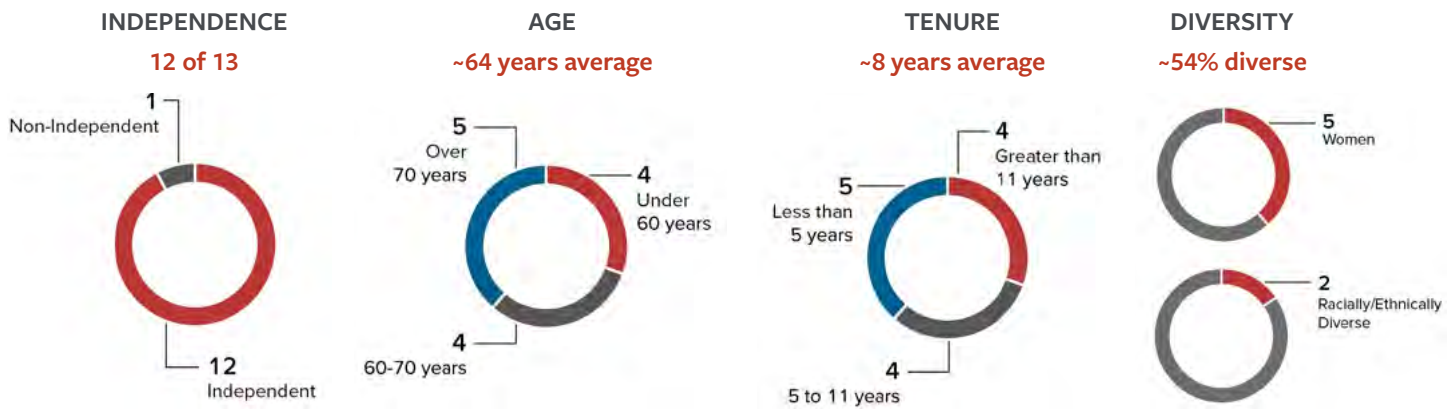
The Board has an [independent Lead Director](#). The independent Lead Director coordinates the efforts of the independent directors and has the authority to, among other things, convene and chair meetings of the independent directors as deemed necessary, as well as to approve the Board meeting schedules and meeting agenda items.

To further ensure effective independent oversight, independent members of the Board regularly meet in executive session with no members of management present. Executive sessions are chaired by the independent Lead Director. Each of the committees also meets regularly in executive session. For additional information on our Board structure and the role of the independent Lead Director, see our [Governance Guidelines](#) and our [Proxy Statement](#).

The members of the Board have a broad range of skills, expertise, industry knowledge, viewpoints and backgrounds and include five women and two racially/ethnically diverse directors. The Board and the Nominating and Governance Committee carefully consider the importance of diverse viewpoints, backgrounds and experiences and other demographics when selecting future director nominees. The Board seeks to ensure that it is composed of members whose particular expertise, qualifications, attributes and skills, when taken together, allow the Board to satisfy its oversight responsibilities effectively.

Another factor considered in board composition is maintaining a balanced approach to board tenure and age, with the intent of ensuring an appropriate mix of long-serving and new directors. Our Governance Guidelines contain a director age limit, providing that no person who will have reached the age of 74 before the annual shareholders meeting will be nominated for election at that meeting without an express waiver by the Board. The Board believes that waivers of this policy should not be automatic and should be based upon the needs of the company and the individual attributes of the director.

Director Snapshot



Board & Executive Compensation







Our director and executive compensation programs are designed to reinforce a long-term perspective and to align the long-term interests of our executives and directors with those of our shareholders.

Director Compensation Highlights

- Under the director compensation program, nonmanagement directors currently receive more than 50% of their annual board and committee chair compensation in the form of deferred stock units. The shares underlying these units are not distributed to a director until at least six months after the director leaves the Board, aligning director interests with those of long-term shareholders.
- Nonmanagement directors are required to accumulate and retain a level of ownership of Travelers equity securities equal to four times the director's most recent annual deferred stock award.
- The Nominating and Governance Committee reviews the appropriateness of the director compensation program at least once every two years.

Executive Compensation Highlights

With our pay-for-performance philosophy and compensation objectives as our guiding principles, we deliver annual executive compensation through the following elements:

| Element | Metrics | CEO Compensation Mix | Other Named Executive Officers (NEOs) |
|---------------------------------|--|--|---|
| Fixed | | | |
| Base Salary | Base salaries are appropriately aligned with Compensation Comparison Group. |  6.3% |  12.6% |
| Performance-Based Cash | | | |
| Annual Cash Bonus | <p>The Compensation Committee evaluates a broad range of financial and nonfinancial metrics in awarding performance-based incentives.</p> <p>Core return on equity is a principal factor in the Compensation Committee's evaluation of the company's performance.</p> <p>The Committee also considers other metrics, including core income and core income per diluted share, and the metrics that contribute to those results.</p> |  31.4% |  42.9% |
| Performance-Based Equity | | | |
| Long-Term Stock Incentives | <p>Annual awards of stock-based compensation are typically in the form of stock options and performance shares. Because our performance shares only vest if specified core return on equity thresholds are met, and because stock options provide value only if our stock price appreciates, the Compensation Committee believes that such compensation is all performance based.</p> <p>The mix of long-term incentives for the CEO and other named executive officers is approximately 60% performance shares and 40% stock options, based on the grant date fair value of the awards.</p> |  62.3% |  44.5% |

- Our executive compensation program links compensation to the achievement of our short-term and long-term financial goals and strategic objectives.
- As part of our long-standing pay-for-performance philosophy, we utilize performance measures that are intended to align compensation with the creation of shareholder value and reinforce a long-term perspective.
- The Compensation Committee believes that the most senior executives, who are responsible for the development and execution of our strategic and financial plans, should have the largest portion of their compensation tied to performance-based incentives, including stock-based compensation, the ultimate value of which is dependent on the performance of our stock price over time and our three-year core return on equity. Accordingly, the proportion of total compensation that is performance based increases with successively higher levels of responsibility.
- Our executive compensation program reflects established and evolving corporate governance standards, including:
 - A robust share ownership requirement of the lesser of 150,000 shares or the equivalent value of five times base salary for the CEO, the lesser of 30,000 shares or the equivalent value of three times base salary for vice chairmen and executive vice presidents and the lesser of 5,000 shares or the equivalent of base salary for senior vice presidents.
 - A clawback policy with respect to cash and equity incentive awards to our executive officers.
 - The prohibition of hedging transactions as specified in our securities trading policy.
 - The prohibition of pledging shares without the consent of Travelers (no pledges have been made).
- The Compensation Committee did not modify the terms of outstanding compensation awards or otherwise modify our compensation program or practices due to factors related to the COVID-19 pandemic.

For more detail regarding our executive compensation program, see the Compensation Discussion and Analysis section of our [Proxy Statement](#).

Shareholder Rights

Travelers [Articles of Incorporation](#) and [Bylaws](#), together with our [Governance Guidelines](#), define and protect our shareholders' rights, including through:

- **Annually Elected Directors.** The annual election of directors reinforces the Board's accountability to shareholders.
- **Proxy Access.** Shareholders may include director nominees in our Proxy Statement if certain conditions are met.
- **Majority Vote Standard for Director Elections.** In uncontested elections, a director who receives fewer votes "For" election than "Against" must promptly tender a resignation to the Board.
- **Single Voting Class.** Travelers common stock is the only class of shares outstanding.
- **No Poison Pill.** Travelers does not have a poison pill plan.
- **Right to Call a Special Meeting.** Special meetings of the shareholders may be called at any time by a shareholder or shareholders holding 10% of voting power of all shares entitled to vote or 25% where the meeting relates to a business combination.



Climate Strategy

Our property and casualty insurance operations expose us to claims arising out of catastrophes in each of the geographies where we write business and to varying peak catastrophe perils in different countries and regions. Severe weather events over the last two decades have underscored the unpredictability of climate trends, and changing climate conditions have added to the frequency and severity of natural disasters and created additional uncertainty as to future trends and exposures. Our approach to climate-related risks and opportunities is multifaceted, and we believe it allows us to mitigate our exposure to climate-related risk and provide products and services that both help our customers mitigate those risks and meet our long-term financial objectives. As part of our comprehensive climate strategy, we also advocate for and support community resiliency efforts.

Approach

As a core part of our business, we continually monitor, assess and respond to the risks and opportunities posed by changing climate conditions to provide products and services that both help our customers mitigate associated risks and are priced to meet our long-term financial objectives. We also regularly consider new insurance products and services that could be useful to our customers in addressing climate-related risks. This section introduces our approach to managing changing climate conditions, which we expand on in a detailed [report](#) that aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). To read about environmental efforts within our operations, refer to the [Eco-Efficient Operations](#) section.

Board Oversight and Governance

Our 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) practices and strategies, including our company's evaluation of potential risks relating to changing climate conditions. The Risk Committee of the Board, composed of independent directors, is responsible for oversight of the strategies, processes and controls relating to risks in our business operations, including insurance underwriting and claims, reinsurance, catastrophe exposure and the impact of changing climate conditions on those operations. The Risk Committee assists the Board in overseeing the operational activities of our company and the identification and review of risks that could have a material impact on Travelers, including risks relating to changing climate conditions.

The Risk Committee meets on a quarterly basis with the Chief Risk Officer, Chief Underwriting Officer, members of the Enterprise Risk Committee and, as appropriate, other members of senior management to discuss risks that could have a material impact on Travelers, including risks relating to changing climate conditions. These discussions include, for example, information regarding historical loss experience, loss trend projections, lessons learned from recent catastrophe events, underwriting practices and market share analyses. These discussions inform, among other things, the company's financial plan, risk appetite and underwriting approach. The Risk Committee, in turn, reports to the full Board with regard to its discussions.

In addition to the Risk Committee, our management-level enterprise risk and underwriting risk committees are key elements of our ERM structure and help establish and reinforce our strong culture of risk management, including with respect to changing climate conditions. A senior executive team, which includes the Chief Risk Officer and the Chief Underwriting Officer, oversees the ERM process. We also have other business-level risk committees that meet multiple times a year with senior management to discuss potential risks to Travelers related to the environment and changing climate conditions. These committees include the Enterprise Risk Committee, the Enterprise Catastrophe Committee, the Emerging Issues Committee, and the Climate, Energy and the Environment Committee (CEEC).

The CEEC coordinates and supports climate-related initiatives and strategies across Travelers and is a venue to share information and leverage expertise. The CEEC has four subgroups, each led by senior staff and aligned with a key area of focus:

- 1. Risk Identification and Management.** Supports business activities to identify, monitor and assess climate-related risks. Participants include representatives from our Enterprise Risk Management function (which includes the ERM group, Catastrophe Risk Management, and Enterprise Underwriting). Representatives from Investments, Government Relations, Legal, Risk Control, Claim, the Global Renewable Energy Practice and business underwriting groups across the company also participate in this subgroup.
- 2. Products, Market Development and Customer Services.** Supports activities to identify and develop product opportunities, explore potential new markets and expand services to help customers prepare for and respond to potential risks related to changing climate and "green" trends. Participants include Business Insurance Underwriting and Product, Enterprise Underwriting, Risk Control, Claim, the Global Renewable Energy Practice and employees from across our business units.
- 3. External Relations, Communications and Industry Leadership.** Supports Travelers external-facing corporate groups on matters pertaining to climate, energy and the environment. Participants include the Travelers Institute[®], Government Relations, Corporate Communications, Catastrophe Risk Management, Enterprise Underwriting, Risk Control, Community Relations and Investor Relations.
- 4. Facilities and Operations Management.** Coordinates Travelers initiatives and activities to develop and implement environmentally responsible corporate practices, including establishing emission reduction goals and monitoring progress in achieving those goals. Participants include members of the Travelers Corporate Real Estate team, along with key members of the facility management teams of our outsourced service provider.

Travelers provides detailed climate-related disclosures through voluntary reporting, such as our [TCFD Report](#), as well as mandatory submissions, such as those required by the National Association of Insurance Commissioners (NAIC). In 2021, the NAIC again allowed insurers, including Travelers, to submit a TCFD Report in lieu of completing the NAIC Insurer Climate Risk Disclosure Survey. The NAIC began accepting a TCFD Report in lieu of a completed NAIC survey in 2020. Readers are encouraged to review our TCFD Report to gain a more complete understanding of our approach to addressing the risks and opportunities related to changing climate conditions.

Risk Identification & Management

The Risk Identification and Management Subcommittee of our Climate, Energy and the Environment Committee (CEEC) meets regularly to discuss and assess climate-related issues, risks and trends. The subcommittee stays current on climate-related and environmental risks, including through industry publications and external conferences, and actively monitors various relevant factors, such as:

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

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

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

When a potential risk is identified, the subcommittee engages in a comprehensive review to evaluate the risk. This process involves the relevant internal stakeholder groups and, as appropriate, may be elevated under our Enterprise Risk Management (ERM) framework for discussion with senior management and the Board of Directors. To read more about our ERM activities, refer to the [Capital & Risk Management](#) section.

Risk Control & Mitigation

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

In addition, our Risk Control professionals provide guidance to our customers who 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, the Underwriters Laboratories Standards Technical Panels, the Fire Protection Research Foundation's Property Insurance Research Group, the Organization of Scientific Area Committees for Forensic Science Standards and other associations to help us research and evaluate the reliability and fire safety of "green" products and systems to determine how these products and systems impact fire, structural and safety exposures. This knowledge is used to continually update our views and empowers our Risk Control professionals to help our customers mitigate the risks associated with changing climate conditions and "green" trends, with a goal of improving outcomes while strengthening customer relationships. To learn more about some of our other climate-related products and services, refer to the [Products & Services](#) portion of this section.

At Travelers, we strive to lead by example and incorporate climate-related risk control measures into our own operations. To read about environmental and climate-related risk control efforts within our operations, refer to the [Eco-Efficient Operations](#) section.

Underwriting Strategy

For both property and casualty lines of business, we consider environmental factors, including weather trends and patterns, alongside other relevant risk variables in our underwriting evaluation process and in our underwriting strategies. In addition to catastrophe modeling, discussed in further detail under [Catastrophe & Weather Models](#), we evaluate the findings contained in governmental reports and other external scientific studies related to climate to assess potential impacts on our underwriting and pricing decisions. For example, we have evaluated the extent to which phases of the Atlantic Multidecadal Oscillation, the El Niño—Southern Oscillation, the North Atlantic Oscillation and Saharan dust conditions may influence changes in basin frequency, severity or U.S. landfall risk of hurricanes. Our catastrophe underwriting also incorporates lessons learned from recent events, including the 2017 Tubbs Fire (California), the 2018 Camp Fire (California) and the 2019 Kincade Fire (California), as well as past events, such as Hurricanes Harvey and Katrina and Superstorm Sandy. In addition, we are studying the impacts of several more recent wildfire events in California and Oregon throughout 2020 and 2021, as well as the late-season 2021 Marshall Fire (Colorado). These lessons learned are reflected in our:

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

We are able to respond quickly to changing conditions since most of our policies renew annually. This gives us the flexibility to adjust our pricing, underwriting strategy and related policy terms and conditions, as appropriate. In addition to making short-term tactical adjustments to our underwriting strategy and product pricing based on the climate-related risks we identify, we monitor climate-related risks on a medium- and long-term horizon to arrive at a holistic view of climate-related impacts on our business, further allowing us to adjust and refine our strategy, products and pricing.

Our broad product diversity also mitigates our exposure to climate-related risks. We engage broadly across nine major lines of insurance through our three business segments—Business Insurance, Bond & Specialty Insurance and Personal Insurance. Our portfolio is balanced across these lines of business and further diversified by geography and customer type and size. Travelers is a leading U.S. Commercial writer with a top-five position in five major product lines, including a number one position in workers compensation and commercial multi-peril.^[1] See our [Business Strategy & Competitive Advantages](#) section to learn more about our product breadth and specialization.

[1] 2021 U.S. Statutory DWP. Five major product lines: Commercial Multi-Peril (Commercial Multiple Peril (Liability), Commercial Multiple Peril (Non-Liability), Farmowners Multiple Peril); Commercial Auto (Commercial Auto No-Fault (Personal Injury Protection), Commercial Auto Physical Damage, Other Commercial Auto Liability); General Liability (Other Liability Occurrence, Product Liability); Workers Compensation; and Surety. Copyright © 2022, S&P Global Market Intelligence. Used with permission.

Finally, informed by our risk selection, claim experience and risk appetite, we reinsure a portion of the risks we underwrite to further manage our exposure to losses and to protect our capital. We cede to reinsurers a portion of these risks and pay premiums based upon the risk and exposure of the policies subject to such reinsurance. For further discussion of our reinsurance program, see our [Annual Report on Form 10-K](#).

Our robust risk management practices and disciplined approach to underwriting and pricing help Travelers identify and manage both the transition and the physical risks related to changing climate conditions and respond to climate-related opportunities now and as these opportunities evolve over time.

Catastrophe & Weather Models

Travelers uses various analyses and methods, including proprietary and third-party modeling processes, to make underwriting and reinsurance decisions designed to manage the company's exposure to catastrophic (CAT) events. The Enterprise Catastrophe Risk Management group assesses CAT risk and manages the development of our strategic CAT efforts, including the use of proprietary and third-party models and geospatial analysis to analyze CAT events and related risks.

This group actively monitors and evaluates changes in third-party models and, when necessary, calibrates the CAT risk model estimates delivered via our proprietary modeling processes. We consider historical loss experience, recent events, underwriting practices, market share analyses, external scientific analysis and various other factors, including nonmodeled losses, to refine our proprietary view of catastrophe risk. Our proprietary models, which are an integral part of our Enterprise Risk Management process and support our long-term financial strategies and objectives, are updated on a regular basis as new information and techniques emerge.

Analytical techniques like these are an integral component of our [Capital & Risk Management](#) processes and further support our long-term financial strategies and objectives.

Products & Services

Travelers is positioned to benefit from the increased economic activity in the renewable energy and clean technology industries by insuring more renewable energy projects globally. Our dedicated [Global Renewable Energy Practice](#) provides solutions for the life span of a renewable energy business, from research and development and manufacturing to permanent operations, as well as onshore and offshore wind, solar and biopower operations. This practice is designed to facilitate innovation and the growth of renewable energy businesses and support the transition over time to a lower-carbon economy. Our Global Renewable Energy Practice also helps Travelers capture a greater share of the expanding renewable energy industry domestically and internationally, as trends toward renewable and clean energy sources continue to accelerate. For example, our [WindPak®](#) and [SolarPak®](#) products respond to unique coverage issues for the wind and solar industries based in the United States. We have also expanded our international footprint for onshore and offshore wind and solar operations throughout Asia, Europe, the United Kingdom, Mexico and Canada with our unique coverages written through Travelers Lloyd's Syndicate 5000.

We continue to aggressively pursue the renewable energy sector, such as by providing coverages globally for commercial and residential solar installations and onshore and offshore wind farms, including the first U.S. offshore wind farm project, Block Island Wind Farm. Over the past three years, our Global Renewable Energy Practice grew at a compound annual growth rate of 30%, with revenue up over 120% since 2018. We also offer specialized coverage, as well as discounts where permissible, to incentivize environmentally responsible behavior—specifically, to encourage adoption of FORTIFIED Home™ construction, green buildings and hybrid/electric vehicles. Examples of our current product offerings include the following:

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

In addition, through our [Prepare & Prevent](#) website, we provide customers, agents and brokers and the general public with extensive educational resources to help them plan for, stay safe during and recover from natural disasters of all types. This site and our secure Risk Control website on MyTravelers® for Business provide customers, agents and brokers with access to over 1,250 resources to help them better understand risk, mitigate exposures and prevent losses.

Finally, when possible, we take steps to notify customers and agents of certain approaching natural disasters and inform them of steps they can take to help prevent damage. We send customized severe weather alerts—via text message, email or both—that let customers know of pending hazards in their area. We also provide links to actionable prevention content on our Prepare & Prevent website. After major natural disasters, we communicate with customers and agents to inform them of steps they can take to mitigate damage, file a claim and begin the recovery process.

Resilient Communities

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

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

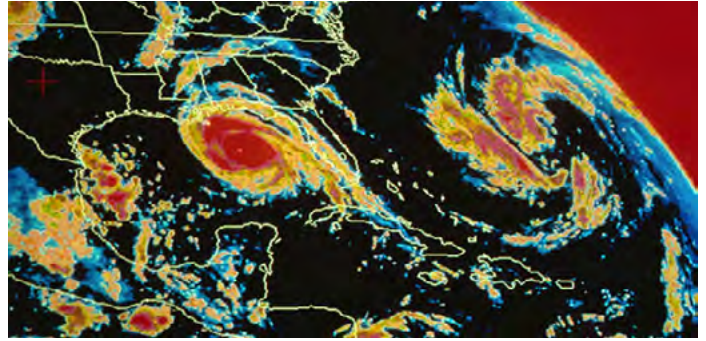
Following enactment of the Disaster Recovery Reform Act in 2018, the Federal Emergency Management Agency (FEMA) developed a new pre-disaster mitigation program called Building Resilient Infrastructure and Communities or BRIC. Through this program, FEMA provides federal funds to states, local communities, tribes and territories for mitigation activities. For Fiscal Year 2021, FEMA was authorized to distribute up to \$1 billion in BRIC funding. Long a priority for Travelers and the BuildStrong Coalition, FEMA now can provide states and localities with dedicated pre- and post-disaster funding opportunities that will save lives and help communities reduce the future costs of natural disasters by helping homeowners fortify their homes using IBHS-proven technologies. State and federal funding for resiliency efforts is essential. According to a National Institute of Building Sciences study, for every \$1 spent on hazard mitigation, the United States can save \$6 in future disaster costs. In these ways, we are advocating for our communities, which we believe is good for our customers, for the communities in which we live and work and for creating shareholder value over time.

Illustrative Initiatives



ENVIRONMENTAL INITIATIVES IN EUROPE

The Travelers Europe
Forest Takes Shape



IBHS SPONSORSHIP

Supporting Research in Severe
Weather Readiness and Response



TEAM RUBICON

Veterans Deploy with
Disaster Responders



TRAVELERS FORTIFIES COMMUNITIES

Building Strong, Resilient Communities



TRAVELERS INSTITUTE

Thought Leadership on
Disaster Preparedness



WILDFIRE DEFENSE SERVICES

Protecting Our Customers
from Increased Wildfire Risk



Community

Travelers—directly and through the Travelers Foundation—has provided more than \$228 million in gifts to local communities over the past decade, focused on supporting academic and career success, developing thriving neighborhoods and creating culturally enriched communities. Our giving, along with our extensive volunteer efforts, helps us deliver sustained value for all stakeholders.

Approach

At Travelers, we understand that we can only thrive as a business enterprise if our economy—and by extension our communities—thrive too. We believe that strong communities are sustained by educational and economic opportunities, and we are dedicated to assisting our communities in generating those opportunities. Our community initiatives, including our volunteer and matching gift programs, are also designed to enhance employee engagement and retention.

Travelers provides [community support](#) both directly and through the Travelers Foundation, the company's philanthropic arm. The Travelers Foundation Board of Directors provides oversight of the foundation's strategies, priorities and activities. Our Community Relations department meets regularly with the foundation's Board, comprised primarily of senior leaders from our Management and Operating Committees. Community Relations also reports annually to the Nominating and Governance Committee of the Travelers Board of Directors. Travelers and the Travelers Foundation publicly disclose [a detailed annual list of charitable giving](#) and [community reports](#) to highlight our accomplishments and progress.

Our Giving Priorities

With a focus on equity and inclusion, we target our giving and volunteerism priorities to help improve academic and career success, develop thriving neighborhoods and create culturally enriched communities.

- Academic and Career Success.** Travelers supports initiatives that combat inequity by creating pathways and enhancing opportunities for career readiness, access and success. While supporting our communities, these initiatives help address corporate needs for a skilled workforce and benefit the economy at the same time. Travelers, directly and through the Travelers Foundation, has provided more than \$100 million since 2009 to help foster academic success, increase career preparedness and reduce barriers to higher education. Programs such as [Travelers EDGE® \(Empowering Dreams for Graduation and Employment\)](#) are helping to strengthen our communities and build a robust and diverse talent pipeline for Travelers for the future.
- Thriving Neighborhoods.** Travelers fosters thriving neighborhoods through neighborhood economic development and community-building services to help individuals, families and small businesses understand and mitigate risks, stay safe and prepare for disasters. This includes efforts such as the [Small Business Risk Education](#) program, our work with [Habitat for Humanity® and SBP](#) to fortify homes and our support of nonprofits that are building strong, resilient communities, such as [Team Rubicon](#).
- Culturally Enriched Communities.** Travelers supports organizations that enrich lives through arts and culture, both as a lever for academic improvement and to foster cultural vitality in communities where our employees live and work. In 2019, we launched [Travelers Art Speaks](#), an internal initiative that leverages our investment in arts and cultural organizations to spark meaningful and thought-provoking dialogue on topics related to diversity and inclusion.

Throughout the pandemic and during 2021, we continued to address broader community needs arising from the COVID-19 pandemic. Since the onset of the pandemic, we have repurposed the kitchen facilities on our main campus in Hartford, Connecticut, to assist nonprofits in the preparation and delivery of tens of thousands of meals to those in need. In 2020 and 2021, we provided a combined total of more than 140,000 meals to three community meal centers in the Hartford region. Our pandemic response efforts also included more than \$2 million to pay the wages and health benefits for eligible third-party contract employees who provide services at Travelers offices, including dining and building maintenance, protecting jobs that would have otherwise been lost during the economic shutdown.

The events of 2020 put a spotlight on the racial inequities faced by many Americans every day. We have continued to make equity a centerpiece of our approach to charitable giving and community involvement. For example, Travelers partnered with Resource, a [joint initiative](#) led by Village Capital and the Black Innovation Alliance, to create a stronger entrepreneurial infrastructure for Black, Latinx and Indigenous business founders across the United States.

Travelers Charitable Giving

| | 2021 | 2020 | 2019 |
|------------------------|--------------|--------------|--------------|
| Direct Cash | \$17,056,108 | \$19,537,777 | \$17,423,703 |
| Foundation Cash | \$5,546,500 | \$3,407,352 | \$6,586,694 |
| Total Cash | \$22,602,608 | \$22,945,129 | \$24,010,397 |
| Non-Cash | \$1,631,844 | \$1,767,285 | \$206,064 |

Employee Volunteerism & Giving

We take pride in empowering our employees to have a positive impact on their communities by serving others. As community leaders, Travelers employees are more than strong corporate citizens—they are valuable assets to the communities in which they live and work. Year after year, our employees' efforts to give back to the communities we call home are truly remarkable. We do not limit the number of paid volunteer hours an employee can take during the year; each employee works directly with their manager to balance volunteering with their job responsibilities.

We hear from our employees about how connecting with their communities—by contributing their time, talents and financial resources—is personally rewarding, drives engagement and morale and strengthens their commitment to our company's mission. We also see how community involvement—whether by leading a team volunteer project, coordinating an event for a local nonprofit, providing pro bono services or serving on a charity's board of directors—helps our employees develop as professionals, building competencies that we value in the Travelers workforce.

While our employees had to change the way they supported their communities due to the pandemic, their commitment and passion did not waver. In 2020, we suspended company-sponsored, in-person volunteer activities and instead developed a roster of virtual volunteer opportunities—a number of which were initiated by our employees. In 2021, employees continued to engage virtually, on an individual basis and as remote teams.

Here are some examples of volunteer activities Travelers employees participated in during 2021:

- **BestPrep:** Travelers has engaged with BestPrep for more than 15 years. BestPrep's virtual programs focus on one-on-one email mentoring to help high school students understand career paths and identify potential workplace skills. In 2021, we increased our engagement to include employees outside of Minnesota. Over 200 employees participated in the various programs throughout the year.
- **Art with a Heart:** 35 Travelers employees and 45 *Travelers EDGE* scholars, alumni and partners volunteered to create hundreds of clay hearts that are included in Art with a Heart's 25th anniversary sculpture, a new public art asset for Baltimore.
- **Junior Achievement Virtual Panel Discussions:** Interns and first-year participants from our Travelers Leadership Development Programs partnered to inspire high school students to start planning for their future success.
- **Usher's New Look (UNL):** Travelers employees served as virtual mentors for students in UNL's Leadership Academy, helping graduating seniors with college planning.
- **Read to a Child:** Approximately 30 Travelers employees were matched with elementary school students in Hartford for weekly lunchtime reading.
- **The Hole in the Wall Gang Camp:** Over the summer and holidays, Travelers employees sent cards and handmade snowflakes to campers of The Hole in the Wall Gang Camp—a camp for seriously ill children.
- **Pathways Academy of Technology & Design:** Travelers employees volunteered for weekly math tutoring for high school students.

Travelers was recognized with the U.S. President's Silver Volunteer Service Award for the 2020-2021 school year for its strong support of Junior Achievement. Created by the President's Council on Service and Civic Participation, the award recognizes individuals and organizations that contribute a significant amount of time to volunteer service. Junior Achievement USA®, as an official certifying organization, designated Travelers for providing more than 3,000 volunteer hours across the country.

Through the Travelers Community Connections intranet site, we continue to encourage Travelers employees to log their company-sponsored and independent volunteer activities, as well as view volunteer opportunities available in their communities. In addition, Travelers maintains both a matching gifts and volunteer rewards program to encourage and support employees in their efforts.

Travelers Community Connections Matching Gifts Program

We amplify our employees' generosity with the Travelers Community Connections program. From 2012 to 2021, we matched our employees' gifts of time and money with \$21 million in matching funds. The program offers an annual Cash Match of up to \$500 per employee for donations made through our online portal. Employees also are eligible to earn volunteer rewards at a rate of \$20 per volunteer hour logged, which they can then designate as grants to eligible charities. Each employee may earn up to \$1,000 in rewards annually. Our annual Community Connections Campaign also encourages employee giving through fundraising events in support of United Way affiliates across the country and reminds employees about the ability to give to their favorite charities through payroll deduction and other methods. During the 2021 campaign, which was themed "Reimagining Communities," employees raised more than \$700,000 for our local communities through over 90 creative virtual and live events.

Travelers Community Connections Team Volunteer Grants

The Travelers Community Connections field office volunteer grant program encourages volunteer initiatives at our offices across the United States by supporting employee team requests for grants of up to \$15,000 to support local schools and nonprofit partners. In 2019, 34 organizations associated with 19 Travelers offices received more than \$350,000 through this program, not counting 54 Habitat for Humanity® build days in the United States and Canada, which we supported with nearly \$600,000 in grant funding. Although in-person volunteer programming came to an abrupt halt in early 2020 due to COVID-19, Travelers employees partnered with local organizations throughout the pandemic to provide virtual volunteer power. In 2021, \$180,000 in Travelers Community Connections volunteer and operating support grants were made to 13 organizations in nine states, and \$220,000 in operating and emergency funds were provided to Habitat for Humanity® affiliates in the United States and Canada.

As demonstrated below, these programs add up to millions of dollars in assistance for the communities we call home

Supporting Employee Community Involvement

| | 2021 | 2020 | 2019 |
|--|---------------|---------------|---------------|
| Employee Volunteer Hours^[1] | 57,000 | 50,000 | 130,000 |
| Travelers Community Connections Field Office Activities | 13 | 5 | 34 |
| Matching Gifts | \$1.6 million | \$1.7 million | \$1.3 million |

[1] The COVID-19 pandemic severely reduced volunteer activity among our employees, resulting in reduced volunteer hours.

Illustrative Initiatives



TRAVELERS CHAMPIONSHIP®

Our Signature Community Event



JUNIOR ACHIEVEMENT INSURANCE LEARNING LABS

Fostering Financial Literacy
and Insurance Know-How



VIRTUAL VOLUNTEERING

Responding Remotely
to Community Needs



TRAVELERS ART SPEAKS

Advancing Inclusion through the Arts



GIRLS' LEADERSHIP SUMMITS

Inspiring Girls to Be
Strong, Smart and Bold



TRAVELERS EDGE®

Transforming Tomorrow's Workforce

Illustrative Initiatives



ENVIRONMENTAL INITIATIVES IN EUROPE

The Travelers Europe
Forest Takes Shape



SUPPORTING OUR ENTREPRENEURS

Our Partnership with Village Capital



AMERICAN FORESTS PARTNERSHIPS

Partnering for a Purpose—
Helping to Reforest America



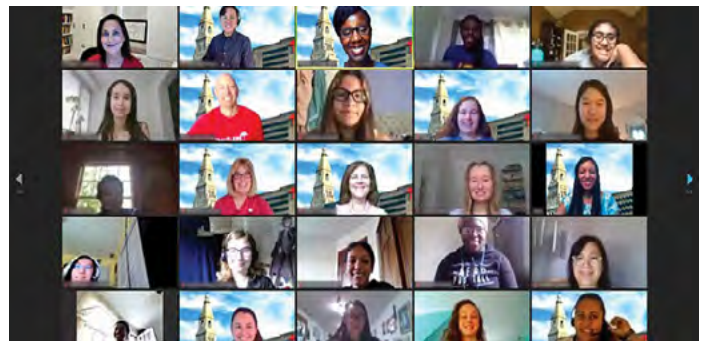
COMMUNITY SERVICE VEHICLE DONATIONS

Driving Opportunity



FEATURED SERVICE PROJECT

Literacy for Learning



GIRLS WHO CODE

Growing Tech Talent

Illustrative Initiatives



PARTNERSHIP WITH INVEST

Travelers Insuring Futures



SMALL BUSINESS RISK EDUCATION

Empowering Small Business Owners to Succeed



TEAM RUBICON

Veterans Deploy with Disaster Responders



TRAVELERS FORTIFIES COMMUNITIES

Building Strong, Resilient Communities



Customer Experience

We strive to provide great experiences for our customers, agents and brokers at every touchpoint, from sales to claim servicing. To meet evolving consumer and business expectations, we are investing in technologies, capabilities and talent to deliver fast, personalized service across platforms, with the goal of being the *undeniable choice for the customer and an indispensable partner for our agents and brokers*.

Approach

At the heart of who we are is our promise to take care of our customers. In the best of times, our products and services provide our customers with the security to grow and thrive. When disaster strikes, that promise can mean helping replace a totaled vehicle or helping repair a roof in time for the holidays or a special occasion. In every case, a Travelers policy means a trusted relationship that can last years, even generations, and brings value to our customers, our enterprise and our shareholders.

We recognize that to deliver on our promise and to produce industry-leading returns over time, we need to understand our customers' changing needs and expectations, which are increasingly shaped by their experiences both inside and outside the insurance industry. Meeting and exceeding those expectations require us to keep the customer at the heart of everything we do and collaborate with our agent and broker partners to provide a seamless and consistent experience across all interactions and touchpoints.

Our Head of Customer Experience, a member of our Operating Committee, leads our enterprisewide efforts to enhance our customer experience. We regularly conduct customer research to gain a real-time understanding of our customers' needs. We also rely on our data and analytics expertise to develop intelligent models that help us predict and provide for their needs throughout the customer life cycle. We use these learnings to strategically invest in technologies, capabilities and talent that enable us to become faster, easier, nimbler, more digital and more personalized. Through these efforts, we continue to drive one of our [three innovation priorities](#)—to provide great experiences for our customers, agents and brokers.

From a claim perspective, customer experience is both a core value and a business discipline. For the overwhelming majority of claims, we do not contract third-party claim adjustors and rely on our own staff; in 2021, we were able to adjust virtually 100% of our catastrophe claims with our own employees. This structure sets us apart in the industry, allowing us to process claims more quickly and accurately, enabling a consistently high standard of customer service. Our claim handling capability is at the heart of our promise to our customers and proved again in 2021 to be a significant competitive advantage that results in a better outcome for our customers and a more efficient outcome for us. In 2021, we were able to resolve approximately 92% of our customers' property claims arising out of catastrophe events within 30 days. This was a particularly remarkable result, when, during an ongoing pandemic, we responded to a historically high number of catastrophe events. The capacity to service virtually all of our claims with our own employees also provides us with valuable insights and data, which helps us continually learn from our customers and refine our service processes to optimize their experience with us.

In recent years, we adjusted our claim inspection process to rely more heavily on state-of-the-art digital and virtual capabilities. In addition to creating efficiencies for us, investments in digital capabilities over the past few years have enabled us to improve the customer experience in meaningful ways. Our timing was good: Pre-pandemic, we anticipated a higher rate of digital adoption, and when the pandemic accelerated this trend, we were prepared to meet the need. We are now using virtual claim handling capabilities on a significant majority of both auto appraisals and wind/hail claims, all without the need for inspection by a Travelers Claim professional. We are also handling significantly more water claims virtually as compared with pre-pandemic levels. In other words, we are delivering great experiences for our customers and a more efficient outcome for our shareholders.

We pride ourselves on delivering for our customers but are pleased when our customer experience has been recognized by others. For example:

- Gartner identified Travelers as “Gifted” in its Insurance Digital IQ Index (2020).
- Forbes rated Travelers as one of America’s Best Insurance Companies (2022).
- U.S. News ranked Travelers in the top 10 for Best Car Insurance Companies (2021).
- Corporate Insight granted Travelers awards for both Desktop Website and Mobile App (2021).
- J.D. Power top 10 in the Insurance Shopping process (2021).

Ultimately, the results of our customer experience efforts are reflected in our very strong customer retention rates.

Customer Retention Rates

| Business Group | 1Q '20 | 2Q '20 | 3Q '20 | 4Q '20 | 1Q '21 | 2Q '21 | 3Q '21 | 4Q '21 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| Domestic Business Insurance (excluding National Accounts) | 84% | 83% | 83% | 83% | 83% | 84% | 85% | 85% |
| Domestic Business Insurance: Select Accounts | 82% | 84% | 81% | 79% | 80% | 80% | 82% | 82% |
| Domestic Business Insurance: Middle Market | 86% | 85% | 85% | 85% | 86% | 87% | 87% | 87% |
| Domestic Bond & Specialty Insurance: Management Liability^[1] | 89% | 89% | 91% | 89% | 87% | 86% | 86% | 87% |
| Domestic Personal Insurance: Automobile^[2] | 84% | 84% | 84% | 84% | 85% | 86% | 86% | 85% |
| Domestic Personal Insurance: Homeowners and Other^[2] | 85% | 85% | 84% | 84% | 84% | 85% | 85% | 85% |
| Total International Insurance^[1] | 71% | 80% | 79% | 81% | 80% | 80% | 80% | 82% |

[1] This ratio excludes the surety line of business, as surety products are generally sold on a nonrecurring, project-specific basis.

[2] This ratio represents the expected number of renewal policies that will be retained throughout the annual policy period to the number of available renewal base policies.

Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

Human-Centered Experience

At Travelers, we strive to exceed our customers' evolving expectations and work hard to provide them with compelling experiences. We understand the importance of a human connection when a customer experiences a "life event"—such as buying a new home or investing in their business. At the same time, we understand the growing importance of technology as our customers increasingly desire the ability to interact with us digitally. By continually enhancing our digital and virtual capabilities, we are better able to help our customers protect what is important to them, keep themselves and their employees safe and well, and get through a covered loss. Our [Innovative Products & Services](#) section details the many innovative ways in which we take care of our customers every day.

We remain committed to maintaining the human touch while delivering this exceptional digital experience. Here are some of the ways we work hard to do that:

Making Sure We Have the Right People

We aim to attract, hire and develop employees with empathy, integrity and professional expertise. Our goal is to hire and nurture people who care about the long-term success of Travelers, which includes caring about the well-being of our customers and providing exceptional service to our customers and agent and broker partners.

Culture

We are the beneficiaries of a long-standing culture anchored in trust—the trust we earn from our customers in challenging times and the trust we place in each other and our agents and brokers every day. The importance of the Travelers Promise—our commitment to take care of our customers, our communities and each other—is deeply ingrained in our employees and is the purpose that brings our employees to work each day with energy and enthusiasm.

Human-Centered Design

Designing exceptional experiences for customers is both an art and a science. In an effort to ensure that Travelers stays ahead of the competition, our Customer Experience function has established a human-centered design community of practice and an enterprise leadership role. This leader and the community provide tools, best practices and standards to teams across the enterprise so we can better understand the human implications in more of our work. Additionally, we have hired experienced design professionals across our organization to help create the best experiences possible across all of our service channels, using an outside-in, human-centric approach.

Product and Loss Consultation

Customer experience starts with ensuring that customers have the right product coverage for their risk management needs. Then, in the event of a loss, we have an innovative workflow that gives customers the option of being better informed about coverage, deductibles and the claim process prior to filing an insurance claim.

Leveraging Data and Analytics to Enhance the Customer Experience

We leverage our deep expertise in data and analytics to support decision-making and drive informed and thoughtful experience design and customer-focused innovation. We have more than 60 million data records related to businesses, individuals and distributors, including virtually every business in the United States. These records are curated into well-designed, proprietary data products. We leverage this with more than 2,000 external data sets, including high-resolution aerial imagery covering substantially all property exposures in the United States. All of this data fuels our more than 1,000 advanced analytical models. Our models support risk selection and segmentation, pricing, reserving, claim response and more. Our data and analytics advantage, augmented by the latest technology, is significant and difficult to replicate. Ultimately, these capabilities lead to a better customer experience across the customer life cycle—at the time the customer purchases a policy, during the time they remain a Travelers customer and in the event of a loss.

Ethical & Empathetic Claim Culture

Treating our customers, claimants and business partners with the highest degree of integrity, professionalism and empathy and paying what we owe are core to our mission. That's why our Claim organization has a deliberate focus on attracting, developing and retaining a high-performing workforce that shares our values and embraces our culture. We offer our Claim professionals comprehensive training designed to drive alignment with Claim's values and vision and drive the ethical, empathetic and effective claim handling that is critical to our success. Employees are regularly recognized for their ability to leave our customers feeling secure, respected and cared for at every interaction.

Our [Code of Business Conduct and Ethics](#) clearly establishes Travelers' policy to handle claims fairly by paying what we owe and following the terms of the applicable insurance policies and all claim-handling standards contained in the applicable statutes and regulations. The Code specifies that Claim personnel are expected to act promptly and in good faith when handling claims. These principles are frequently reinforced by management at all levels within the Claim department through regular training, communications and claim review. Claim professionals' core technical training addresses coverage determination and customer communication, and our internal quality review of claim files includes determination of whether all coverages were correctly identified, applied and communicated to the customer. In addition, all Claim employees are required to annually certify compliance with a Claim-specific compliance plan that goes above and beyond the company compliance plan to specifically address good-faith claim handling.

Listening to Our Customers & Partners

At Travelers, we understand the power of listening. To that end, we aim to provide our customers and agent and broker partners with the ability to quickly and easily give us feedback on our products, services and interactions. Our Customer Experience teams, which span across all Travelers business lines, regularly monitor and analyze that data to respond to customer and agent concerns while using root cause analysis to improve our processes. Our goals are to ensure that we understand our stakeholders from the start and that we use the valuable feedback we receive to develop the products and services that our customers want and need.

We strive to expand our ability to receive and act upon customer feedback, including through the use of "after call," "chat," and "after transaction" surveys; feedback buttons or active surveys on our digital properties; and deep quantitative research and in-depth interviews with our customers, agent and broker partners and employees.

We also utilize data from third parties such as J.D. Power, Forrester and NICE Satmetrix, along with our customer feedback, to monitor customers' needs with the goal of providing an exceptional experience. Due in part to our deep analytics from hundreds of Voice of Customer Listening Programs, we again improved customer satisfaction in all of our business areas this year. Ultimately, by listening to our customers and evolving our processes and strategies to align more closely with both customer and agent and broker perspectives, we aim to continually improve customer experiences and loyalty.

Here are some of the other ways we advance our goal of listening to our customers and agent and broker partners:

- **24/7 Customer Advocacy Help Line.** With one of the most comprehensive suites of commercial and personal product offerings in the marketplace and over 30 businesses and approximately 30,000 employees, it could be difficult to reach the right person at the right time. To make it easier, our Customer Advocacy team of trained specialists is available 24/7 to help our customers, agents and brokers navigate to the right person at Travelers. Customers can find the Customer Advocacy telephone number and email address by clicking on the "Contact Us" button on the homepage of Travelers.com.
- **Social Media Response Capabilities.** Many of today's customers prefer to interact through social media. To address this trend, we have established a social media scanning and response capability to quickly respond to customer inquiries through social media. Any time a customer posts on a Travelers social media property or tags Travelers in a post on their social media property, we have a process to quickly review and direct that comment to the right business partner to determine if a response is needed.

Supporting Our Agents & Brokers

Our partnerships with our agents and brokers are a key competitive advantage for us and an important driver of our long-term success. We aim to be their indispensable partner; together, we deliver on our promise to be there for our shared customers.

This is why we seek to enhance our digital marketing and sales tools to better support our agents and brokers and to help them identify and capture new business opportunities more effectively. For example, we support our independent agents and brokers by providing them with social media, marketing and customer relationship resources. These resources allow them to leverage our communication platforms and our extensive product and safety content to engage with their local markets and communities.

In 2021, Personal Insurance rolled out READY. SET. PIVOT. (Partnership for Innovation and Vision of Tomorrow), a webinar-based program designed to support agents in their long-term growth and evolution. The program is focused on working with agents to anticipate and prepare for the future of insurance.

We also work closely with our agents when designing new products and tools for our shared customers, helping to meet customers where they are, serve them how they want and give them what they need. For example, we introduced Digital Quote Proposal (DQP) in 39 states, giving our agents the ability to provide customers with a dynamic interactive quote experience. Building on the success of our existing auto telematics offering, IntelliDrive®, we introduced IntelliDrivePlus™ in three states in 2021. At each renewal, the app-based program calculates a new premium by measuring miles driven and driving behaviors, such as braking, acceleration, speed, time of day and distraction. We also rolled out our Digital Auto Discount in 40 states across the country, providing a discount for customers who register for MyTravelers®, opt to go paperless for billing and policy documents, and enroll in a telematics program.

We are also extending digital capabilities in Business Insurance to benefit our agent and broker partners. In November 2021, we launched our external Application Programming Interface (API) pilot to provide our agent and broker partners with real-time access to generate certificates of insurance. This API enables ACORD 25 certificates of insurance to be generated in real time as proof-only certificates through their proprietary broker.

In Bond & Specialty Insurance, we continue to improve the agent experience by enhancing the convenience, connectivity and responsiveness of our digital solutions for transactional surety. We have expanded our bond processing platform, Travelers Click®, to accommodate small commercial surety bonds up to \$1 million.

Travelers Institute® educational programming also offers unique value to our network of 13,500 agent and broker partners, providing a distinguished thought leadership platform. Over the course of more than a decade, the *Travelers Institute* has hosted more than 600 events in collaboration with agents and brokers, enhancing these relationships while providing education and risk mitigation strategies to thousands of consumers.

The programming leverages our agents' knowledge of how issues such as cybersecurity, distracted driving and natural disasters directly affect families, businesses and communities. Agencies and agent associations regularly co-host programs with the *Travelers Institute*, invite customers and provide expert speakers, showcasing their risk management expertise and reinforcing their value as trusted advisors for critical insurance decisions. In addition, the *Travelers Institute* offers presentations on the economic outlook and political landscape at agent conferences and events and provides educational content, including publications, social media campaigns and videos, for agents and brokers to share with clients.

During the pandemic, the *Travelers Institute* has continued to foster these relationships and provide educational programming through its new [Wednesdays with Woodward®](#) webinar series. The series launched in June 2020 to explore personal and professional issues impacting our agents, our brokers, our customers, our employees and the communities we serve. Forty-five programs have been held through the end of 2021, with topics including the future of autonomous vehicles, cross-sector efforts to fight cybercrime, and employee safety and COVID-19, among many others. Notably, the *Travelers Institute* hosted a webinar, [The Changing Landscape of Insurance Distribution](#), highlighting the pace of today's business world, as well as the evolving distribution strategies and ongoing consolidation in the insurance industry.

Additional programs explored distribution and agency trends for personal insurance and commercial insurance. These included the following webinars:

- [Thrive: How Insurance Agents & Brokers Will Succeed in 2022](#)
- [Future Ready: Trends in Personal Insurance Distribution](#)
- [Insurance Market Insights: Emerging Trends to Watch](#)

The *Travelers Institute* programs are a great example of how our efforts to strengthen our communities also enhance our relationships with our agent and broker partners and drive our bottom line.

Illustrative Initiatives



HOME PROTECTION SERVICES

Tips for Customers on Preventing Water-Related Damage



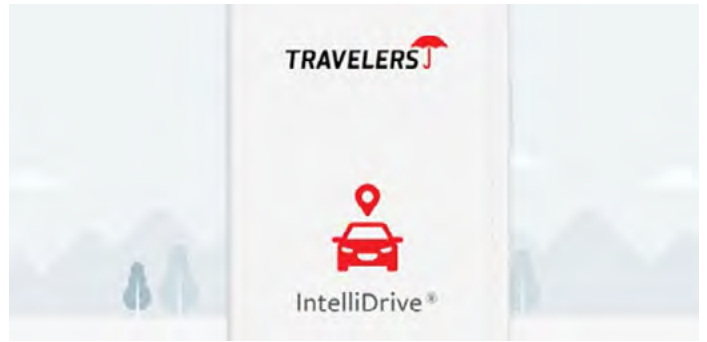
QUANTUM HOME 2.0

Simplifying the Customer Experience



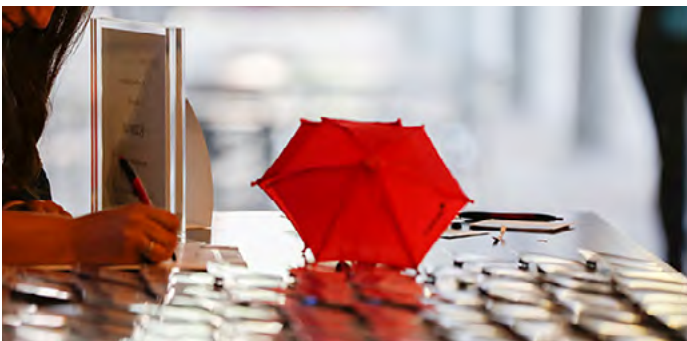
AMERICAN FORESTS PARTNERSHIPS

Partnering for a Purpose—
Helping to Reforest America



INTELLIDRIVE®

Leveraging Telematics to
Encourage Safe Driving



TRAVELERS INSTITUTE

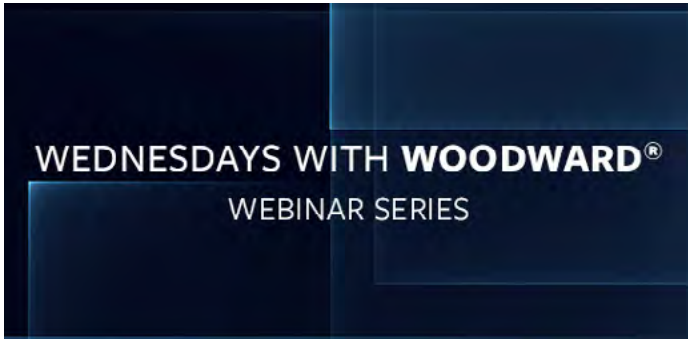
Insurance Essentials: Your
Questions Answered



PROTECTING PROPERTY THROUGH SMART & CONNECTED TECHNOLOGIES

Test and Learn of IoT Devices

Illustrative Initiatives



WEDNESDAYS WITH WOODWARD WEBINAR SERIES®

Thought Leadership Programming



WILDFIRE DEFENSE SERVICES

Protecting Our Customers
from Increased Wildfire Risk



Data Privacy & Cybersecurity

As technology becomes more complex and sophisticated, so do the cyber risks that businesses and organizations face. For Travelers, this means first and foremost protecting information about the people and property we insure. Our understanding of these cyber threats also enables us to provide innovative cyber solutions for our customers.

Approach

Our Chief Information Security Officer (CISO) leads the Travelers Cybersecurity department. The CISO reports to the Chief Technology and Operations Officer and is a member of the Enterprise Risk team. Under the direction of the CISO, the Travelers Cybersecurity department continuously analyzes cybersecurity and resiliency risks to our business, considers industry trends and implements controls, as appropriate, to mitigate these risks. This analysis drives our long- and short-term strategies, which are executed through a collaborative effort within Technology and Operations and are communicated to the Board of Directors regularly.

In addition to managing our own cyber exposure, we recognize the valuable services we can provide to our customers in light of the mounting cyber risks they are facing. We offer cyber liability insurance, which provides a combination of coverage options to help protect our customers' businesses.

Board Oversight

Our CISO provides quarterly updates regarding cybersecurity, cyber risk and related policies to Travelers executive management and the Risk Committee of the Board. The Risk Committee of the Board regularly reviews and discusses with management the strategies, processes and controls pertaining to the management of our information technology operations, including cyber risks and cybersecurity.

Cybersecurity

At Travelers, we take a comprehensive and multifaceted approach to protect information in our care and assist our customers in safeguarding their digital assets. We use administrative, technical and physical safeguards to protect information in our care. We have established a wide range of comprehensive data security protections and maintain a data risk management strategy that includes monitoring emerging security threats and assessing appropriate responsive measures.

Policy & Governance

We embed data protection throughout our operations and technology programs with the goal of safeguarding our customer data and digital assets. As a foundation to this approach, Travelers maintains a comprehensive set of cybersecurity policies and standards, which align with the International Organization for Standardization (ISO) 27001 standard and the National Institute of Standards and Technology (NIST) Cybersecurity Framework. Our cybersecurity policies and standards have been developed in collaboration with groups across the enterprise, such as Legal, Compliance and each of our business segments. Our policies include Information and System Use policies for employee and non-employee system users. These policies reinforce the data privacy and protection sections of our [Code of Business Conduct and Ethics](#).

On an annual basis, Travelers undergoes an SSAE 18 SOC 2 (Statement on Standards for Attestation Engagements No. 18 Service Organization Control 2 report) examination conducted by an independent external firm. In addition, we regularly self-assess against our internal policies, using our internal risk assessment process and a variety of other frameworks, such as the New York Department of Financial Services Cybersecurity Requirements for Financial Services Companies, the Insurance Data Security Model Law as adopted by various states and the Payment Card Industry Data Security Standard. We endeavor to comply with all applicable privacy regulations, including but not limited to the [California Consumer Privacy Act](#). Our comprehensive and collaborative approach allows us to further the organizational culture of data security awareness, the effectiveness of data governance and the responsiveness to evolving data management protocols.

Technology

Travelers uses sophisticated technologies and tools to protect information, including but not limited to multifactor authentication, encryption, firewalls, intrusion detection and prevention systems, vulnerability and penetration testing, and identity management systems. Our identity and access management systems employ both commercial authentication products from leading companies and internally developed systems based on prevailing industry standards. We include periodic recertification access for key data, and we utilize multifactor authentication based on the level of risk. We monitor for anomalies on our network, and our Security Operations Center responds to those anomalies.

In addition, we participate in vulnerability information-sharing networks, such as the Financial Services Information Sharing and Analysis Center (FS-ISAC). We also track industry and government intelligence sources for impact in the marketplace and deploy updates as necessary.

Travelers has a robust software patch management process that includes risk assessment and risk-based update schedules. These systems are designed, implemented and maintained with the goal of providing a high level of security for sensitive data.

As the workforce and the work environment continue to evolve, Travelers also continues to evaluate related risks and implement appropriate controls.

Training & Awareness

All Travelers employees receive data privacy and cybersecurity training annually as part of our annual Code of Business Conduct and Ethics training. Additionally, our annual security awareness training covers a broad range of security topics, from password protection and social engineering to working remotely and privacy. We also provide regular targeted training on topics such as phishing and secure application development, among others. We educate our employees through a number of methods, including online training, event triggered awareness campaigns, security presentations, company intranet articles, videos, system-generated communications, email publications and various simulation exercises. In addition, based on role, certain Travelers contractors receive relevant cybersecurity training.

Third-Party Relationships

Travelers has a cybersecurity diligence and oversight process for its third-party vendors. This process is a component of our supplier management program. Prior to the commencement of services, our Cybersecurity team performs a risk/rating assessment of vendors that will have access to and process Travelers data and conducts formal risk assessments on certain service providers based on the risk/rating assessment. Reassessment occurs on a regular basis, the frequency of which is determined based on a risk assessment and rating process. The assessment process utilizes a comprehensive questionnaire, which addresses aspects of the vendors' data security controls and policies, including business continuity, as well as on-site evaluations for higher-risk relationships.

Where appropriate, Travelers seeks to incorporate contractual language with third parties that includes clear terms involving the collection, use, sharing and retention of user data, including data transferred to third parties. These contracts also generally require parties with whom data is shared to comply with the company's security policy or equivalent.

Incident Response

Travelers has a Security Incident Response Framework in place. The framework is a set of coordinated procedures and tasks that the Travelers Incident Response team executes with the goal of ensuring timely and accurate resolution of computer security incidents. In order to maintain the robustness of the framework, we conduct tabletop testing exercises several times a year, using risk analysis to select which components of the plan to test.

Compliance

Our cybersecurity framework includes regular compliance assessments with Travelers policies and standards and applicable state and federal statutes and regulations. We validate compliance with our internal data security controls through the use of security monitoring utilities and internal and external audits. In addition, we proactively perform self-assessments against regulatory frameworks such as the NIST Cybersecurity Framework.

Additional information regarding privacy and security at Travelers, including our Privacy Statements, is available [on our website](#).

Data Privacy

Protecting our customers' data and safeguarding customer privacy are essential parts of the Travelers Promise. We evaluate data from many sources, including from our individual or business customers themselves, third-party service providers and public sources. In addition to guiding our risk selection and pricing, this data is leveraged to run sophisticated predictive claim models, which improve claim outcomes for our customers and efficiency for our business.

Key aspects of our data privacy program include the following:

- Travelers will not give or sell personal information to nonaffiliated third parties for their marketing purposes without permission.
- Travelers maintains safeguards designed to help prevent unauthorized use, access and disclosure of personal information. For example, we limit access to personal information and require those who have access to use it only for legitimate business purposes.

Core privacy principles guide the actions we take when collecting and using personal information, including the following:

- **Notice.** We give notice to individuals about the purposes for which Travelers collects, processes, stores and discloses personal information.
- **Collection and Use.** Travelers thoughtfully considers information collection practices and strives to limit collection to only information that is relevant and reasonably necessary to accomplish Travelers' intended purposes. Travelers uses the personal information collected directly from insureds only for purposes consistent with the context of the transaction and/or with consent.
- **Access and Correction.** Personal insurance customers may request access to, and correction of, personal information about them held by Travelers, and Travelers will honor those requests consistent with applicable law.
- **Disclosure.** Travelers takes steps designed to ensure that personal information is only disclosed to third parties for legitimate business reasons.
- **Cross-Border Transfers of Data.** Travelers takes steps designed to ensure that any transfer of personal information across country borders is made in accordance with the local laws of the country from which the personal information is being transferred and the country to which the personal information is being transferred.
- **Retention and Destruction.** Travelers maintains policies relating to record management, including record retention schedules and purge and deletion procedures. When personal information is disposed, we employ secure methods, which are designed to make the personal information unreadable and unreconstructable (such as shredding or degaussing).
- **Information Quality and Integrity.** Travelers takes reasonable steps designed to ensure that the personal information it uses is accurate, relevant, complete and up to date for the purposes for which it is intended to be used.
- **Security.** Travelers understands that cybersecurity is essential for protecting personal information and employs appropriate physical, technical and administrative measures to safeguard and secure personal information. In the event the security of certain personal information has been compromised, Travelers has a formal process to manage and mitigate any associated risks and notify individuals when required or appropriate.
- **Training and Awareness.** Travelers provides appropriate training to all individuals with access to personal information.

For additional information regarding how we collect, use, share and protect personal information, see the [Privacy & Security](#) section of our corporate website.

Cyber Product Offerings

Our [2021 Travelers Risk Index](#) report found that cyber threats are the No. 1 concern across all businesses. Despite heightened cyber concerns, only 61% of participants reported feeling extremely or very confident in their companies' cyber practices. In addition, less than half of survey respondents have adopted basic preventive measures available to companies, such as multifactor authentication, and cyber attacks continue to increase in both frequency and severity. According to the survey, one-fourth of participants said their company has been a cyber victim—a 150% increase from 2015—with nearly half reporting that the event happened within the past 12 months.

Now more than ever, businesses and organizations of all sizes need to prepare with both cyber insurance and an effective cybersecurity plan to manage and mitigate cyber risk. Travelers understands the complexity of cyber threats and continues to proactively address cyber concerns. We provide policyholders with cyber protection—before, during and after a cyber breach or incident.

The cost of dealing with a cyber event goes beyond repairing databases, strengthening security procedures or replacing lost laptops. Companies may face liability if their customers' personally identifiable information or protected health information are compromised. Regulations requiring notification of affected customers also drive costs for companies that have experienced a data breach compromising personal or confidential data. There is also a cost involved with the efforts needed to defend the company's reputation, as well as with the retention of skilled computer forensics teams to determine the extent of the breach. We have a number of different coverages available and work with our customers and our agent and broker partners to tailor the coverages to the specific risks our customers face.

Our cyber offerings go beyond just insurance coverage. By partnering with leading global providers, Travelers is able to offer both agents and policyholders educational tools, risk management resources and pre- and post-breach services. Our cyber risk professionals can help identify the best cyber liability insurance solution to provide business customers with access to endpoint detection and response monitoring services, pre-breach services from Symantec™ and a robust collection of specialized risk management resources. These tools help our agents and policyholders become more knowledgeable and informed about cyber threats and how to prepare for and respond to them.

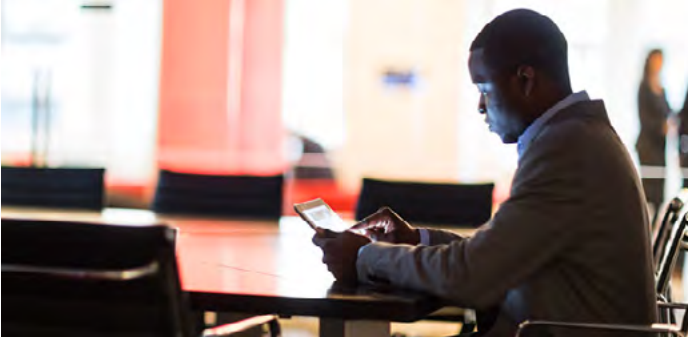
Differentiators of our cyber insurance program include the following:

- Travelers has provided cyber-related insurance coverage with robust risk management services for more than 30 years.
- Travelers understands the importance of helping organizations work through an incident, from recovering after a breach to managing expenses associated with a cyber event.
- Our Chief Information Security Officer meets regularly with the Cyber Insurance team to promote sharing and collaboration within our business.
- From 2012 to 2021, our gross written premium from cyber coverage has seen an over 25% compound annual growth rate.
- In the most recent National Association of Insurance Commissioners Report on the Cybersecurity Insurance Market, Travelers was listed as a top cybersecurity insurance carrier based on direct premiums written.^[1]

Visit the [Cyber Insurance](#) page on our corporate website for more information on our cyber products and services.

[1] [Report on the Cybersecurity Insurance Market, October 2021.](#)

Illustrative Initiatives



2021 TRAVELERS RISK INDEX

Understanding Cyber Risks



CYBERSECURITY

National Cybersecurity
Awareness Month



TRAVELERS INSTITUTE

Cyber: Prepare, Prevent,
Mitigate, Restore



Disaster Preparedness & Response

Severe weather events and other disasters are part of our business. Travelers takes a holistic approach to managing our company's exposure to disasters, helping our customers prepare for, respond to and recover from catastrophic events. In addition, we play an active role in trying to influence the public policy agenda with regard to resiliency, sustainability and adaptation.

Approach

While our Risk Control department focuses on helping our customers understand and mitigate their risks, our Claim Catastrophe Response team takes the lead on customer interactions should a disaster or severe weather event occur. Our Claim Catastrophe Response team coordinates closely with multiple business units and functions across the organization, including Underwriting, Legal and Communications, to respond to our customers' needs in a quick, efficient and compassionate manner. That is a core part of the Travelers Promise to take care of the people we are privileged to serve.

Our promise to help customers in the face of disasters begins well before a catastrophe hits. We partner with our customers and communities to help ensure they are prepared for a disaster, and we employ leading-edge data and analytics capabilities to help predict extreme events. In the event of a catastrophe, we leverage the power of our data and analytics, as well as our 30,000 dedicated, in-house employees, to provide the best possible outcomes for our affected customers.

Partner in Preparedness

Travelers offers a range of resources that help our customers and the public prepare for disasters:

- **Business Continuity Planning.** Our network of more than 500 [Risk Control](#) consultants and our self-service website for Business Insurance customers provide a comprehensive set of [business continuity planning resources](#) to help customers understand their unique risks. We work to help businesses of all types prepare for disasters and other disruptions to their operations and [supply chains](#).
- **Prepare & Prevent Resources.** Through the [Prepare & Prevent](#) page of our corporate website, we provide customers, agents and brokers and the general public with extensive educational resources to help them plan for, stay safe during and recover from natural disasters of all types.
- **Education and Advocacy.** The [Travelers Institute](#)[®], our public policy division, helps further educate the public and advocate with policymakers on the benefits of [disaster preparedness](#) and [resilient communities](#).
- **Building Resilient Communities.** Through charitable partnerships, Travelers and the Travelers Foundation support building strong communities, including through a partnership with [Habitat for Humanity](#)[®].
- **Wildfire Defense.** In 2019, we launched a [Wildfire Defense Services Endorsement](#) for California home and landlord policies with fire coverage. In 2020, we extended this offering to all Small Commercial customers in California; in 2021, we again expanded this offering—this time to include home, landlord, farm and ranch customers in Colorado. This endorsement is included at no additional cost to the policyholder. Travelers works with Wildfire Defense Systems, a private firm that specializes in wildfire mitigation, which uses proprietary forecasting and threat analysis to identify which Travelers customers are likely to be impacted by a wildfire. For at-risk properties, Wildfire Defense Systems provides loss prevention services, such as reducing potential fuel sources, taping vents and applying fire retardants.
- **Pre-Catastrophe Communications.** The Travelers Risk Control department partners with the Personal Insurance, Business Insurance and Claim departments to develop and distribute catastrophe communications. These alerts, which are distributed digitally via email and social media, are designed to provide our customers with actionable prevention advice. For example, in 2021, we sent materials to our insureds in advance of five different extreme weather events to help them prepare for the event. Travelers also communicates with customers and agents after disasters to inform them of steps they can take to help mitigate damage, file a claim and begin the process of recovery.

Leading Analytical Capabilities in Disaster Response

As part of our efforts to respond to our customers' needs in a quick, efficient and compassionate manner after a disaster or extreme weather event, we seek to further develop and leverage our leading analytical capabilities. We have built a proprietary approach to assembling data that lets us assess severe storms, such as the precise size of hail forming in a storm cell, to understand the footprint of an event, how many customers may be affected and the probable severity of the losses. In addition to catastrophe (CAT) modeling, our approach uses geospatial capabilities, which integrate event overlays that aggregate millions of data points from weather services, our weather models and ultra-high-resolution aerial imagery on policy and claim locations. Our sophisticated Workforce Management platform leverages our geospatial insights to inform workforce deployment and Claim response decisions before, during and after a catastrophe event in order to engage the right catastrophe resources and technical expertise and begin deployment efforts before claims are even reported. All of that helps us to get the right people to the right place faster than ever before.

We continue to innovate and enhance our analytical capabilities, enabling us to fulfill our promise to take care of our customers in the event of a natural disaster. Our recent innovations include:

- **Using Aerial Imagery and Geospatial Technology to View Disaster Areas.** Through our Travelers Catastrophe Map Viewer, we provide agents and brokers with searchable, high-resolution before-and-after images of areas affected by disasters. The Travelers Catastrophe Map Viewer uses photos from aircraft equipped with market-leading aerial camera systems that are sent over certain disaster areas to assess damage. Images are often available within one or two days after a catastrophic event, allowing our Claim professionals to quickly assess damage, notify customers about the condition of their property and begin the claim and recovery process—often before physical access to the affected area is possible. In 2021, we collected post-event imagery covering more than 18,000 square miles in connection with 16 separate events.
- **Combining Aerial Imaging and Artificial Intelligence Learning to Detect Wildfire and Wind Losses.** The Travelers Wildfire Loss Detector tool helps us assess which properties are total losses after a wildfire event, while the Travelers Wind Damage Detector tool allows us to evaluate the severity of damage sustained in wind events. Our teams leverage the machine learning capabilities built into these tools to analyze thousands of images of damaged and undamaged homes, immediately assessing the damage sustained. With these powerful tools, we are able to more quickly identify customers with the most significant damage and begin the claim process immediately—even before we have access to the area—thereby allowing our customers to begin recovering and rebuilding their properties sooner. These capabilities also allow us to quickly identify key insights about CAT events, which in turn help inform our operational response and risk selection strategies going forward. Our Wildfire Loss Detector tool won the 2019 Gartner Eye on Innovation Award and a CIO 100 Award.
- **Using Smartphones for Quicker, Safer Claim Inspections.** Thanks to innovative virtual inspection and measurement technology, we are able to transform smartphone photos of a property into an accurate 3D model so that our Claim professionals can easily inspect property damage without climbing ladders and our policyholders can provide information without having to schedule an on-site inspection. In other words, after a disaster or another covered loss, we are creating a faster and easier claim process for our customers and a safer environment for our employees. In 2021, we continued to accelerate the widespread use of this and other virtual claim inspection tools, when appropriate. For example, in 2021, we handled 35% more auto appraisals and 70% more property water claims virtually, as compared to pre-pandemic levels.

Where possible, we also gather data from controlled tests to improve prevention and preparation. For example, Travelers supports the Insurance Institute for Business & Home Safety (IBHS), which has a one-of-a-kind controlled research facility that can generate hurricane-force winds, hail, and wind-driven rain and embers. The studies conducted in this facility allow IBHS and supporting members such as Travelers to study the impacts of weather events in real-world scenarios; they also allow us to analyze the results to better respond to events and protect our customers and their assets. For more information on IBHS and the ongoing work Travelers supports, see our illustrative initiative regarding [IBHS](#).

Dedicated Catastrophe Response Resources

Our sustained investment in innovative catastrophe response strategies sets Travelers apart from our peers. We handle customer claims, including all catastrophe (CAT) claims, with specially trained Travelers employees; we do not generally contract CAT claims to third-party adjusters. We employ more than 350 dedicated catastrophe response specialists across North America, prepared to deploy on 24 hours' notice. Operational and logistical support specialists at the National Catastrophe Center support this CAT team, which also partners closely with our nearly 2,000 property Claim professionals to respond to losses promptly, efficiently and compassionately.

In 2021, we continued to face unique challenges related to a high level of CAT events during the ongoing pandemic. We responded to 71 CAT events and adjusted virtually all of the related claims with our own employees (i.e., without the need for outside adjusters). Our in-house claim capability allowed us to quickly implement procedures to handle claims virtually when possible, and safely in person when needed, with a consistently high standard of customer service. This capability is a competitive advantage that results in a better outcome for our customers and a more efficient outcome for us.

We leverage our Loss Consultation team—the first such team in the industry—in support of customers impacted by the largest catastrophe events. Our Loss Consultation team consists of Property and Auto coverage experts, who are available seven days a week to give our customers and agents the information they need to make an informed decision regarding whether to file a claim. In some cases, they can also immediately process the claim after confirming coverage.

Our sophisticated workforce management programs help us quickly organize, triage and deploy Claim professionals with the right expertise to the affected area. We leverage the power of 30,000 employees to support our response efforts in the event of a large catastrophe. We make considerable investments in [training our Claim staff](#) and cross-train thousands of employees to handle lower-severity catastrophe claims. This allows our catastrophe and claim experts to focus on high-severity claims without sacrificing quality.

Our team follows a catastrophe playbook that includes resource deployment and communication to our customers throughout our process. Our Claim department regularly conducts tabletop exercises to test our readiness to respond to different disaster scenarios, including storms, wildfires, earthquakes, cyber attacks and man-made events. The purpose of these exercises is to evaluate and improve our response to events, identify any gaps in resources and implement a coordinated recovery strategy that prioritizes resources required for the response.

Our fleet of self-contained Mobile Claim Offices brings immediate claim service to our customers, who can stay connected using our satellite technology and power their smart devices at our generator-driven charging stations. Beginning in 2020, we implemented COVID-19 safety and social distancing protocols to safely deploy our Mobile Claim Offices to support our customers following a catastrophe.

Our [National Catastrophe Center](#), staffed by full-time catastrophe management professionals, allows us to plan and coordinate response activities in a secure environment away from the disaster area—before, during and after an event. Our technical experts monitor weather 24/7 and overlay patterns with claim trends and our customers' locations. This approach enables us to identify potential events early and to transform information quickly into action. Additionally, our “command center” is equipped with state-of-the-art data management, visualization and teleconferencing tools and is linked to hundreds of data sources, including the Global Forecast System, the National Weather Service Doppler radar network, Travelers Customer Service Centers and our internal systems that track claim metrics and staff resource availability. These capabilities provide us with the ability to deploy resources effectively and on a timely basis, which, in turn, allows us to better assist our customers and to respond to and resolve claims more quickly.

For more information about how we help our customers and agents manage catastrophic weather events, see our [Travelers Emergency Response video](#).

Customer Outcomes

Overall, our catastrophe (CAT) response approach enables Travelers to respond quickly, effectively and compassionately—and with integrity—when our customers need us most. Despite the added logistical difficulties inherent in CAT response, our CAT claim performance consistently meets or exceeds our internal benchmarks for claim handling. In 2021, approximately:

- 92% of property claims arising out of CAT events were resolved within 30 days of receipt of the claim notice.
- 83% of CAT claims were paid within a week of inspection.
- 54% of CAT claims were paid the same day as inspection.^[1]

These results were particularly remarkable given that we responded to 71 catastrophe events and over 100,000 catastrophe notices of loss in 2021. In addition to being good for our [customers](#), our ability to quickly adjust claims plays an important role in helping our communities in their recovery efforts. This [short documentary](#) demonstrates the impact our CAT response can have on customers, agents and brokers and communities.

[1] Based on Travelers catastrophe claim data, 2021.

Illustrative Initiatives



NATIONAL CATASTROPHE CENTER

Catastrophe Planning and Response



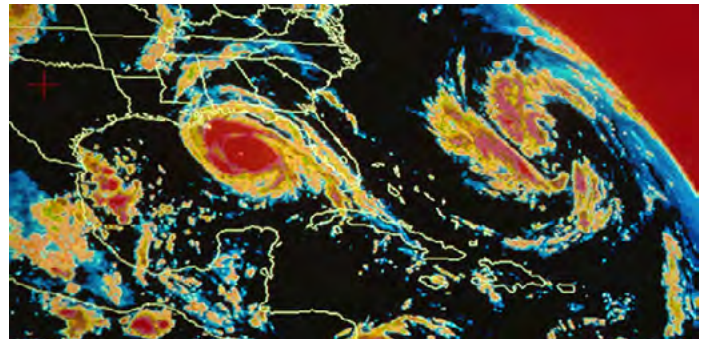
TRAVELERS FORTIFIES COMMUNITIES

Building Strong, Resilient Communities



WILDFIRE DEFENSE SERVICES

Protecting Our Customers from Increased Wildfire Risk



IBHS SPONSORSHIP

Supporting Research in Severe Weather Readiness and Response



TEAM RUBICON

Veterans Deploy with Disaster Responders



TRAVELERS INSTITUTE

Thought Leadership on Disaster Preparedness



Diversity & Inclusion

By creating a welcoming environment that brings together people with different backgrounds and perspectives, we enable new ideas, spark innovation and reinforce a culture in which employees feel valued, respected and supported. Diverse experiences and viewpoints yield greater insights and better outcomes, raise the bar on individual and team performance and sharpen our focus on our customers. That’s why, for us, diversity and inclusion is a business imperative.

Approach

Travelers values the unique abilities and talents each individual brings to our organization and recognizes that we benefit in numerous ways from our differences. We benefit from our differences in culture, ethnicity, national origin, race, color, religion, gender, gender identity, age, veteran status, disability, genetic information and sexual orientation. In that regard, as regularly reinforced by our Chairman and CEO and other senior leaders, diversity and inclusion is a business imperative for us.

As part of our commitment to [diversity and inclusion](#), we aim to:

- Foster an inclusive environment where all employees can reach their full potential.
- Provide learning and development opportunities to advance diverse leaders.
- Employ a diverse workforce to maintain our talent advantage.
- Explore diverse markets today to tap into tomorrow’s opportunities.

“Diverse experiences and viewpoints yield greater insights and better outcomes, raising the bar on individual and team performance, sparking further innovation and sharpening our customer focus.”

—Alan Schnitzer, CEO

Our Chief Diversity & Inclusion Officer leads our diversity and inclusion efforts. We also have a Diversity Council that is chaired by our Chairman and CEO and composed of the 40 members of the company's Operating Committee. The council directs diversity initiatives such as:

- Raising awareness about the value of a diverse workforce.
- Partnering with business units to drive diversity strategies and goals, develop business unit-specific tactics, report outcomes and celebrate successes.
- Promoting key internal and external diversity programs and determining accountability for recruiting, training, developing and retaining diverse talent.
- Raising awareness about the importance of community outreach and the inclusion of diverse suppliers in our procurement process.

We have three additional working councils that focus more extensively on implementing diversity and inclusion priorities: the Business Heads Working Council, the Diversity Networks Senior Advisor Working Council and the Field Leadership Working Council. These working councils support our efforts to enhance our leaders' cultural competence.

- The **Business Heads Working Council** is focused on identifying emerging trends impacting the diversity and inclusion agenda and partners with our Chief Diversity & Inclusion Officer and Chief Human Resources Officer to identify, agree upon and implement solutions to mitigate the adverse impacts.
- The **Diversity Networks Senior Advisor Working Council** provides strategic direction and coaching to the leaders of our employee-led Diversity Networks.
- The **Field Leadership Working Council** aims to ensure our diversity and inclusion strategy is successfully executed in our field office locations, where approximately 70% of our employees are based.

In 2020, we created a first-of-its-kind Workforce Solutions team that partners with Human Resources and business partners to help reinforce fairness and equity and to ensure that our employees have the opportunity to be heard and to feel heard when it comes to decisions impacting their employment. This stand-alone department augments our existing channels for addressing employees' concerns and serves as our organization's "equity ambassador" for Travelers employees. The Workforce Solutions group provides another avenue for our employees to share candid, real-time feedback about their experiences and to receive practical guidance—all with an eye toward improving the employee experience.

The Workforce Solutions team has managed more than 300 individual cases during its first 15 months, with over 80% of employees who used these services reporting a positive experience. The team has also undertaken dozens of initiatives, many of which are aimed specifically at improving racial equity at Travelers. For example, the team has gathered insights from more than 1,500 employees during nearly 200 confidential "sensing sessions," the results of which helped several groups across the enterprise make improvements to better foster a culture of equity and fairness. The Workforce Solutions team has also partnered with senior leaders across Travelers, along with Human Resources professionals, to create opportunities for "Courageous Conversations," where employees can have open and honest discussions about myriad topics relating to diversity and inclusion.

In addition to the numerous programs and initiatives we describe in further detail in this section, we have policies that encourage an inclusive culture and protect all employees from workplace harassment and discrimination. We use the results of our employee engagement survey, as well as periodic "pulse" surveys and focus groups, to inform our diversity and inclusion strategy and evaluate our progress. We also use metrics and analytics to measure, evaluate and act upon programs that impact the success of our people, our most important asset.

We collect data—including data aligned with [EEO-1](#) gender and race categories—to evaluate the progress of our diversity and inclusion initiatives. This data includes employee census data regarding women and people of color, promotions, voluntary terminations and employee turnover. Our data demonstrates that we have made significant progress over the past decade. In each of the last 10 years, we have increased the percentage of people of color (as defined by the U.S. Equal Employment Opportunity Commission’s EEO-1 race and ethnicity categories for the United States) in our workforce. As of December 31, 2021, women and people of color represent approximately 54% and 25% of our U.S. workforce, respectively. We also continue to make year-over-year progress in promoting women and people of color. In each of the last 10 years, we have increased the percentage of women and people of color in U.S. management-level positions.

Diversity & Inclusion



Board Oversight

Our Board of Directors encourages diversity and inclusion within Travelers—including within the Board itself—and oversees our diversity and inclusion efforts. Pursuant to its charter, the Nominating and Governance Committee of the Board meets regularly with senior management, including our Chief Diversity & Inclusion Officer, to review and discuss our strategies to encourage diversity and inclusion within our company. In addition, the Board receives regular updates from senior management regarding the data we collect and oversees our progress. For information about the diversity of our Board of Directors, see the [Governance Practices](#) section of this site.

Inclusive Leadership & Training

Starting with our Chairman and CEO, we expect our leaders to actively demonstrate their commitment to diversity and inclusion through their actions. Inclusive leadership goals are included in all managers’ annual performance objectives. This Inclusive Leadership performance objective drives leader accountability, recognition and reward. On an annual basis, managers are assessed and held accountable for meeting this objective to reinforce the business relevance of diversity and inclusion and foster a work environment where all employees are included and appreciated. This further helps us attract, retain, engage and develop employees from all cultures and backgrounds.

We provide training, development and cultural events to encourage an inclusive culture among all of our employees, including the company's leadership. For example, managers and leaders of all levels attend our leadership workshop, where they receive a 360-degree assessment from supervisors, co-workers and direct reports on how successful they are at fostering an inclusive culture within their teams. All employees are expected to complete the "Conscious Inclusion Workshop," our inclusion education program, which explores biases and their impact in the workplace and how we can influence behaviors. The course also demonstrates how to be more intentionally inclusive in our day-to-day interactions.

To make clear that harassment and discrimination have no place at Travelers, we require harassment awareness training. This training not only covers legal definitions and our [company policy](#) but also takes a broader approach that explores ways to ensure a respectful work environment and sustain an "if you see something, say something" culture. To learn more about our overall approach to business conduct, see the [Ethics & Values](#) section of this site.

The Travelers Diversity Speaks speaker series underscores our commitment to cultivating a culture that embraces the power of differences. Our Diversity Speaks events feature guest speakers who share personal stories and provide different experiences and viewpoints.

In 2021, our events included a special five-part series focused on driving cultural change to promote greater inclusion. Led by bestselling author and lifelong social justice advocate Howard Ross, our "Getting Comfortable with Being Uncomfortable" series explored the elements that make up an inclusive workplace. Over the course of the year, there were approximately 24,000 employee views of our 12 virtual Diversity Speaks events.

In addition to internal programming, the *Travelers Institute* hosts webinars that are open to the public and provide a platform to discuss diversity and inclusion efforts. For example, the Institute partnered with the U.S. Chamber of Commerce's Women Taking the Lead and hosted a webinar discussing midcareer professional reentry into the workforce with co-authors Ginny Brzezinski and Mika Brzezinski. [View the replay here.](#)

In 2019, our Community Relations and Enterprise Diversity and Inclusion groups partnered to create Art Speaks—an ongoing series of cultural and art experiences followed by discussions that help strengthen an inclusive work environment. For example, through a partnership with the Amistad Center for Art & Culture, employees explored the complex history of Juneteenth, a national holiday that commemorates the emancipation of enslaved people in the United States. For more information on [Art Speaks](#), see our illustrative initiative.

Diverse Talent Development & Pipeline

As part of our efforts to foster a fair and equitable workplace, we continue to enhance our diverse talent pipeline. We provide learning and development opportunities, including career planning and mentoring assistance, to help employees with career development and preparation for potential advancement. We regularly monitor diverse representation in these programs. Additionally, we have established deliberate recruiting, retention and development practices that are tailored to deepen diverse talent pools and broaden advancement opportunities. These practices include matching upcoming leaders with mentors within the organization and offering workshops to advance their careers within Travelers. We also use talent acquisition strategies, including sourcing strategies and diverse slate requirements for management-level positions, to help us create a pipeline of diverse candidates.

In 2020, we made changes to our succession planning and talent management processes to be even more intentional about identifying people of color who may be qualified internal candidates for promotion, as well as to attract others from outside the company.

In 2018, Travelers launched an initiative to help women advance and grow in all phases of their insurance careers. Called [SHE Travels](#)®—named to highlight Travelers' support of the positive momentum of women in our business—it is one of many efforts at Travelers to lead the industry in advocating for women in all parts of the insurance industry.

We also sponsor a number of external opportunities to support the professional development of all of our employees, including opportunities specific to nurturing diversity. Conferences attended by Travelers employees include the Hispanic IT Executive Council Summit; the Management Leadership for Tomorrow Career Advancement Program; the Mid-Level Managers' Symposium; the Out & Equal Workplace Summit; Linkage, Inc.'s Women in Leadership Institute™; and, the [Black Enterprise Women of Power Summit](#).

We have numerous initiatives and partner with many college diversity groups and other organizations to cultivate our pipeline of talent.

- Our signature career pipeline program, Travelers EDGE®, provides a unique, holistic approach to education for underrepresented students. Through partnerships with colleges, universities, high schools and community-based organizations, *Travelers EDGE* increases access to higher education and provides students with opportunities to excel, which helps broaden the diverse pool of talent seeking careers at Travelers or in the insurance industry.
- We regularly participate in diversity and inclusion-focused industry forums and career fairs such as the [Howard University FIRM Symposium](#), the Grace Hopper Celebration and the Out & Equal Workplace Summit.
- The military community is important to Travelers, and we're proud of [our partnerships](#) with organizations that assist veterans in transitioning to [civilian life](#), including Syracuse University's Institute for Veterans and Military Families, American Corporate Partners, Hiring Our Heroes Military Fellowship Program, the Military Spouse Employment Partnership and AcademyWomen.
- We have a [unique partnership](#) with several organizations that provide opportunities for people with disabilities, including Rochester Institute of Technology's Spectrum Support Program, VIABILITY, Lifeworks, Disability Matters and Disability:IN.
- We also foster partnerships with and sponsor diverse professional organizations such as the National African American Insurance Association, Young Risk Professionals, Girls Who Code, Hartford Youth Scholars, Prospanica, the Grace Hopper Celebration, Hartford Promise, the Page Education Foundation and Dive In.

To learn more about our overall approach to talent development, see the [Human Capital Management](#) section of this site.

We have received various awards and recognition for our diversity efforts, including:

- Best Place to Work for LGBTQ Equality, Human Rights Campaign Foundation, 2016-2022, and scored 100% on the Corporate Equality Index, Human Rights Campaign Foundation, 2016-2022.
- Military Friendly® Company, VIQTORY, 2018-2022.
- Military Friendly® Employer, VIQTORY, 2007-2022.
- Military Friendly® Supplier Diversity Program, VIQTORY, 2018-2022.
- Military Friendly® Brand, VIQTORY, 2017-2022.
- Military Spouse Friendly® Employer, VIQTORY, 2022.
- Best for Vets, Military Times, 2014-2021.
- Best Place to Work for Disability Inclusion, Disability:IN and American Association of People with Disabilities, 2018-2021, and scored 100% on the Disability Equality Index, 2018-2021.
- Autism Services & Resources Connecticut, Award of Excellence, 2021.
- Disability:IN Connecticut Employer of the Year, 2020.
- Employer of the Year, Lifeworks, 2019.
- Top 100 Intern Programs, WayUp, 2017-2021.

See our [Awards and Recognition](#) page for a full listing.

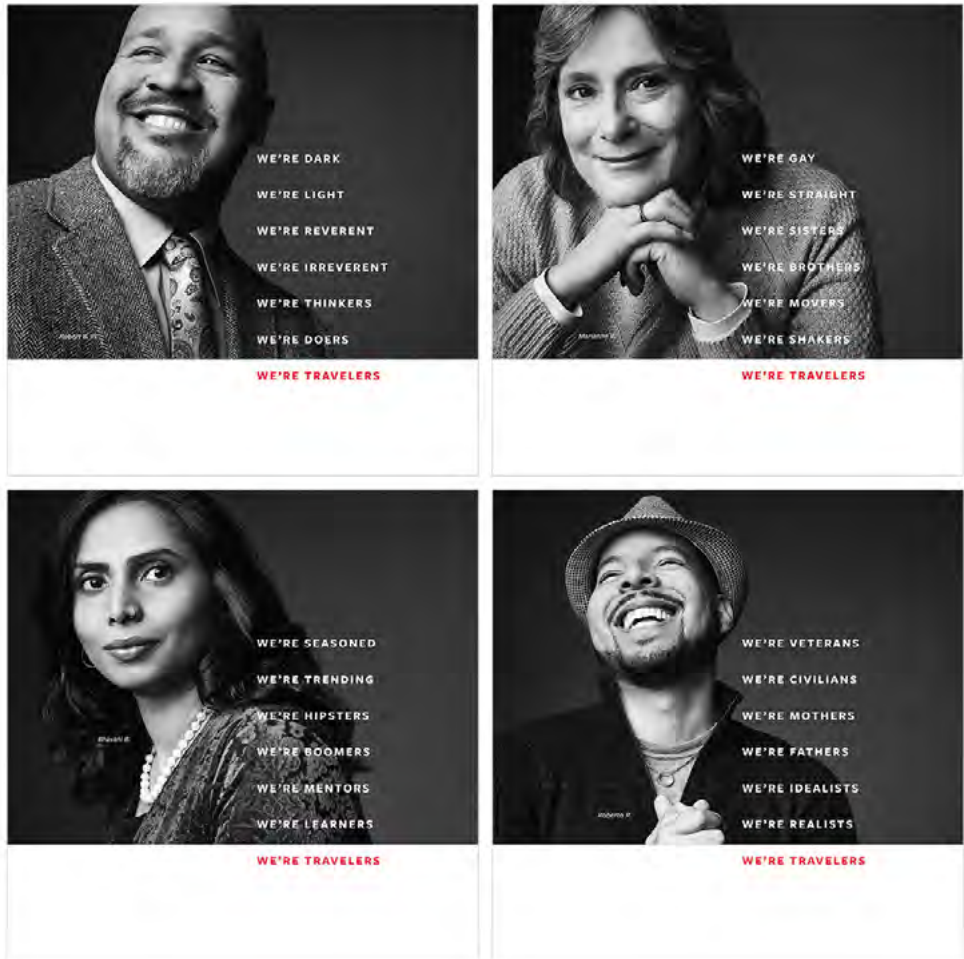
Diversity & Professional Networks

In 2008, we created Diversity Networks, which are voluntary groups led by employees dedicated to fostering a diverse and inclusive work environment. The networks help foster the retention, development, engagement and success of our employees through networking, mentorship and community volunteer opportunities. In addition, these groups are a resource for our business leaders, providing them with important insights and perspectives. Currently, we have eight Diversity Networks; more than 12,000 employees—nearly 40% of our employees—are members of one or more of these Diversity Networks. Consistent with our view that diversity is a business imperative, the results of our recent employee engagement survey show that employees who are members of at least one Diversity Network are more engaged at work than those who are not members.

Each Diversity Network has a sponsor from our executive leadership team, who is responsible for the alignment of that Diversity Network’s vision, mission and objectives with our business goals and strategies. Executive sponsors serve two- to three-year terms as change champions and active advocates for the Diversity Network, making connections to people, resources and support across Travelers.

In addition to our eight Diversity Networks, we have professional business groups, such as Women in Actuarial & Analytics, which has fostered individual development and helped increase the representation of women in actuarial and analytics positions at Travelers for more than 10 years. And EmpowHER+ inspires women in Technology & Operations to achieve their full career potential and drive positive business outcomes for Travelers. The plus sign emphasizes the importance of allies. EmpowHER+ partners with nonprofit organizations to mentor and attract the next generation of talent to Travelers, including [Girls Who Code](#), AnitaB.org and UMass Amherst’s Hack(H)er413.

We’re Travelers



Supplier Diversity

By doing business with diverse suppliers, Travelers promotes the development of these enterprises, supports the growth of the communities in which we do business and aligns contractor diversity to our workforce and customer base. For these reasons, we remain committed to providing opportunities for qualified businesses owned by people of diverse backgrounds to participate in our bidding and procurement processes.

Our Procurement team tracks both Tier 1 Travelers spend with certified diverse suppliers and Tier 2 spend with diverse suppliers doing business with our prime suppliers, including subcontractors. These diverse suppliers are businesses owned by individuals from historically disadvantaged populations, such as women, racial and ethnic minorities, LGBTQ+, people with disabilities and veterans. We also maintain a database of diverse prospective bidders to feed our request-for-proposal processes. In 2021, Travelers attributable spend was over \$160 million with our Tier 1 and Tier 2 diverse suppliers. To learn more about the structure and goals of this program, visit the [Supplier Diversity](#) page on our corporate website.

Our community programs, such as [Travelers Small Business Risk Education \(SBRE\)](#) and Village Capital, and our partnerships with the [Minority Business Development Institute \(MBDI\)](#) and the [Metropolitan Economic Development Association \(Meda\)](#) are also designed to encourage the development of diverse businesses. In 2021, Travelers participated in the Ascend Twin Cities initiative as an anchor corporation. The program uses the three-M model—markets, management and money—to provide a tailored approach to drive diverse-owned small business growth and job opportunities within the community.

Illustrative Initiatives



THE POWER OF TRAVELERS IS US

Exploring the Power of 30,000 People



SHE TRAVELS®

Advancing Women's
Careers in Insurance



ENHANCING OUR COMMITMENT TO PEOPLE WITH DISABILITIES

Fostering a More Inclusive
Workforce and Changing Lives



FOSTERING INCLUSION

Supporting Transitioning
Employees and Gender Inclusivity



COMMITTED TO MILITARY VETERANS

Supporting Those Who Serve



SMALL BUSINESS RISK EDUCATION

Empowering Small Business
Owners to Succeed

Illustrative Initiatives



TRAVELERS EDGE®

Transforming Tomorrow's Workforce



DEVELOPING A MORE DIVERSE PIPELINE OF ACTUARIAL TALENT

Our Work with the International Association of Black Actuaries



SYMPOSIA FOR STUDENTS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Inspiring the Next Generation of Job Seekers



SUPPORTING OUR ENTREPRENEURS

Our Partnership with Village Capital



PARTNERSHIP WITH INVEST

Travelers Insuring Futures



TRAVELERS ART SPEAKS

Advancing Inclusion through the Arts

Illustrative Initiatives



GIRLS' LEADERSHIP SUMMITS

Inspiring Girls to Be
Strong, Smart and Bold



GIRLS WHO CODE

Growing Tech Talent



METROPOLITAN ECONOMIC DEVELOPMENT ASSOCIATION PARTNERSHIP

Helping Minority Entrepreneurs Succeed



MINORITY BUSINESS DEVELOPMENT INSTITUTE PARTNERSHIP

Helping Minority- and
Women-Owned Contractors



Eco-Efficient Operations

Travelers is committed to a long-term sustainable approach to protecting the environment, recognizing that being responsible stewards of our shareholders' capital requires a commitment to take care of all our stakeholders, including our planet. We continually look for cost-effective ways to minimize our impact on the environment, which can also reduce our operating expenses, without compromising on our promise to customers and employees.

Approach

Most of our greenhouse gas (GHG) emissions are from office activity, mobile combustion (e.g., claim vehicles, commuting) and business travel. While we strive to reduce our emissions, our primary climate-related risks and opportunities relate to our property insurance business and claim service, which we cover in the [Climate Strategy](#), [Disaster Preparedness & Response](#) and [Public Policy](#) sections of this site.

Our Chief Administrative Officer—a member of the company's Management and Operating Committees—oversees office activity, mobile combustion and business travel enterprisewide with the help of the Corporate Real Estate and Procurement teams. These teams regularly monitor and analyze our operations and facilities to identify ways for us to operate more efficiently, reduce our environmental impact and lower our operating expenses. We prioritize projects based on their expected financial impact, as a result our efforts reduce our energy consumption and waste, not only to reduce our environmental impact but they also to lower our operating expenses. Our [GHG Inventory & Goals](#) page summarizes our progress to reduce direct and indirect GHG emissions and references our new goal of becoming carbon neutral across our owned operations by 2030.

While the pandemic has resulted in decreased in-office activity, mobile combustion and business travel, we continue to work actively on reducing our environmental impact. Our [new open workspace environment](#) reduces our footprint and incorporates enhanced technology, including remote collaboration tools and video-enabled conference rooms, to reduce nonessential business travel. In addition, we provide [incentives to our employees](#) to use mass transit alternatives and offer parking incentives for carpoolers.

In 2019, we also began to reduce our environmental impact by encouraging our personal insurance customers to convert to paperless billing. We committed to fund the planting of a tree for every paperless billing conversion in Personal Insurance. As of Earth Day 2022, we have funded the planting or conservation of over 3 million trees through our [partnership with American Forests](#). As a result, we are now planting or conserving more trees than we are consuming. This initiative is just one example of our commitment to aggressively seek ways to create shared value—in other words, ways to simultaneously protect our environment, create a streamlined experience for our customers and increase shareholder value.

Environmental Policy & Management System

As outlined in our [Code of Business Conduct and Ethics](#), it is the company's policy to comply with all applicable laws, rules and regulations; this includes all relevant environmental regulations. The [Travelers Environmental Policy](#), approved by senior management, outlines some of the steps we take to operate more efficiently and in an environmentally conscious manner, including:

- Reviewing our equipment and technology and installing more efficient versions when appropriate.
- Conducting assessments with utility providers to better understand and manage our energy usage.
- Monitoring waste output to ensure we recycle as much as possible.

In addition, all Travelers-owned campuses are ENERGY STAR® certified, which means that we are in the top quartile in terms of energy performance standards and undergo an annual recertification process.

Travelers continues to analyze the company's operational impacts on the environment and works to minimize negative impacts. We utilize an environmental management system that regularly reviews our operations to measure our impacts and to identify opportunities that increase efficiency and reduce costs. Some of the key elements of our environmental management system include:

- Periodic recommissioning of facilities.
- Evaluating emerging technologies, such as alternative energy, and their potential use in our facilities.
- Partnering with power and other utility providers to review our operations and, when available, leveraging their incentive programs to help fund our improvements.
- Evaluating potential changes to energy regulations that may impact our costs and operations.
- Using technology to fine-tune operational parameters.
- With respect to waste, minimizing and recycling as much waste as possible.
- Evaluating how to be more efficient in space utilization, which has led to the introduction of a [new open workspace environment](#) that is designed to increase operational efficiency and decrease our need for office space, which will further minimize our impact on the environment.

Our Corporate Real Estate team conducts ongoing facilities assessments at all our owned locations. We also take these assessments into account when developing our capital expenditure plan. For example, we are upgrading all lighting in our Travelers-owned Hartford campus to LED fixtures to reduce our utility consumption, extend the asset life of our lights and provide an enhanced environment for Travelers employees. We expect this effort to be completed by year-end 2022.

As stated in our [Supplier Code of Conduct](#), we expect our suppliers to comply with applicable environmental laws and to work to minimize any negative environmental impact from their operations, including by reducing or mitigating emissions, increasing sustainable use of natural resources and reducing or eliminating waste. Our Procurement team also oversees our comprehensive supplier selection and supply chain management processes, including the review of climate and environmental considerations, where appropriate. In our supplier selection process, Procurement evaluates potential suppliers using the following information, as appropriate:

- Details about the supplier's sustainability programs.
- Sustainability attributes specific to the supplier's products or services.
- Results achieved from the supplier's sustainability programs.
- Independent audit and/or certification of the supplier's sustainability practices.

After selection, Travelers uses a risk-based approach to monitor news alerts for certain suppliers, which includes monitoring for negative news relating to the supplier's environmental issues and ethical practices.

GHG Inventory & Goals

Travelers set a goal to reduce the company's absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 40% by 2020, based on a 2011 base year. As of the end of 2020, we exceeded this goal, and in April 2021, we announced our commitment to become carbon neutral across our owned operations by 2030.

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

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

As illustrated in the table below, between 2011 and 2020, we made significant progress in reducing our carbon footprint, cutting absolute Scope 1 and 2 emissions by 60%. The Scope 1, 2 and 3 emissions data in the table below have been [verified by an independent third party](#).

| Metric | 2021 | 2020 | 2019 | 2018 | 2011 |
|--|------------|------------|------------|------------|--------------|
| Scope 1 GHG Emissions (metric tons CO₂e) | 12,794 | 13,500 | 23,746 | 25,591 | 37,436 |
| Emissions from Mobile Combustion (metric tons CO₂e) | 11,655 | 12,414 | 22,525 | 24,329 | 36,574 |
| Emissions from Office Activity (metric tons CO₂e) | 1,139 | 1,086 | 1,221 | 1,262 | 862 |
| Scope 2 GHG Emissions^[1] (metric tons CO₂e) | 20,683 | 21,908 | 27,970 | 29,881 | 47,167 |
| Total Scope 1 and Scope 2 GHG Emissions (metric tons CO₂e) | 33,477 | 35,408 | 51,716 | 55,472 | 84,603 |
| GHG Emissions per Revenue (metric tons CO₂e per \$) | 0.00000096 | 0.00000111 | 0.00000163 | 0.00000183 | 0.0000033248 |
| GHG Emissions per FTE (metric tons CO₂e per person) | 1.12 | 1.18 | 1.72 | 1.85 | 2.76 |
| Scope 3 Emissions from Travel | 4,479 | 5,666 | 17,819 | 18,584 | Not Tracked |
| Percentage of Electricity from Renewable Sources^[2] | 22% | 22% | 19% | 17% | Not Tracked |
| Percentage of Total Energy^[2] from Renewable Sources | 8% | 8% | 6% | 5% | Not Tracked |

[1] Location-based method.

[2] Percentages from renewable energy for 2020 and 2019 have been reinstated to reflect adjusted data from certain utility vendor partners.

Water & Waste

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

- Employ a third-party vendor to properly recycle and dispose of obsolete IT equipment.
- Shred and recycle paper at all locations.
- Installed automatic shutoffs on most faucets.
- Installed water bottle filling stations in [all new workspaces](#) to reduce the use and disposal of single-use water bottles.
- Have a bottle and can recycling program at all owned locations.
- Compost food waste from kitchens in the Travelers-owned Hartford campus.
- Introduced 100% biodegradable/compostable utensils and food containers in Travelers-owned food service locations.

We measure and track all waste at our owned facilities, including single-stream recycling, municipal solid waste and construction/demolition waste. Furthermore, we now track all water and sewer use, including general water use for restrooms, kitchens and landscape-related irrigation. With these tracking capabilities, we are able to monitor our waste/water consumption trends over time and quantify impacts of building improvements as they relate to creating more environmentally sustainable workplaces.

Illustrative Initiatives



AMERICAN FORESTS PARTNERSHIPS

Partnering for a Purpose—
Helping to Reforest America



GREENING CLAIMS

Monitoring the Environmental
Impact of Our Vehicle Usage



OFFICE RENOVATIONS

Boost Engagement and Save Energy



REDUCING NONESSENTIAL TRAVEL

Encouraging Eco-Friendly Commuting
and Video Collaboration



Ethics & Values

At Travelers, so much of our culture is built on trust—the trust we earn from our customers in challenging times and the trust we place in each other every day. That trust is built upon honesty, integrity and accountability—values that serve as the foundation for all that we do. The commitment of our directors, officers and employees to our Code of Business Conduct and Ethics, applicable laws and regulations, and company policies helps to ensure the long-term success of our organization.

Approach

Travelers established and maintains a [Code of Business Conduct and Ethics](#), which applies to all of our employees, officers and directors and provides a comprehensive framework for sound ethical business decisions. The Code, which is also available in French for our employees located in Canada, provides principles for each employee to follow when acting on behalf of Travelers and sets forth our expectations on a number of topics, including conflicts of interest, compliance with laws, business ethics and use of corporate assets. Our Chief Ethics and Compliance Officer oversees communication, education and compliance with the Code. We also employ and train Legal, Compliance and Human Resources professionals to help our employees reach the right decision, regardless of the circumstances.

Our ability to achieve our goals of being *the undeniable choice for the customer and an indispensable partner for our agents and brokers* depends on our culture of honesty, integrity and accountability. Our commitment to transparency and integrity starts with our senior leadership. Our Chairman and CEO, Alan Schnitzer, sets the tone, including through regular companywide communications. Here's an excerpt from one of his messages:

“[L]et me take this opportunity to restate a few important things:

- **First, our reputation is our most valuable asset, and each of us has a role to play in protecting our good name. No gain is worth sacrificing our reputation.**
- **Second, we can never let our drive to deliver industry-leading results cloud our ethical judgment. No outcome is worth unethical behavior.**
- **Third, the only long-term, sustainable success in business is achieved in partnership with our employees, agents, brokers and customers—never at their expense.**
- **Fourth, we have the skill and creativity to solve any problem and meet any challenge. But we can only solve problems and meet challenges if we're honest with ourselves and each other about what those problems and challenges are.”**

—Alan Schnitzer, CEO

This approach remains critical to maintaining our culture of candor and continuing to deliver sustained value to our stakeholders.

We expect our suppliers to conduct themselves with the same level of honesty and integrity as our employees. The [Travelers Supplier Code of Conduct](#) documents our expectation that all contractors, consultants, suppliers and vendors demonstrate their commitment to ethical, humane, socially responsible and legally compliant business practices, including by maintaining a harassment-free and respectful workplace. We also proudly commit to the protection of human rights everywhere we do business, as described in our [Human Rights Statement](#).

To learn how our ethical culture drives our ability to attract and retain talented, diverse and qualified employees, see our [Human Capital Management](#) and [Diversity & Inclusion](#) sections.

Board Oversight

The Nominating and Governance Committee of the Board of Directors periodically reviews the Code of Business Conduct and Ethics and recommends changes to the Board, as appropriate. The Audit Committee, which has oversight responsibility for regulatory and compliance matters, receives a quarterly report on compliance matters, including Ethics Helpline activity. In addition, the Audit Committee meets in executive session with the Chief Ethics and Compliance Officer each quarter.

Ethics & Compliance Training & Awareness

Upholding a culture of honesty, integrity and accountability is critical to the long-term success of our organization. To support this culture, we promote ethics and compliance awareness across our operations. On an annual basis, our employees are required to complete our Ethics and Compliance Training and Certification program, which includes:

- **Code of Business Conduct and Ethics Training and Certification.** We require our employees to complete annual ethics training, which includes training modules on a variety of important topics, such as anti-bribery and anti-corruption. Additionally, our employees and directors must certify annually that they have reviewed, understand and agree to comply with the principles set forth in the Code.
- **Policy Certification.** We expect all employees to familiarize themselves with, and confirm their compliance with, applicable company policies. These policies include:
 - Anti-Bribery and Anti-Corruption
 - Information and System Use
 - [Equal Employment Opportunity](#)
 - Gifts to Government Officials
 - [Harassment-Free Workplace](#)
 - Internal Dispute Resolution
 - Nepotism, Favoritism and Personal Conflict of Interest
 - [Respectful Workplace](#)
 - Security Trading for Employees
 - Security Trading for Executives
 - Social Media
 - Supplier Management
 - [Whistleblowing and Non-Retaliation](#)

Bribery and corruption are wholly inconsistent with our company's core values of honesty, integrity and accountability, and we have instituted policies, procedures and internal controls for complying with anti-bribery and anti-corruption laws. Travelers strictly prohibits any promise, any offer or the provision of anything of value to any government official or any other person for the purpose of improperly obtaining or retaining business, influencing action or obtaining any form of improper benefit. We provide our employees with additional information regarding our expectations in our internal Anti-Bribery and Anti-Corruption Policy.

Additionally, we are committed to providing a fair and inclusive workplace where all employees are treated with dignity and feel valued, respected and supported. Among other things, we require our employees to complete harassment awareness training, and our Internal Dispute Resolution Policy allows employees to seek review of employment-related issues, concerns, actions and decisions. To learn more about our employee practices and programs, see our [Human Capital Management](#) and [Diversity & Inclusion](#) sections.

In our continuing efforts to raise awareness and educate employees regarding compliance and ethics issues, Travelers publishes a periodic "Dear Ethics" column on the company's intranet site. We base the topics of the "Dear Ethics" column on real situations that the Travelers Ethics and Compliance Office has addressed and anonymize them for publication. The column's goal is to address situations in a relatable fashion and offer concrete suggestions for how employees should act in various circumstances.

Ethics Helpline

We provide employees with multiple channels to raise concerns, including the Human Resources, Employee Relations and Compliance functions and the Travelers [Ethics Helpline](#). Our independently administered Ethics Helpline is available to employees and others 24/7 to report issues or seek guidance confidentially and anonymously. Trained professionals investigate each concern and, where appropriate, escalate it internally.

Once an Ethics Helpline report is filed, a review is conducted, if appropriate. Any ethics- or compliance-related issues are addressed by the Ethics and Compliance Office. Our Chief Ethics and Compliance Officer provides the Audit Committee with quarterly summaries of matters reported through the Ethics Helpline and more frequent compliance updates, as appropriate. Additionally, the Audit Committee receives reports on matters reported to the Chief Ethics and Compliance Officer that involve accounting, internal control or audit matters or that relate to any fraud involving persons with a significant role in our internal controls.

We also maintain a formal [Whistleblowing and Non-Retaliation Policy](#) that prohibits retaliation against, or discipline of, an employee who raises a concern in good faith.



Human Capital Management

Consistent with the long-term perspective we bring to managing our business, we view our human capital management through a long-term lens. The talent and expertise of our approximately 30,000 employees are critical to maintaining our competitive advantages in a rapidly evolving business landscape. And it is our employees who collectively drive our performance and fuel our ambitious innovation agenda. We recognize that maintaining our talent advantage requires a sustained investment in our people. When we deliver on our promise to our employees and their families, promoting an inclusive workplace and committing to their wellness and success, we are able to deliver on our promise to our customers and drive shareholder value.

Approach

We owe our success to our extraordinary talent. Our future success requires that we continue to attract, develop and retain top talent and maintain our unique culture—a culture that cares deeply about the company and is rooted in trust, collaboration, diversity and inclusion, and a commitment to one another’s success. Our approach to human capital management starts with our innovative talent acquisition strategies, which are designed to help us attract the best people from a broad pool of talent. Once they join Travelers, we seek to provide our employees with development programs that foster personal and professional growth and an inclusive environment in which our employees feel valued and engaged, allowing them to maximize their potential. And throughout their careers with us, we seek to provide our employees with comprehensive benefits and equitable and competitive compensation plans.

Board Oversight

Our Board takes an active role in overseeing our human capital management strategy, including our initiatives to shape our workforce and workplace to drive business performance and ensure that we are well positioned for the future. Our Chief Human Resources Officer—a member of our Management and Operating Committees—and other senior executives regularly present to the Board on these matters, including on the progress the company has made over time. Additionally, consistent with its charter, the Nominating and Governance Committee meets with the company’s CEO to review and discuss succession matters at least annually. The Nominating and

Governance Committee of the Board also meets regularly with senior management, including our Chief Diversity & Inclusion Officer, to review and discuss our strategies to encourage diversity and inclusion within our company. In addition, pursuant to its charter, the Compensation Committee of the Board, which is advised by an independent compensation consultant, reviews and approves the company's general compensation philosophy and objectives. In addition, the Compensation Committee meets with senior management on a regular basis to discuss the company's practices designed to help ensure equitable pay across the organization.

Culture

We believe that fostering a thriving, vibrant and authentic culture is essential for attracting and retaining talented, diverse and qualified employees. Travelers has a unique and rich culture that has been built over generations and runs deep in the organization. It is a culture that cares deeply about the company and is rooted in:

- **Trust.** At Travelers, so much of our culture is built on trust—the trust we earn from our customers in challenging times and the trust we place in each other and our agents and brokers every day. That trust is built upon honesty, integrity and accountability—values that are core to who we are. As articulated in a communication to all employees by our Chairman and CEO, Alan Schnitzer, one element of that “special something that sets our company apart” is “a commitment to doing the right thing—even when it feels like no one is watching.”
- **Collaboration.** In another email to employees, Mr. Schnitzer emphasized that “our culture of collaboration, camaraderie and shared responsibility is a treasure that we should never take for granted.” This collaborative approach to how we operate and think about risk and reward runs through every element of our business, from our underwriting reviews and our approach to Enterprise Risk Management to our Claim operations.
- **Diversity and Inclusion.** For us, diversity and inclusion is a business imperative. We believe that diverse experiences and viewpoints yield greater insights and better outcomes, raising the bar on individual and team performance, sparking further innovation and sharpening our customer focus. In addition to corporate policies designed to encourage an inclusive culture and protect all employees from workplace harassment and discrimination, we have numerous programs and initiatives, described in the [Diversity & Inclusion](#) section of this site, to foster a diverse and an inclusive environment.
- **Focus on Merit.** These three elements together—trust, collaboration, and diversity and inclusion—form the foundation of our merit-based culture. At Travelers, every individual is encouraged to share their opinion and contribute to the decision-making process. We believe that by listening to diverse views and opinions, we can reach the best business decisions. We recognize, promote and reward employees based on their contributions to our long-term success.

Engagement & Inclusion

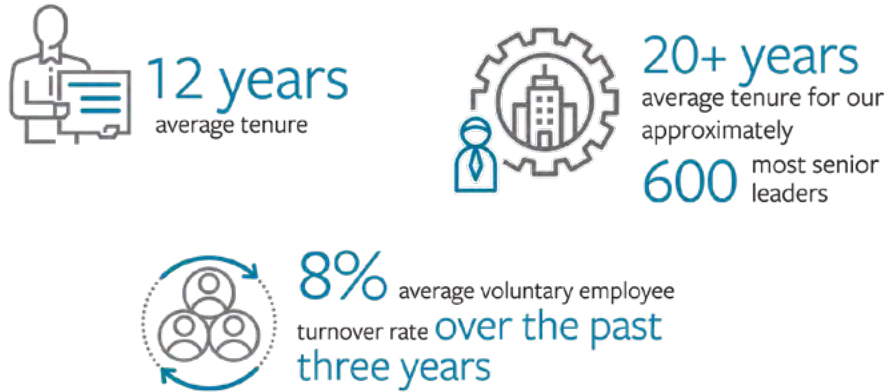
More than ever before, employees want and expect a workplace that aligns with their needs, wants and values, and we believe that an engaged workforce drives better business results. Because of that, we strive to deliver an employee experience that engages our team and strengthens our organization.

To evaluate the employee experience and the success of our engagement efforts and to inform the inclusion and leadership strategies we use to enhance employee engagement, we work with an independent, industry-leading survey administrator to confidentially manage our regular employee engagement surveys. To assess our progress, we also conduct periodic “pulse” surveys and focus groups. Based on the results of our engagement and “pulse” surveys, each manager is asked to develop action plans to create an even more meaningful employee experience. These plans are generated, in part, through team conversations and are designed to hold managers accountable for increasing their employees' engagement. Our Chief Human Resources Officer meets quarterly with our CEO and other senior leaders to discuss employee engagement strategies and our progress.

Based in part on the surveys and focus groups we conduct, we believe that our engagement efforts are effective. Our employee engagement levels remain strong and have improved throughout the years. Importantly, our employee engagement scores are similar, regardless of gender or race.

Our average tenure and voluntary turnover rates demonstrate the power of our culture and the attachment our employees have to the organization. The average tenure at Travelers is 12 years, and over 20 years for the company's approximately 600 most senior leaders. In a competitive labor market, our two-year average global voluntary turnover rate is consistent with our turnover rate prior to the pandemic. While, like many businesses, we experienced elevated attrition during 2021, our recruiting efforts have been very successful—we hired more people than we lost. In other words, more people chose to join Travelers than to leave for a job elsewhere.

TENURE & TURNOVER



Our average tenure and voluntary turnover rates demonstrate the power of our culture and the attachment our employees have to the organization.

The success of our engagement efforts is also evident in how our employees view the company. Despite the pandemic and the remote work environment, our overall anonymous company rating by current and former employees on Glassdoor.com, a social media site for job satisfaction and engagement, rose consistently throughout the year. Additionally, approximately 80% of our employees said they would recommend Travelers to a friend—the highest level among our rated property and casualty insurance company peers. Our CEO, Alan Schnitzer, was included on Glassdoor's list of top 100 CEOs in 2021 and received the Glassdoor Employees' Choice Award for the Top CEOs in each of the prior three years in which Glassdoor granted this award. See our [Awards and Recognition](#) page for a full listing of the recognitions we've received.

We are confident that our engagement and inclusion efforts will continue to have a strong impact—by shaping a workforce and workplace that drives exceptional business performance.

Learning & Development

Our commitment to learning and development is rooted in our belief that for us to be successful, we must provide our employees with the skills and capabilities to enable them to be successful. Our learning experience platform (LXP) is a centralized hub for all learning resources at the company, where content is both curated and aggregated on a regular basis for a personalized learning experience. This platform is a one-stop shop for videos, articles and courses—both Travelers-created resources and content from third-party providers. It provides an immersive and customized experience to meet our employees' learning needs. Employees can use the platform to assess their skills, rate and comment on courses and lessons, and learn from subject matter experts across Travelers. During 2021, more than 88% of Travelers employees engaged with the platform and accessed over 960,000 learning resources, including articles, videos and courses. On average, Travelers employees logged in to the learning platform every six days.

Because we believe that the best learners are the best leaders, we offer a variety of programs, experiences and tools that support our managers in their leadership journey. All Travelers managers receive a monthly Leader's Digest email, which provides information and tools to improve the employee experience at Travelers, helping our managers and their teams succeed.

We offer a number of learning programs to help develop our leaders at Travelers: Your Leadership Aspiration, Leadership Principles, Coaching for Performance Excellence, Leading World-Class Teams, and The Leadership Challenge®.

- **Your Leadership Aspiration** is a two-part, on-demand program that assists new and aspiring leaders to understand the fundamentals of leadership and provides detailed guidance on the skills critical to becoming an effective leader.
- **Leadership Principles** is a program designed for leaders in the first few months of their roles and helps them build the capabilities necessary to lead their teams and drive desired business outcomes.
- **Coaching for Performance Excellence** provides leaders with an understanding of the principles of good coaching in the day-to-day leadership of individuals on their teams.
- **Leading World-Class Teams** helps those who lead people or projects learn how to more effectively facilitate and engage teams.
- **The Leadership Challenge** equips leaders, through five key leadership practices, to increase engagement and inclusion, lead change, drive innovation, tie business goals to a greater purpose and coach teams to higher levels of performance.

As part of our commitment to fostering a more inclusive workplace, employees are expected to complete the Conscious Inclusion Virtual Workshop. This four-hour program explores biases and their impact in the workplace and how we can change our behaviors to be more intentionally inclusive in our day-to-day interactions.

We encourage and support employee development through our Educational Assistance Program. Through the program, Travelers helps eligible employees—salaried employees who work at least 20 hours per week—pay for eligible education classes and professional designation and certification programs, including for Chartered Property Casualty Underwriter (CPCU), Associate in Risk Management (ARM) and Associate in Claims (AIC). In 2021, more than 400 employees received educational reimbursement. To reinforce the importance of underwriting as a core discipline, Travelers recognizes employees who successfully pass all eight CPCU exams and earn the professional designation by paying for eligible employees to attend their conferment ceremony, which is held each year for new CPCU graduates.

Additionally, Travelers offers various career mentorship and development programs for both entry-level and experienced professionals. For example, our multiyear [Leadership Development Programs](#) provide entry-level employees with an opportunity to progress through a steady career path in a specific discipline such as Actuarial, Business Insights & Analytics, Data Science, Finance, Human Resources, Operations or Technology. Participants complete assignments and rotations designed to help them build upon their technical, strategic thinking and leadership skills and strengthen their business acumen. These programs also include mentorship and networking opportunities, including with senior leaders, as well as speaker forums designed to keep participants up to date on industry trends and company initiatives.

In addition, our one- to two-year [Development Programs](#)—in Underwriting, Investments and Product Management—provide the foundational knowledge and technical skills necessary for success at Travelers and include on-the-job training, classroom instruction, self-study materials and independent work in an assigned business area. Like our Leadership Development Programs, these programs provide mentorship opportunities and exposure to Travelers leaders. Participants in both our Leadership Development Programs and Development Programs are invited to compete in the company’s annual hackathon-style Innovation Jam. These programs have been a part of our talent strategy for many years. Many participants have gone on to hold senior roles at Travelers.

Leadership Development Programs

Actuarial

- Five-year rotational program.
- Challenging assignments in core actuarial and analytic functions, including Predictive Modeling, Pricing and Rate Making, Product Management, Reserving, Risk Analysis and Risk Segmentation.
- Reserved study time for actuarial exams and opportunities to participate in or lead enterprise wide councils.

Business Insights & Analytics

- Three-year program.
- Tailored curriculum, with optional rotations, providing unique professional experiences with Business Intelligence, Geospatial and similar roles.
- Opportunity to work with diagnostic and descriptive analytics, leveraging data to drive business insights.

Data Science

- Three-year program.
- Optional rotations within the data science areas, using a plethora of modeling techniques—from linear regressions to image and speech recognition -- to solve some of the business areas’ most complex problems.

Finance

- Three-year rotational program.
- Wide ranging assignments across the enterprise, including Accounting and Reporting, Internal Audit, and Financial Planning & Analysis

Human Resources

- Three-year rotational program.
- Nine-month assignments providing experience in different facets on Human Resources, such as Compensation, Talent Acquisition, Employee Relations, and either People & Projects or Data & Analytics.

Operations

- Three-year rotational program.
- Six- to 12-month assignments, with ability to choose from among Operational Effectiveness, Field Management, Data Analytics, Digital Enablement, Technology, Customer Experience, Workforce Optimization, Organizational Development, and Product and Underwriting Support.

Technology

- Two- to three-year rotational program.
 - Assignments providing experience in Software Engineering, Infrastructure Engineering and Cybersecurity.
-

Development Programs

Investment Analyst

- Two-year program.
 - Training and skill strengthening for credit and quantitative research associates to analyze issuers, industries and securities, as well as the return and risk characteristics of our portfolio
-

Product Management

- One-year program.
 - Rotations throughout Personal Insurance and Business Insurance, focused on developing the future leaders of enterprise wide Product Management departments
-

Underwriting Professional

- One-year program.
 - Opportunities to develop a comprehensive understanding of the exposures and coverage needs of insureds in Business Insurance or Bond & Specialty Insurance; to hone their technical and sales skills; and to build relationships with agents.
-

In addition, we monitor the development of talented employees to support them in developing the skills necessary to advance their careers and help them expand their relationships to facilitate their success.

Performance & Succession

Our performance management strategy is designed to develop the company's talent and equip employees with the skills and resources necessary to ensure the company's continued success. Through our annual performance management process, managers assist their direct reports with setting and monitoring goals, developing a plan to achieve those goals, evaluating progress against those goals and discussing opportunities for improvement throughout the year. Managers are expected to complete a year-end progress update for each of their direct reports. This includes a meaningful conversation with each employee to discuss what went well and what can be improved.

We also conduct a comprehensive annual talent review, which includes succession planning, to identify and prepare talented employees for future leadership positions. Each line of business identifies talented employees and succession candidates for targeted development and advancement opportunities with individualized action plans. This talent review process culminates with the CEO and his direct reports meeting to review succession plans for key positions. In addition, the CEO meets with the Board's Nominating and Governance Committee and the full Board of Directors to discuss succession-related matters at least once a year.

Talent Acquisition

Travelers is focused on building a pipeline of talent to position the company for future success and is committed to hiring and developing a diverse and sustainable workforce across race, color, religion, gender, gender identity, age, national origin, disability, veteran status, marital status, genetic information and sexual orientation. Our recruiting efforts are designed to help us attract and retain top talent from a broad pool of candidates and continue to increase diversity in our hiring.

To maintain our competitive advantages, we increasingly need industry-agnostic talent. Historically, running an insurance company required actuaries, underwriters and finance professionals, among others; in addition to those types of professionals, we now also need roboticists, data scientists, artificial intelligence experts and behavioral economists. This compels us to reimagine our talent acquisition strategies. While we continue to recruit from within our industry, we are increasingly recruiting from outside our industry for disciplines that are fundamental to our future. We deploy talent acquisition strategies, including advanced sourcing tools, employment branding advertising, social channels and diverse slate requirements, to help us create a pipeline of strong candidates.

We are focused on inspiring the next generation of insurance professionals and actively encourage students and graduates to explore career opportunities in the insurance industry and, in particular, at Travelers. To help us attract new talent to the industry, we have long-standing affiliations and partnerships with a number of organizations that share that mission, including [InVEST](#), Insure My Path and Gamma Iota Sigma. In addition, our signature career pipeline program, [Travelers EDGE®](#), provides a unique, holistic approach to education for underrepresented students. Through partnerships with colleges, universities and community-based organizations, Travelers EDGE increases access to higher education and provides students with opportunities to excel. We also have strategic partnerships with [Girls Who Code](#) and AnitaB.org to help us mentor and attract the next generation of women in technology.

To learn more about our efforts to bolster our diverse talent pipeline, see the [Diversity & Inclusion](#) section of this site.

Total Rewards

Our compensation and benefits programs are designed to attract, motivate and retain high-performing employees and to help employees be healthy and productive in all aspects of their lives. Our long-standing pay-for-performance philosophy differentiates awards based on individual and company performance, regardless of gender, race or any other protected classification. In addition, our comprehensive, flexible benefit options are designed to meet the physical, mental and financial needs of employees and their families.

Compensation

Paying our employees equitably is the foundation of our performance-based culture. Our equitable [pay statement](#) outlines our approach. Our compensation processes and controls are designed with the goal of ensuring that we compensate our employees without influence from bias. With the assistance of independent, outside experts, we annually review our compensation practices to help ensure equitable pay across the company. Based in part on these measures, we believe that we pay our employees equitably, regardless of gender, race or any other protected classification.

Our minimum hourly wage in the United States is \$15; effective April 2022, however, our minimum wage has been increased to \$18 per hour. As calculated and reported in our [2022 Proxy Statement](#), in 2021, excluding our Chairman and CEO, the median annual total compensation of all our employees was approximately \$110,000. The median annual total compensation of our full-time U.S. employees who worked for Travelers for the entire year, who represent more than 90% of our U.S. workforce, was nearly \$116,000, putting us in the top quartile for employee pay in the S&P 500.

Travelers' compensation mix includes base salary, performance-based cash awards and equity grants. The mix of these rewards varies depending on the employee's role at the company.

- Many employees receive most of their total rewards in the form of base salary and medical and retirement benefits. Travelers pays a higher percentage of health care costs for employees with lower salaries.
- Variable compensation (annual bonus and equity) becomes a larger portion of the total rewards mix for employees at higher levels in the organization. Furthermore, the senior-most executives, who are responsible for the development and execution of our strategic and financial plans, have the largest portion of their compensation tied to performance-based incentives.

Health & Wellness

Because our employees are our most valuable asset, we are committed to helping them be healthy and productive in all aspects of their lives. We know that when employees and their families are well—physically, emotionally, mentally and financially—they can be more fully engaged both personally and professionally. That’s why we offer [comprehensive, flexible benefit options](#) that, for our U.S. employees, include medical, dental, vision and prescription drug coverage; health savings; and flexible spending accounts.

In the United States, our medical plans cover more than 50,000 individuals, including employees, their children and their spouses/ domestic partners. In 2021, we paid nearly \$220 million in medical-related costs on behalf of our U.S. employees and their dependents. In our international operations, we provide medical coverage that supplements government-provided plans to our 2,000 employees and their families, subsidizing between 90% and 100% of total employee health benefit costs.

Employees and their eligible family members, including spouses, domestic partners and children, are generally eligible for coverage from the first day of employment. To keep rates affordable, Travelers subsidizes premiums on its health care plans through a cost-sharing model. We subsidize health benefits more heavily for less-compensated employees than for higher-paid employees, such as the company’s named executive officers. Accordingly, our higher-paid employees pay a significantly higher percentage of the cost of their health benefits as compared with our lower-paid employees.

We have a forward-thinking approach to our benefit plan design. We deliver new, innovative ways to support employee health and well-being, including financial incentives for some employees to choose high-quality, low-cost providers and safeguards regarding the use of opioids to help ensure that doctors, pharmacists and patients work closely together on treatment plans for pain management.

Our wellness program provides easy-to-use tools and resources that empower employees with the information and support they need to achieve their wellness goals. Here are some of our offerings for U.S. employees:

- In 2021, we introduced a new benefit for all U.S. employees—Caregiving Support from Wellthy. This program helps employees navigate the challenges faced as caregivers for children, aging family members, or loved ones with special needs or who are chronically ill.
- Our *myWellness* platform is a mobile-friendly, easy-to-use application that serves as a repository of wellness tools and resources to help employees achieve their physical, mental and wellness goals. Using the platform, employees can set physical and mental wellness goals, track healthy habits, find top-rated doctors in their area, review information about a new diagnosis or treatment, challenge friends to health competitions and more.
- Life Balance, our employee assistance program, provides employees with access to professional in-person, digital and text-based counseling services; life coaching; personalized mentoring; and support resources for daily life needs. All Life Balance services are free, confidential and available 24/7 to employees and their household family members.
- Grand Rounds (now called Included Health) is a free service for employees and dependents enrolled in a Travelers medical plan that matches members with top-ranked doctors, helps employees obtain second opinions from leading specialists and assists in navigating the health care system.
- MSK Direct is a free service for Travelers employees and their family members facing a cancer diagnosis. It provides guided access to expert cancer treatment and care at Memorial Sloan Kettering Cancer Center facilities.
- The diabetes management program, a no-cost service that combines the latest technology with real-time support, helps make handling diabetes easier for employees and their adult family members enrolled in a Travelers medical plan.
- Wellness champions in more than 50 local offices help cultivate a culture of wellness at Travelers by leveraging employees’ interests and ideas to implement healthy initiatives at local offices.

Additionally, recognizing that working parents and caregivers experienced additional challenges during the pandemic, in 2020, we launched the Working Parents & Caregiver Resource Group—a forum where Travelers parents and caregivers can come together to share tips, exchange resources and offer support to colleagues in similar situations.

We also offer:

- Fitness center discounts for employees.
- On-site chiropractors and physical therapists for employees at our Hartford campus.
- Free on-site wellness screenings at our Hartford and St. Paul campuses.
- On-site counseling services for employees at our Hartford campus.
- Free seasonal flu shots for employees through on-site clinics and various retail pharmacies.
- Mobile mammography for eligible employees in certain locations.
- Free tobacco cessation programs for employees and family members enrolled in Travelers medical plans.
- Weight management programs with personalized coaching support, resources to help employees make positive changes and digital tools for users to track progress over time.
- Health insurance benefits for transitioning employees and family members to cover professional counseling, hormone therapy and, if clinically appropriate, gender reassignment surgery.

HEALTH & WELLNESS



51,000
individuals covered
by our medical plans



\$220 million paid in
2021 in medical-related costs on
behalf of our employees, retirees
and dependents



24/7 access to Life Balance,
our employee assistance program, which
includes professional counseling services,
life coaching, personalized mentoring and
support resources



12,000+
employees enrolled
in our *myWellness* platform



We use a tiered **cost-sharing model**
to subsidize health benefits: Higher-paid
employees pay ~50% of their health care costs,
while our lowest-paid employees pay ~20%

For more information on how we have protected the safety and health of our employees, including during the pandemic, see the [Safety & Health](#) section of this website.

Savings & Retirement

Our 401(k) Savings Plan provides employees with a vehicle to save for their retirement and the opportunity to receive a company match on those contributions. Employees can contribute from 1% to 75% (in whole percentage increments) of their eligible pay as pre-tax 401(k) or after-tax Roth 401(k) contributions, up to the maximum allowed under IRS limits. Travelers annually matches employee 401(k) contributions dollar for dollar, up to 5% of eligible pay. The company match contributions made in early 2022 were based on 2021 contributions with a maximum annual company match of \$7,000. Employees become 100% vested in company matching contributions after three years of service. Currently, 97% of our employees participate in the Travelers 401(k) Savings Plan. Outside of the United States, we provide defined contribution retirement plans for more than 2,000 employees, with an average company contribution rate of over 8%.

Travelers recognizes that the high cost of education and the obligation of repaying student loans prevent many people from saving for their retirement. Our innovative retirement savings benefit, The Travelers Paying It Forward Savings Program, addresses this issue for employees facing student loan debt. When an eligible employee makes a payment toward their student loans, Travelers makes an annual contribution of that amount into that employee's 401(k) Savings Plan account, dollar for dollar up to the first 5% of eligible pay, to a maximum of \$7,000. For the year ended December 31, 2021, Travelers spent almost \$2 million to match student loan payments for more than 750 employees who had enrolled in this benefit. Since the program began in 2020, we've contributed nearly \$5 million to the financial security of these employees.

Travelers also assists employees with meeting their retirement needs through the Travelers Pension Plan, an active defined benefit pension plan. Travelers pays the full cost of the employee's plan benefits; we do not require employees to contribute personally. The plan determines the benefits under a cash balance formula, which provides pay and interest credits to a hypothetical account maintained for the employee with an annual pension credit of approximately 4% of the employee's pay. In 2021, nearly \$600 million went to providing our employees with security in their retirement through pension payments and credits and 401(k) matching contributions.

We also support our employees' financial success through financial planning services. Thousands of our employees have taken advantage of this offering. Among other things, we offer our U.S. employees:

- A financial wellness assessment that allows employees to get a financial wellness score and personalized checklist to help meet their financial goals.
- Online and text-based retirement planning services, including complimentary consultations and workshops to assist in savings and retirement planning.

FINANCIAL SECURITY



\$116,000*
median pay
for full-time U.S.
employees, who
comprise over 90% of
our U.S. workforce, putting us in the top
quartile for employee pay in the S&P 500



\$599 million spent in 2021 to provide
our employees with security in
their retirement through an active
defined benefit pension plan and
401(k) savings plan



\$18/hr**
minimum wage in
the United States



\$1.9 million spent in 2021
to match student loan payments with
401(k) contributions for 750+ employees
through The Travelers Paying It Forward
Savings Program

Work-Life

Additional benefits we offer our U.S. employees include:

- Life insurance.
- Short-term and long-term disability coverages.
- Paid time off, starting at 20 days per year, up to a maximum of 30 days per year based on years of service, plus the ability to purchase up to six additional days per year.
- Paid parental and adoption leave.
- Child care discounts.
- A corporate discount program.
- Paid time off for volunteering.

Illustrative Initiatives



MAKING MENTAL HEALTH A PRIORITY

A Focus on Life Balance and Mental Health



SYMPOSIA FOR STUDENTS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Inspiring the Next Generation of Job Seekers



PARTNERSHIP WITH INVEST

Travelers Insuring Futures



DEVELOPING A MORE DIVERSE PIPELINE OF ACTUARIAL TALENT

Our Work with the International Association of Black Actuaries



TRAVELERS INSTITUTE

Travelers Institute University Tours



THE POWER OF TRAVELERS IS US

Exploring the Power of 30,000 People

Illustrative Initiatives



COMMITTED TO MILITARY VETERANS

Supporting Those Who Serve



GIRLS WHO CODE

Growing Tech Talent



SHE TRAVELS®

Advancing Women's
Careers in Insurance




Innovation

We recognize that the world is evolving quickly. While our long-term financial strategy is not changing, the competitive advantages that have fueled our success over the last decade will not necessarily be the same as those we will need to continue to lead for the next decade. That is the focus of our ambitious innovation agenda: making sure that our competitive advantages are as relevant and differentiating tomorrow as they are today. Ultimately, the vision for our innovation agenda is to be the undeniable choice for the customer and an indispensable partner for our agents and brokers.

Approach

As one of the United States’ largest multiline insurers, we continually invest in data, analytics, technology and operations to make our processes more efficient and effective to better serve our customers and maintain our competitive edge. Our [competitive advantages](#) set Travelers apart; they are foundational to the success of our long-term financial strategy. Nonetheless, we understand clearly that the world is changing, and changing quickly. Broadly speaking, we see four significant forces of change impacting our industry:

Forces Of Change

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|  <p>Changing Consumer Expectations</p> <p>Customer expectations are being shaped by their experiences in other industries.</p> |  <p>Emerging Technology Trends</p> <p>Emergence of new technology enables us to reimagine every aspect of our business.</p> |
|  <p>Data & Analytics</p> <p>Data and analytics is transforming every aspect of our business.</p> |  <p>Changing Distribution</p> <p>Distribution is consolidating and alternative models are evolving.</p> |

We are pursuing an ambitious innovation agenda that is focused intently on these forces of change and is designed to ensure that our competitive advantages remain relevant and differentiating to drive our long-term success.

We believe the winners in our industry will be those with deep domain expertise who can continue to deliver industry-leading results while innovating successfully on top of a foundation of excellence. To ensure that we keep pace with the accelerating rate of demographic, economic, technological and cultural change in today's consumer and business environment, we have adopted a focused approach to innovation as a business discipline. Our Chief Innovation Officer leads a dedicated team of innovation specialists who focus on championing and supporting experimentation across the enterprise and enable connections to new capabilities in external ecosystems. The Travelers iCouncil, a working group of senior leaders, oversees our innovation initiatives across the enterprise, helping to ensure consistency and streamline our innovation efforts.

At the same time, our Technology & Operations teams, led by our Chief Technology & Operations Officer, are also actively engaged in our broad and ambitious innovation agenda by driving our digital and advanced data and analytics initiatives. As we scale our agile practices across the organization, including through the creation of persistent, cross-functional groups, we can reinforce our leading position in the industry.

Our “*perform and transform*” mindset, discussed in our Chairman and [CEO's message](#), and our culture of innovation have become important parts of our DNA. Our collaborative approach to innovation helps us “focus on the future” by bringing an innovative mindset to everything we do, forging strategic internal and external partnerships and accelerating new ideas with speed and direction—or, as we refer to it internally, “innovating with velocity.”

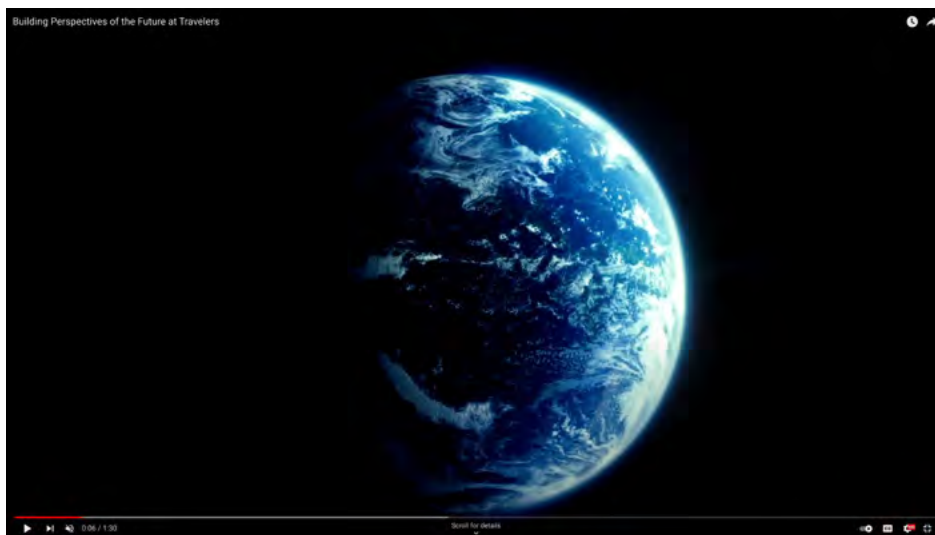
We are pursuing innovation in service of our vision to be *the undeniable choice for the customer and an indispensable partner to our agents and brokers*. In support of that vision, we have three innovation priorities:

- **Extend our advantage in risk expertise.** Understanding risk, and the products and services our customers need to manage risk, has been foundational to our success for decades. Core to that is our ability to balance the science and art of risk-based decision-making based on data and analytics. That skill set requires a combination of deep expertise and a special culture that values collaboration and long-term success. It is an important competitive advantage developed over a long period of time and one we believe is very difficult to replicate. We seek to extend our advantage by investing in areas such as predictive modeling, advanced analytics, robotic process automation, machine learning, artificial intelligence and new products.
- **Provide great experiences for our customers, agents and brokers.** Across all of our businesses, we are focused on becoming faster, easier, nimbler, more digital, more mobile and more personalized. When we think there is a proprietary advantage, we invest in building these capabilities ourselves. In other cases, we partner with, invest in or acquire organizations—both established businesses and startups—to bring these great experiences to market more efficiently. Both approaches have resulted in new and enhanced capabilities, such as on-demand certificates of insurance for Small Commercial accounts, ongoing improvement to our self-service web experience, a completely redesigned mobile app, virtual home and auto inspections, virtual telemedicine visits, loss consultation and digital claim payments, to name a few.
- **Optimize productivity and efficiency.** We are continually working to optimize our productivity and efficiency to enhance our operating leverage. We primarily do this through investing in technology and improving workflow. Enhanced operating leverage provides us with the flexibility to let the savings fall to the bottom line, reinvest the savings and/or compete on price without compromising our return objectives.

Discovering Emerging & Future Opportunities

As a leading property and casualty insurer with deep industry expertise and a long-standing commitment to learning, we believe that our employees, and the knowledge and insight they bring to serving our customers, underlie all of our key competitive advantages. We combine our talent and expertise with data, analytic tools and research capabilities to identify emerging and future opportunities to provide our customers with the products and services they need to protect what's important to them.

We track key trends that offer clues to how the future may evolve so that we are better positioned as customer preferences and expectations continue to evolve with time. We have in-house teams dedicated to researching and formulating educated viewpoints about the future of society, technology and the insurance industry, driving our long-term strategic priorities. From autonomous vehicles to artificial intelligence (AI), we systematically assess new technologies, plan for their potential impact and identify the business opportunities that may arise as a result. This brief video describes our approach and identifies the trends we are watching.



[Building Perspectives of the Future at Travelers](#)

In addition to watching industry trends, we continually evaluate evolving risks to our customers and help them with mitigation opportunities. We can test real-life scenarios at our research and training facilities—[Claim University](#), the [National Catastrophe Center](#) and the Risk Control [Forensics](#) Laboratory. Sharing what we learn with our underwriters helps them better select and price risks and develop products and services that address emerging risks to meet customer needs. These insights also give our Risk Control professionals a competitive edge, allowing them to work effectively with customers to help them identify occupational risks and mitigate and manage exposures to loss. In addition, our learnings allow our customers to help improve their employees' safety and wellness, as well as their own business results. Finally, these insights enable our Claim professionals to help our customers recover from losses quickly and efficiently. We also share our insights with our customers and the public through our agent and broker partners, our [Prepare & Prevent](#) website, [Travelers Institute](#)® and [MyTravelers](#)® for Business.

Fostering External Partnerships

With emerging trends and future scenarios in mind, our dedicated innovation scouts help us forge new partnerships and alliances outside of Travelers to broaden our perspective, gain early access to new ideas and develop solutions to some of the most compelling challenges impacting the industry. We position ourselves in the flow of innovation around the globe by collaborating with incubators, startups, venture capital and private equity firms, and others that are developing exciting new technologies and capabilities. We partner with incubators like Plug and Play and FinTech Innovation Lab New York, both innovation programs that bring together startups and some of the world's largest corporations. Through these partnerships, we participate in initiatives such as the Hartford InsurTech Hub, a collaboration of insurance carriers, representatives of the city of Hartford and community stakeholders, all focused on industry evolution through collaboration and innovation. The goal of this group is to develop a local innovation ecosystem supported by local resources, capabilities and talent, in which insurance technology startups can grow and flourish. We view our involvement in this Hartford-based initiative as an investment in both our communities and our business.

Our external partnerships also help us drive co-innovation on data and AI capabilities. We continue to assemble new third-party datasets while refining our existing data to unlock new sources of insights and drive automation and productivity. For example, we set out to find new ways to expedite the process used to detect total losses from wildfires, specifically in the most prevalent fire loss areas of the western United States. Using third-party imagery collected from previous California wildfires, we tapped into our property boundary data to isolate home locations in the pictures. We then crowdsourced the tagging of 40,000 images, enabling a deep learning model to analyze the data and immediately assess which properties were total losses. The identification of total losses from imagery enables us to initiate the claim process faster, which, in turn, allows our customers to begin recovering and rebuilding their properties more quickly.

Driving an Innovation Mindset & Velocity

We built our internal innovation ecosystem to develop the key capabilities needed for the future by leveraging the best talent and ideas from both inside and outside our company. In collaboration with our dedicated Innovation team, our network of Travelers leaders spanning our businesses and functions—our Innovation Evangelist Network—take ownership of crafting the innovation objectives for their respective business lines. This network is supported by hundreds of subject matter experts, software engineers, design specialists and data and analytics professionals. These teams deploy their unique insights, perspectives and skills to bring innovative products and services to market and optimize productivity and efficiency to better serve our customers and agent and broker partners.

Supporting our evangelists and business leaders are our Experimentation Partners, who enable innovation within the business through mentoring, coaching, facilitation, tools and testing platforms. They provide:

- A best-in-class innovation methodology to rapidly bring ideas to life, supported by tools, training classes and online resources.
- Innovation designers to facilitate problem definition, information gathering, experiment design and, ultimately, the building of robust business cases for new ideas.
- A platform for rapid test-and-learn, with technology and engineers available to enable experimentation at scale, leveraging the latest software tools and emerging technologies inside and outside the company.
- Help solving critical business problems and driving velocity within our innovation agenda.

SENIOR DIRECTION

Chief Innovation Officer and iCouncil

LOCAL INNOVATION ENGAGEMENT

Innovation Evangelists

ENTERPRISE SUPPORT

Enterprise Innovation team supporting efforts in Future, Discovery, Velocity (Experimentation Partners) and Mindset

We developed tools, training, communications and events to foster an innovation mindset throughout Travelers. Notably, to elicit new ideas, we regularly host hackathons, which we refer to as “Innovation Jams.” Participants collaborate and compete over the course of 24 hours to develop prototypes that address business challenges. Innovation Jam participants include Travelers employees from the United States, Canada and Europe and span all of our business functions, bringing together employees’ knowledge and expertise in insurance, technology, design, customer experience, marketing and communications, among other disciplines, to solve critical business problems in new and creative ways. Now in its seventh year, our annual Innovation Jam has engaged thousands of employees, inspired a number of practical solutions and led to over 60 patent applications by Travelers. The 2021 Innovation Jam, which was again conducted virtually due to the ongoing pandemic, drew over 700 employees forming more than 90 teams.

Harnessing the Power of Data

Data and analytics can help us explain events from the past or even anticipate what may happen in the future. At Travelers, we believe data and analytics are transformative, strategic assets that provide us with a competitive advantage, help create great customer experiences and improve the overall productivity and efficiency of our business.

Our digital journey continues to accelerate technology innovation, expand omnichannel customer engagement and leverage advanced analytics and artificial intelligence to boost productivity, improve operational efficiencies and drive better experiences for our customers and agents. And our investments in digital capabilities in recent years were instrumental in our ability to respond to the global pandemic.

Responding to the needs of our customers and business teams, we placed a high priority on design thinking and shifted from a project management focus to product teams. These small teams, made up of individuals from a mix of disciplines and functions, are responsible for specific products and empowered to make decisions that help drive business outcomes and speed to market.

We've also shifted to an engineering mindset throughout the Technology & Operations teams, such that instead of simply translating business requirements into code, our engineers are more directly integrated into the business and are thus better able to understand and appreciate the digital business drivers in today's market. These mindset shifts help inform how we interact with our customers, agents, brokers and employees to create frictionless digital experiences.

Our Data and Analytics team, led by our Chief Data and Analytics Officer, has strong partnerships across the enterprise and is responsible for executing our strategic data and analytics priorities. Through our data and analytics capabilities, we are providing solutions to challenges in our business and our industry, with the explicit goal of further extending our data and analytics advantage to drive industry-leading performance for years to come.

Travelers has been using data and analytics for more than 165 years, but the world is constantly evolving. Our Data and Analytics team continually incorporates new sources of data to further enhance our risk insights and optimize our operational decisions.

Each year, we:

- Process more than 1 million loss notices.
- Respond to roughly 20 million quotes.
- Answer more than 10 million calls from customers and agents.

That equates to more than 30 million "events" per year, or roughly 100,000 different business interactions a day, that can be optimized through data and analytics.

Cultivating Our Data Culture

Our Data Culture program was launched in 2020 to reinforce the strategic value of data and how it impacts our business. The program is intended to ensure that all employees take ownership of data, understand and protect data, capture data appropriately and make sure the data they are using is accurate and timely. Program highlights include:

- **Engagement.** Creating awareness and understanding of the importance and impact of data.
- **Learning and Development.** Offering programs to support a community of continual learning and growth.
- **Enablement.** Providing tools and resources to aid in maturing a data-driven culture.

As part of this program, our new Leadership Series prepares our operational leaders to become even better consumers of data and analytics capabilities, extending beyond traditional uses in product risk segmentation and enabling them to reimagine work across the value chain. Through this series, we seek to enable better decision-making, enhance productivity and build improved experiences for our agents, brokers, customers and employees—all of which help us maintain and advance our industry-leading performance.

Innovative Products & Services

The forces of change in our industry present not only risk but also significant opportunities. We continually leverage our innovation ecosystem and data-centric culture to provide new products and services to the insurance market. Here are some examples of those innovative products and services and how we are using technology to deliver them.

Innovative Products & Services

BUSINESS INSURANCE

Using AI to Streamline Submission and Quoting Processes

- Insurance quote requests often require significant manual effort to extract information from submitted documents before an underwriter can fully evaluate and price the risk. By organizing valuable unstructured data from submission documents, artificial intelligence (AI) augments our underwriting capabilities, enhancing risk selection and increasing efficiency while also enabling agents and brokers to write more business more quickly.
- Through our strategic partnership with Groundspeed Analytics, Inc., announced in October 2019, we use AI to simplify our new business and policy renewal processes and drive a better experience for our agents, brokers and customers. The partnership includes collaboration with Groundspeed on the design of additional AI capabilities for the automation of commercial insurance analytics.

Certified Data Products

- We created a series of certified data products that leverage both Travelers and third-party data. These products are operationally integrated, mastered, standardized, curated and quality controlled.
- For example, our new Certified Business database contains details about more than 30 million businesses, nonprofits and municipalities, providing a 360-degree view of each customer. Certified Business currently enables field and home office employees to share customer information across all lines of business—improving our ability to generate new business leads, cross-sell our products and make more informed business decisions during the sales and underwriting process.

Digital Delivery of Policy Documents

- By enabling agents and customers to correspond and transact with us digitally, including by signing or approving forms using e-signature, we're able to provide quicker service while reducing our paper usage and mail costs.

MyTravelers® for Business

- In 2021, we continued to experience increased adoption of our digital business assets. *MyTravelers* for Business provides online, on-demand self-service capabilities for our customers so they can manage their business insurance accounts on their own schedules.
 - Once logged in, customers can view their Travelers policies and billing accounts and access an extensive inventory of capabilities. Some of these include reporting a claim or checking the status of a claim; obtaining copies of policy documents or certificates of insurance; accessing historical claim or loss run information; printing auto ID cards; and viewing limits and deductibles.
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| Risk Management Information Services (e-CARMA®) | <ul style="list-style-type: none"> Travelers Risk Management Information Services uses advanced technology to gather and analyze many elements that can have a significant impact on loss experience. For our larger Business Insurance customers with more sophisticated or complex operations, we offer e-CARMA, a comprehensive and customizable analysis tool that makes accessing loss information faster and easier so our customers can make timely and informed decisions to keep their businesses running smoothly. |
| Travelers BOP 2.0 | <ul style="list-style-type: none"> Our BOP (Business Owner Policy) 2.0 product, launched in 2019 with input from our agents and brokers, makes the quoting experience faster and easier with simplified screens, fewer questions, more customer information pre-filled and modernized business classifications. We also adjusted our pricing, introduced new discounts and provided flexible offerings that allow agents and brokers to package coverages in a way that best meets the needs of our customers. Countrywide rollout is in progress. |
| Global CompanionSM Plus+ | <ul style="list-style-type: none"> In 2020, Travelers announced the launch of Global CompanionSM Plus+. This new product builds on the company's broad property and casualty offerings for U.S. firms with foreign exposures. Features of Global CompanionSM Plus+ include: <ul style="list-style-type: none"> Primary Foreign Voluntary Workers Compensation. Protects employees who are working outside their home countries. Financial Interest. Provides a separate \$1 million limit for U.S.-based companies as an extra layer of protection when an eligible foreign subsidiary suffers a covered loss. Global Panel Counsel Service. Helps businesses in need of legal assistance abroad find in-country representation experienced in local regulations and languages. Emergency Evacuation Coverage. Offsets the cost of employees who must evacuate while abroad. This now includes coverage for natural disasters, political unrest and endemic disease. |
| Learn more | |
| CSS Third-Party Claims Administration Services | <ul style="list-style-type: none"> Constitution State Services (CSS) is a Travelers subsidiary providing claim management services for over 40 years. CSS is a third-party administrator for larger commercial customers for workers compensation claims, general liability claims, commercial auto claims and property claims. CSS provides a prompt, focused response to claims, working collaboratively with our clients to efficiently pay what is owed, manage expenses and provide excellent customer service. Leveraging its national scale and technical expertise enables us to deliver superior results. |
| Enabling Agent Service Capabilities through APIs | <ul style="list-style-type: none"> Travelers recently launched a pilot application programming interface (API) that enables our agent and broker partners to access certificates of insurance on a real-time basis. This API allows an ACORD 25 certificate of insurance to be created by pulling real-time policy data into the certificate of insurance form. |

PERSONAL INSURANCE

Digital Service Options

- The majority of our personal insurance policies are registered on *MyTravelers* for self-service, which provides a more seamless experience for our customers. As we continue our strategic shift to digital, we are on track to realize a meaningful increase in registrations and in eligible self-service transactions.

Digital Quote Proposal

- Digital Quote Proposal allows agents to text or email interactive quote proposals to their customers, with easy-to-understand policy coverage details, discounts and payment options.
- It also offers real-time direct customer feedback capabilities so customers can ask questions and inquire about additional coverages.
- Currently available in 31 states.

MyTravelers® Mobile App

- Our customer portal for personal insurance customers, available 24/7, enables our customers to manage their insurance needs more quickly and conveniently.
- It allows our customers to make payments, view or change policy information, report and track the status of a claim, download auto ID cards, request roadside assistance and otherwise manage their insurance policies.
- Through this robust digital experience, we also provide our customers with explanations about our insurance products and coverage using plain language and, in some cases, video content.

[Learn more](#)

Quantum Home 2.0®

- Through its rebuilt quote and issue system, our *Quantum Home 2.0* product, which was designed in close collaboration with our agent and broker partners, makes it easier to tailor flexible and cost-effective coverage packages and specialty options for home and condo owners, tenants and landlords.
- Its granular pricing segmentation, customizable coverages and ease of quoting offer a sophisticated yet simple solution that delivers value to both customers and agents.
- Currently available in 42 states and the District of Columbia

[Learn more](#)

IntelliDrive®

- Travelers *IntelliDrive* is a mobile-app telematics program that allows customers to better understand their driving habits by collecting and assessing data on behaviors, such as hard braking, rapid acceleration, speed, the time of day customers drive and distracted driving.
- *IntelliDrive*, which captures driving information for all enrolled drivers in the household for 90 days to determine their overall driving performance, allows customers to get auto insurance priced according to how they drive.
- In most states, safe drivers can see savings of up to 30% on their auto premiums at renewal, as well as savings of up to 10% for new customers at the time of enrollment. In most states, riskier driving habits can result in higher premiums.
- Throughout 2020 and 2021, we introduced a number of significant enhancements to *IntelliDrive*. We launched a completely redesigned mobile app experience, based on agent and consumer feedback. Our redesigned app allows customers to more easily monitor driving performance, challenges them to put their phones down while driving with the new “Distraction-Free Streak” and gives them information on ways to be a safer driver.
- We introduced distracted driving as an additional scoring variable, thereby encouraging drivers to limit phone use when driving.
- These changes, as well as an increased discount for enrolling and the potential for greater savings for safe driving, have greatly increased the *IntelliDrive* adoption rate.
- Currently available in 43 states, as well as Canada.

[Learn more](#)

Pet Insurance

- Travelers partnered with Crum & Forster Pet Insurance Group to offer pet insurance directly to consumers. The products are sold under the American Society for the Prevention of Cruelty to Animals Pet Health Insurance Program brand, which Crum & Forster licenses. This partnership enables us to take advantage of a meaningful market opportunity while enhancing our ability to cross-sell products.
- InsuraMatch, which is a Travelers-owned agency, is the agent of record for new and renewal sales generated online and by phone.

[Learn more](#)

Motorcycle Insurance

- In 2021, Travelers began making motorcycle insurance available directly to consumers through a partnership with Dairyland® Insurance, which is a member of Sentry® Insurance. Dairyland also offers off-road vehicle coverage in a growing number of states. With this partnership, we are expanding the risk protection solutions we offer to consumers, enabling them to get a quote quickly and consult on other insurance needs.
- *InsuraMatch, which is a Travelers-owned agency, is the agent of record for new and renewal sales generated online and by phone.*

[Learn more](#)

TraverseSM

- *Traverse* is an innovative [personal insurance product](#) designed for consumers who want to insure personal articles that are valuable to them and may not need a traditional homeowners policy.
- Designed to meet the needs of millennials and *Gen Z*, *Traverse* can insure items such as smartphones, laptops, musical instruments and jewelry, often acting as an alternative to traditional renter's insurance.
- *Traverse* offers personal liability coverage that meets most landlord requirements.
- *Traverse* is a digital offering; from quotes and policy issuance to policy changes and claims—customers can do it all online.
- Currently available in New York and Texas.

[Learn more](#)

Travelers Home CentralTM

- [Travelers Home Central](#) is a set of online tools and resources that provides information about moving, refinancing, buying and remodeling a home.
 - The content is designed to help our current and future personal insurance customers protect themselves, feel more confident in making difficult choices and better understand the risks involved with being a homeowner.
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DISTRIBUTION**InsuraMatch**

- Acquired by Travelers in 2021, InsuraMatch is a national property casualty insurance agency that writes business for 50+ carriers across the United States.
- InsuraMatch currently focuses on personal insurance products and offers coverage for auto, home, boat, motorcycle, renters, umbrella, flood and other lines.
- InsuraMatch uses a series of digital platforms to provide its partners' clients with an easy online comparison shopping experience backed by a licensed staff of insurance advisors to help consumers make the best decisions for themselves and their families.

[Learn more](#)

Simply Business

- Simply Business is a growing technology company, owned by Travelers and operated as a stand-alone business, which offers products online on behalf of a broad panel of carriers.
- Its proven business model enhances the insurance buying experience for microbusiness owners and aligns with Travelers' efforts to simplify the small commercial insurance transaction.
- Simply Business has more than 785,000 microbusiness and landlord customers, representing more than 1,000 classes of business.
- Simply Business has been named a Best Place to Work in Insurance by Business Insurance.

[Learn more](#)

Zensurance Investment

- In 2018, Travelers took a majority ownership stake in Zensurance, a Toronto-based digital provider of online insurance solutions for small businesses, offering business insurance online on behalf of a broad panel of carriers in Canada.
- Zensurance uses data and analytics to identify the most common risks that small businesses face and designs insurance packages that are best suited for their respective industries.
- Zensurance is a natural fit with our Simply Business team, further adding to our digital capabilities and medium-term strategic positioning to serve small and microbusinesses.

[Learn more](#)

CLAIM

Aerial Imagery and Virtual Damage Inspection

- We have an AI-driven solution that combines high-resolution before-and-after aerial images of areas affected by disasters with geospatial mapping tools and virtual damage inspection programs to accurately assess damage, often before physical access to the affected areas is possible.
- In addition to using this technology to help expedite claim processing, Travelers also makes it available to our independent agents and brokers to help them quickly answer their customers' questions.

Artificial Intelligence (AI) in Fraud Detection

- We leverage state-of-the-art AI tools to process both structured and unstructured data to help identify questionable claim behaviors.
- For Auto and Property claims, deep-learning NLP (natural language processing) models help our Claim professionals detect suspicious cases earlier in the claim process, leading to more efficient and effective claim processing.

Catastrophe Response Staffing Strategy

- Extensive employee cross-training and advanced workforce management programs enable Travelers to respond quickly and effectively to [large-scale weather events](#) without disruption or use of third-party adjusting firms, supporting operational effectiveness and customer experience.

[Learn more](#)

Drones in Property Inspection

- Widespread use of unmanned aerial systems (drones) in property damage inspections speeds claim inspection and resolution times; approximately 96% of all Personal Insurance claims were closed within 30 days when a drone was used during the inspection process, as compared with 89% when a drone was not used.
 - Widespread use of drones enhances customer experience and increases employee safety, including by more easily enabling social distancing.
 - We conducted approximately 84,000 drone flights for property claims in 48 states since the inception of the program.
 - Travelers was the first insurer to develop a drone training program and assisted with developing FAA regulations for commercial use of unmanned aircraft systems.
 - Our [strategic investment in Kittyhawk](#), a leading provider of drone operations software, reinforces our leadership role in the commercial application of drone technology.
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Virtual Inspections

- Using innovative virtual inspection and measurement technology, we are able to transform smartphone photos of a property into an accurate 3D model so that our Claim professionals can easily inspect property damage without climbing ladders and our policyholders can provide information without having to schedule an on-site inspection.
- We are now using virtual claim handling capabilities on a significant number of both auto appraisals and wind/hail claims without the need for inspection by a Travelers Claim professional. We are also handling significantly more water claims virtually as compared with pre-pandemic levels.

Wildfire Defense Systems Partnership

- We partner with [Wildfire Defense Systems \(WDS\)](#) to give California home, landlord and Small Commercial policyholders an added layer of wildfire protection at no additional cost.
- In 2021, we expanded WDS to home, landlord, farm and ranch customers in Colorado.
- WDS uses proprietary forecasting and threat analysis to identify which Travelers customers could be impacted by a wildfire and then assists them in taking preventive measures. Among other things, our relationship with WDS allows for the deployment of wildfire prevention specialists to customers' homes to help prevent or minimize damages when wildfires are imminent.

[Learn more](#)

Early Severity Predictor[®]

- The Travelers proprietary [Early Severity Predictor](#) model identifies injured employees at greater risk for chronic pain and therefore opioid addiction, which allows us to help them by recommending appropriate medical and behavioral interventions.

MyTravelers[®] for Injured Employees

- In response to the evolving needs of our customers and their injured employees, we have made a number of investments in our workers compensation claim-handling model, TravComp[®].
- For example, we introduced our self-service workers compensation claim portal, [MyTravelers for Injured Employees](#). Through this innovative platform, injured employees are empowered to engage in their return-to-work journey and interact with us digitally throughout the claim process.
- In-portal claim notifications, messaging with Claim and medical professionals, two-way document sharing and tailored digital content help ensure we quickly get the right claim information into the hands of injured employees.

Loss Consultation

- Many times, smaller claims are below policy deductibles. Loss Consultation is an innovative program that gives customers the option of speaking with a loss specialist, who can provide information on the scope of loss, deductibles and coverages so that the customer can make an informed decision about whether to file a claim.

Virtual Assistants

- Virtual chat assistants on the *MyTravelers* portal answer frequently asked questions, help customers start the claim reporting process and facilitate common service transactions digitally. For example, through our virtual assistants, customers can get guidance on how to accomplish tasks such as changing their address, paying their bill or adding a vehicle to their policy.
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| Operational “Bots” | <ul style="list-style-type: none"> • Our operational “bots” are autonomous programs that handle routine claim management tasks, creating capacity for Claim professionals to focus on higher-value work while accelerating the claim process by reducing touchpoints and handoffs. |
| Enhanced Digital Customer Engagement Channels | <ul style="list-style-type: none"> • Video communication, secure chat and file exchange capabilities within the <i>MyTravelers</i> portal enable more efficient communication between Claim professionals and customers and provide convenient access to claim information. |
| RISK CONTROL | |
| Online Risk Control Resources | <ul style="list-style-type: none"> • We provide customers with pre-loss safety and damage mitigation resources through direct communications, social media and our extensive Prepare & Prevent website. • Business Insurance customers also have access to the Travelers Risk Control website on MyTravelers® for Business, a library of self-service loss prevention and safety resources for risk management professionals. • Together, our Prepare & Prevent website and MyTravelers for Business give customers online access to more than 1,250 resources to help them better understand risk, mitigate exposures and prevent losses. |
| Fire Protection System Impairment Management Tool | <ul style="list-style-type: none"> • Available on our secure Risk Control website on <i>MyTravelers</i> for Business, this tool is designed to help customers record and communicate to Travelers when a sprinkler system, fire pump, special extinguishing system or other fire protection system component is out of service. • Customers can track impairments at multiple properties and get reminder emails to help return a system back to service in a timely manner, helping to protect their business and employees. <p data-bbox="451 1102 578 1129">Learn more</p> |
| Risk Control On-Demand® | <ul style="list-style-type: none"> • This virtual safety consulting platform enables customers to access our network of safety specialists in real time. Customers can upload digital media and collaborate with consultants around the globe to evaluate occupational hazards and design and implement safety improvements. • Using digital video and screen-sharing technology, ergonomics specialists collaborate with our customers, including through the use of our AI-Assisted Ergonomic Assessment, to identify job hazards and design improvements to help reduce the risk of developing musculoskeletal disorders. |
| Construction Vibration App | <ul style="list-style-type: none"> • The smartphone-based app ZoneCheck® helps construction companies understand how site activities can impact ground vibration and identify related risks to nearby structures. |

**Helping Contractors
Manage the Cost of Risk**

- In 2020, Travelers announced an exclusive agreement with Procore, a leading provider of construction management software, to help contractors manage the total cost of risk through improved operations and job-site safety.
- Procore’s construction platform connects entire project teams, from the office to the field and across companies. This provides key stakeholders—owners, general contractors, specialty contractors, architects and engineers—with the ability to collaborate across locations and devices.
- Procore’s platform can help contractors avoid many costly losses and delays through effective risk management and cross-team collaboration.
- The Procore software is currently available at a 20% discount for eligible Travelers construction insurance customers (state availability applies).

[Learn more](#)

**Forensics and Digital
Forensics Laboratories**

- We have a Forensics Laboratory staffed by a team of scientists and engineers with backgrounds in chemistry, metallurgy, [materials science](#), [fire forensics](#) and construction. This capability brings analytical rigor to identify how losses occur and who or what is responsible.
- Our Digital Forensics Laboratory, staffed by specialists, enables Travelers to ingest, preserve and analyze digital data from any source, including the web, social media and smart devices.

To learn about how our innovative products and services incentivize health, safety and/or environmentally responsible actions and behaviors, see our [SASB report](#).

Illustrative Initiatives



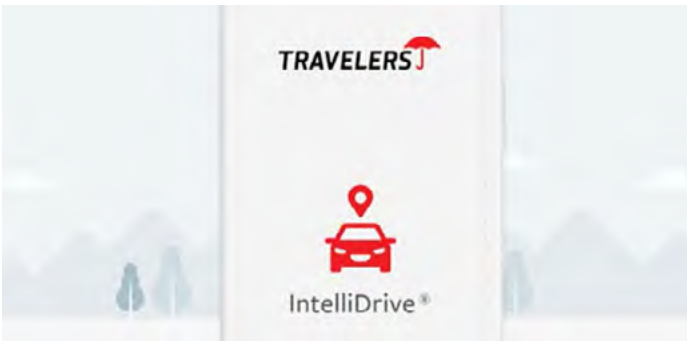
GIRLS WHO CODE

Growing Tech Talent



PROTECTING PROPERTY THROUGH SMART & CONNECTED TECHNOLOGIES

Test and Learn of IoT Devices



INTELLIDRIVE®

Leveraging Telematics to Encourage Safe Driving



INNOVATION IN WORKERS COMPENSATION RECOVERY

Finding Innovative Ways to Manage Workers Compensation-Related Injuries



CLAIM UNIVERSITY

Training World-Class Claim Professionals



INVESTMENT IN KITTYHAWK

Enhancing Our Drone Program

Illustrative Initiatives



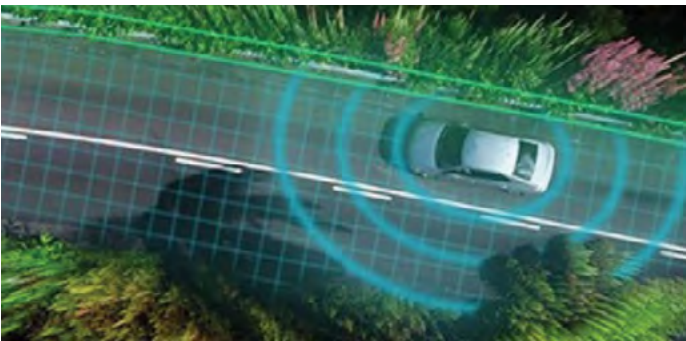
INNOVATION FOR SAFETY

Leveraging Technology to Improve Worker Safety



CUSTOMCARE AND WORKERS COMPENSATION INJURY RECOVERY

Enhancing the Experience of Injured Employees



TRAVELERS INSTITUTE

Insuring Autonomy—
Autonomous Vehicles



NATIONAL CATASTROPHE CENTER

Catastrophe Planning and Response



Public Policy

Travelers commits to constructive participation in the public policy dialogue around issues core to our business and on behalf of our customers, our agents and brokers and the communities we serve. Through the Travelers Institute[®], our public policy division, we engage with policymakers and thought leaders to help address today's challenges and tomorrow's needs.

Approach

Travelers established the Travelers Institute[®] in 2009 as a means of participating in the public policy dialogue on matters of interest to the property casualty insurance sector, as well as the financial services industry more broadly. The *Travelers Institute* draws upon the industry expertise of Travelers senior management and the technical expertise of its risk professionals, as well as other experts, to provide information, analysis and recommendations to public policymakers and regulators. The Executive Vice President of Public Policy is the President of the *Travelers Institute* and a member of our Management and Operating Committees.

Our senior business leaders set the *Travelers Institute's* public policy priorities. They ensure that the Institute's initiatives align with the company's business strategy and drivers of sustained value and have the greatest possible impact in the communities in which we live and work. Our current priorities are presented in detail on the [Travelers Institute](#) website and include:

- [Thought Leadership Programming.](#)
- [Distracted driving.](#)
- [Insuring autonomous vehicles.](#)
- [Enhancing cybersecurity.](#)
- [Small business advocacy.](#)
- [Insurance education.](#)
- [Disaster preparedness and coastal challenges.](#)

In addition to bringing value to our communities and agent and broker partners, *Travelers Institute* programming helps educate the company's employees, senior leaders and Board members, who regularly attend *Travelers Institute* events, about issues and trends affecting our industry. In addition, the President of the *Travelers Institute* reports to the Board on an annual basis.

Stakeholder Engagement & Strategic Relationships

The Travelers Institute® regularly engages with policymakers, business leaders, researchers, students, civic organizations, advocacy groups and others to examine solutions to the challenges facing communities and businesses today. Through educational symposia, strategic coalitions, conferences, webinars, publications and other activities, the *Travelers Institute* helps further dialogue on a variety of important public policy issues, including those outlined under [our Approach](#). These cross-sector collaborations help drive informed discussion and demonstrate our willingness and ability to thoughtfully provide industry leadership.

Collaboration across federal, state and local government is core to the *Travelers Institute* mission. *Travelers Institute* programming has featured representatives from various state Departments of Insurance, the U.S. Department of Homeland Security, the Federal Bureau of Investigation, several regional Federal Reserve Banks, the Federal Trade Commission, the National Highway Traffic Safety Administration and the U.S. Small Business Administration, among others. The programs offer critical education about selected public policy topics and provide a platform for government agencies to share and promote resources.

Travelers Institute programming not only fills an important role in the public policy dialogue but also enhances our relationships with our customers, independent insurance agents, state regulators and the public. In particular, *Travelers Institute* educational programming offers unique value to our network of 13,500 agent and broker partners, providing a distinguished thought leadership platform. Over the past 12 years, the *Travelers Institute* has hosted hundreds of events in collaboration with agents and brokers, enhancing these relationships while providing education and risk mitigation strategies to thousands of consumers. Programming leverages agents' knowledge of how issues such as cybersecurity, distracted driving and natural disasters directly affect families, businesses and communities. Agencies and agent associations regularly co-host programs, invite customers and provide expert speakers, leveraging their risk management expertise and reinforcing their value as trusted advisors for critical insurance decisions. In addition, the *Travelers Institute* offers presentations on the economic outlook and political landscape at agent conferences and events and provides educational content, including publications, social media campaigns and videos, for agents and brokers to share with clients. These programs are a great example of how our efforts to strengthen our communities also enhance our relationships with our agent and broker partnerships and contribute to our bottom line.

Notably, in light of the pandemic, the *Travelers Institute* enhanced its convening power and connected with important stakeholders virtually through the [Wednesdays with Woodward®](#) webinar series. The series launched in June 2020 and explores personal and professional issues impacting our agents, our brokers, our customers, our employees and the communities we serve. Topics discussed have included cross-sector efforts to prevent and reduce cybercrime, the changing landscape of insurance distribution, the future of autonomous vehicles, and leading and managing teams during the pandemic, among many others. Through the end of 2021, the *Travelers Institute* hosted 45 webinars, which had approximately 98,000 viewings in total.

Political Process Commitments & Contributions

In addition to [Travelers Institute®](#) activities, Travelers directly engages in the public policymaking process through the Travelers Government Relations team. Given that Travelers operates in a highly regulated and competitive industry, it is important for the company to evaluate and appropriately engage at both the state and federal levels. We believe our active participation in the political process is in the best interest of our shareholders, our employees and the communities in which we conduct business.

Our Government Relations staff gather input from various business lines, senior management and our Legal staff when analyzing public policy issues and lobbying priorities. Many of the issues we focus on—such as insurance regulation, regulatory modernization, catastrophe and terrorism risk insurance, and tort and class action reform—have a direct impact on the availability and pricing of the products and services we provide to our customers and on the performance of our businesses.

Travelers is committed to participating in the political process in a transparent, thoughtful and responsible manner, consistent with the company's [Code of Business Conduct and Ethics](#) and in compliance with all applicable legal requirements. Our policy titled [Commitment to Participation in the Political Process](#), which has been approved by our senior management, outlines our approach to participation in the political process and discusses Board and management oversight of such participation. We annually review and, as appropriate, update our political activity policy.

Highlights of our current policies and practices with regard to political campaign contributions and expenditures and lobbying activity include the following:

Board Oversight and Governance around Political Activities

Travelers conducts its political activities, including lobbying, under the oversight of the Nominating and Governance Committee of the Board, which is composed solely of independent directors. Our Head of Government Relations and General Counsel review all corporate political campaign contributions and expenditures, as well as all dues and other payments made to relevant trade associations and other organizations. Lobbying activities on behalf of Travelers require prior approval of the company's Government Relations professionals. Further, the Head of Government Relations reports semiannually to the Nominating and Governance Committee of the Board regarding political contributions and expenditures made by Travelers, including dues and other payments made to relevant trade associations and other organizations, lobbying activities, and public policy issues of priority to Travelers. In addition, the Nominating and Governance Committee oversees our policy regarding political activities and any changes to that policy. The Nominating and Governance Committee provides the full Board with a report on the company's political activities at least twice per year.

As noted above, the Nominating and Governance Committee's oversight of political activities includes the company's membership in, and other support of, trade associations and other organizations. Our Government Relations staff and trade association colleagues promote and advance our position on issues having a direct or indirect impact on our business. Our membership in a particular trade association does not suggest that we agree with such association's position on every issue, nor does it suggest that Travelers joined such association primarily due to its lobbying activities.

No Corporate Contributions to Federal Candidates or Political Party Committees

In accordance with current applicable law, political contributions to federal candidates and federal political party committees may not be, and are not, made by Travelers. Such contributions may be made by our political action committee, The Travelers Companies, Inc. Political Action Committee (T-PAC), which is not funded by corporate funds but rather by the personal funds given voluntarily by our employees. T-PAC's Contributions Committee, whose objective is to advance the best interests of Travelers and its shareholders, makes decisions concerning the use of those funds. T-PAC reports this spending in filings with the Federal Election Commission, which are publicly available.

Disclosure of Political Contributions

Our participation in the political process is governed by law, in addition to internal policy. Travelers complies with all applicable laws and regulations pertaining to political campaign contributions at the federal, state and local levels, including those requiring specific disclosures.

These extensive disclosures required by applicable laws and regulations provide further transparency and public access to information regarding the scope of our political involvement.

Pursuant to our current political activity policy and based in part on shareholder input, Travelers discloses, semiannually in [political contributions reports](#) on our website, corporate contributions to state and local candidates, candidate campaign committees and other political entities organized under 26 USC § 527. In our political contributions reports, we also provide a link to the Federal Election Commission website containing reports filed on behalf of T-PAC.

We also file [federal](#) lobbying reports under the Lobbying Disclosure Act and periodic (e.g., monthly, quarterly, semiannual) [state](#) lobbying reports under the relevant state lobbying laws. Such filings not only disclose lobbying costs but also specifically identify the issues and government entities lobbied.

No Direct Independent Expenditures

Travelers has not made any direct independent expenditures, at either the federal or state level, and does not have any plans to do so during the current election cycle. Direct independent expenditures, if any, would consist of funds spent by Travelers itself on communications in support of, or in opposition to, a candidate's campaign, without coordination with the candidate. Our political activity policy provides that Travelers may not make direct independent expenditures in a candidate campaign unless, and only if, it believes that an exception to that policy is justified by business need and it obtains the prior approval of the Nominating and Governance Committee or its Chair. If any such direct independent expenditures are made, Travelers would disclose them on its website in the same manner and at the same time as it discloses campaign contributions.

No Grassroots Lobbying or Payments to Tax-Exempt Organizations That Endorse Model Legislation

Travelers currently does not engage in grassroots lobbying and did not make any payments in 2021 to influence the outcome of ballot measures.

Travelers is currently not a member in, nor does it make payments^[1] to, any tax-exempt organization that writes and endorses model legislation.

[1] Travelers pays registration fees for employees to attend meetings of the National Association of Insurance Commissioners and the National Council of Insurance Legislators.

Illustrative Initiatives



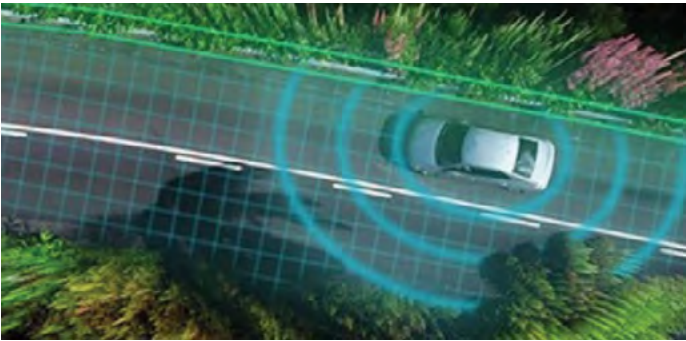
TRAVELERS INSTITUTE

Distracted Driving—
Every Second Matters



TRAVELERS INSTITUTE

Cyber: Prepare, Prevent,
Mitigate, Restore



TRAVELERS INSTITUTE

Insuring Autonomy—
Autonomous Vehicles



TRAVELERS INSTITUTE

Thought Leadership on
Disaster Preparedness



WEDNESDAYS WITH WOODWARD WEBINAR SERIES®

Thought Leadership Programming



SMALL BUSINESS—BIG OPPORTUNITY®

Small Business Advocacy

Illustrative Initiatives



TRAVELERS INSTITUTE

Insurance Essentials: Your
Questions Answered



Safety & Health

As an employer, we're committed to the safety, health and well-being of our 30,000 employees—our most valuable asset. And as an insurer, we are in the business of improving the safety, health and well-being of our customers and our communities, from helping to reduce distracted driving to working with business customers to prevent and minimize the severity of workplace injuries.

Approach

At Travelers, our success relies on the safety, health and well-being of our employees. Our workers compensation customers also trust us to take care of their most precious resource—their employees. This combined responsibility makes safety and health both a key driver of our sustained value creation and an opportunity to positively impact the public welfare more broadly.

Protecting the Safety and Health of Our Employees

At Travelers, our employees are our most valuable asset, and we are committed to helping them be safe, healthy and productive in their lives and at work. To nurture a culture of safety, we outline our expectations in safety policies, regularly evaluate health risks, conduct incident root cause analyses and develop programs to mitigate safety risks for our employees. We provide onboarding training, which includes general office safety and driver safety. We also provide targeted training for our employees who drive regularly for work or visit potentially hazardous environments, such as construction sites or disaster areas.

We regularly survey our owned and leased facilities to check for and mitigate potential hazards. In addition, our company fleet vehicles are equipped with advanced safety features, including forward-collision warning systems and autonomous braking, to help keep our employees safe on the road. Our [investments in drones](#) also help keep our employees safe by reducing the need for them to engage in potentially hazardous activities, such as climbing onto ladders and roofs. We also offer our employees office workstation ergonomics consultation services and self-help ergonomic tools and training.

As discussed in further detail under [Business Resiliency](#), upon initial reports of the emerging coronavirus in January 2020, we activated our Business Continuity, Crisis Management and Disaster Recovery teams to track the outbreak and begin executing our robust [business resiliency plans](#) and our corporate pandemic plan—all with the goal of keeping our employees safe while continuing to provide the quality service our customers have come to expect. Within 10 days, we mobilized a remote strategy with limited interruption, enabling the overwhelming majority of our employees to work from home. Our strategy included the creation of an employee microsite with critical information, including travel restrictions, work-from-home guidance, safety protocols and other employee policies. For those employees whose roles required that they work from an office or in the field, we enacted protocols to keep worksite-essential employees safe—including mandated health checks, facial coverings and social distancing, regularly disinfecting our offices and tracking all COVID-19 cases or suspected cases. We also reimbursed commuting costs associated with private transportation for worksite-essential employees who would normally take public transportation to get to work.

Beyond working to ensure the work-related health and safety of our employees, we offer comprehensive benefit programs to help our employees be healthy and productive in all aspects of their lives. We continued to take care of each other as we all adjusted to the difficult circumstances of the pandemic. In 2021, in keeping with our culture of wellness, we promoted our extensive mental, physical and financial wellness resources, including those focused on reducing stress, remaining active and planning for financial security. To learn more about the comprehensive benefit programs we offer to our employees, including those launched or enhanced as part of our efforts to support our employees during the COVID-19 pandemic, see [Total Rewards](#) on the Human Capital Management section of this site.

Protecting the Safety and Health of Our Customers' Employees and Our Communities

As a leading workers compensation carrier, we share our risk control expertise, as well as our claim and medical data and analytic insights, with our customers and agent and broker partners. Our goal is to help our customers maximize employee wellness, ensure workplace safety and, when work-related injuries do occur, enable injured employees to return to work as soon as medically appropriate. Our Underwriting and Risk Control departments provide information to customers to help promote a safe workplace and identify and mitigate hazards. When claims do happen, we leverage our network of Claim and medical professionals to quickly deliver appropriate resources to help the injured employee achieve optimal claim and medical outcomes. These resources include, among others, our interactive workers compensation claim portal, [MyTravelers® for Injured Employees](#).

Our team of more than 500 Risk Control professionals help our commercial customers understand exposures to loss and prevent accidents through our services relating to employee safety, ergonomics, industrial hygiene, driving safety and property preservation, among others. We conduct more than 120,000 customer engagements per year through on-site surveys, on-demand risk evaluations, virtual risk assessments, jurisdictional inspections, trainings and online/self-help resources. With one of the largest Risk Control departments in the industry, we have the expertise and scale to provide our customers with the right resource at the right time. For over 110 years, our professionals with risk control expertise have assisted agents, brokers and customers across the country and around the world.

During the pandemic, we continued to offer our customers the safety and risk mitigation expertise of our industry-leading Risk Control team. Throughout the year, we've continued to provide risk control services to our business customers through virtual risk assessments and webinars. We have also been sharing with our customers specific guidance on protecting workers and assets during shelter-in-place orders, as well as counsel on how to manage the eventual return to worksites, when safe and appropriate to do so.

We believe the insurance industry must also play an active role in promoting safety in our communities. That's why we provide extensive safety resources to customers and the public through the [Prepare & Prevent](#) section of our website, which we amplify with outreach through traditional and social media strategies. In 2020, we released a robust suite of industry-leading risk management resources to help businesses safely reopen amid the COVID-19 pandemic, including webinars such as the PATH to Reopen Your Business. In addition, the *Travelers Institute*, our public policy division, promotes safe behaviors. For example, the [Travelers Institute](#)[®] helps combat distracted driving through its [Every Second Matters](#)[®] education campaign, and in 2020 and 2021, it hosted webinars focused on employee health and safety through the [Wednesdays with Woodward](#)[®] series. These webinars included:

- [The Pandemic-Era Opioid Crisis: Where Are We Now? How Can We Break the Cycle?](#)
- [High Risk? Marijuana Legalization and Roadway Safety](#)
- [A Hopeful Spring: Vaccine Successes and Outlook](#)
- [A Bright Future: Tackling a Global Pandemic](#)
- [Protecting Your Most Valuable Asset: Employee Safety During COVID-19](#)
- [Emotional and Social Reintegration in the Age of COVID-19](#)
- [Resilience in Times of Uncertainty](#)

Safety Awareness & Culture

Travelers Workforce Advantage[®]

Travelers Workforce Advantage is our comprehensive approach to helping our commercial customers manage employee safety. Given our broad and deep expertise in understanding risk, we are well positioned to help our customers understand and identify their key exposures and assist them in developing risk mitigation strategies so they can better protect their employees and their businesses. *Travelers Workforce Advantage* contains three main components:

- **Attracting and hiring.** Having a process for attracting and hiring qualified job candidates is an important step in building a culture of safety and engaging employees in workplace safety.
- **Onboarding and training.** An effective onboarding program helps orient employees not only to the functional details of employment, such as appropriate safety procedures, but also to the safety culture of the organization.
- **Supporting and engaging employees.** Promoting safety and encouraging a healthy lifestyle, both inside and outside of the workplace, are important to fostering an engaged workforce.



Here are some examples of how we assist our customers through *Travelers Workforce Advantage*:

- **Injury and illness prevention programs.** Our Risk Control consultants help our customers identify common occupational injuries and illnesses and recommend preventive measures to help reduce the risk of employee injuries and illnesses. In particular, our consultants assist our customers through services such as industrial hygiene monitoring; ergonomic evaluations; and slip, trip and fall assessments.
- **Safety culture and leadership training.** It is important for an organization's leadership to lead by example, demonstrating the importance of a [culture of safety](#) across all of its operations. Our training consultants help our customers' leaders understand the fundamentals and best practices with regard to employee safety so that they can lead by example.
- **General safety training.** Our Risk Control consultants provide a broad range of safety training, covering topics such as construction fall protection, ergonomics, industrial hygiene exposure monitoring, best practices in auto safety, key factors in post-injury management, and fire protection and life safety systems.
- **Travelers [Corridor of Care](#)[®].** This is a post-injury management process designed to assist employers in supporting injured employees from the moment they are injured through their return to work. This process can help employees receive prompt, quality medical care; facilitate collaboration among the employee, the employee's medical provider, the employer and the insurance professional; and with an effective transitional-duty program, help build employee morale, keep injured workers connected to the workforce and help them transition back to work as soon as medically appropriate.
- **[Workforce Pressure Test](#).** This tool helps employers understand how engaged, safe and resilient their workforce is through a brief online questionnaire.
- **Functional Job Analysis (FJA) and Job Safety Analysis (JSA).** An FJA is a structured process that helps identify and quantify the physical components and environmental conditions of job-related functions. A JSA is a process that breaks down each step in a job, describes the hazards associated with each step and defines the work method that helps to minimize or eliminate each hazard. Conducting a JSA can help our customers understand the hazards and the procedures necessary to address the exposure. By training our customers on how to complete both an FJA and a JSA, our Risk Control consultants can help customers develop safer work methods.

Industrial Hygiene Laboratory

Our [Industrial Hygiene Laboratory](#) provides specialized services to our commercial customers to assess their employees' exposures and help prevent occupational illnesses. Our laboratory has been nationally accredited by the American Industrial Hygiene Association since 1976. With state-of-the-art analytical instrumentation, sampling equipment and methods for analyzing more than 500 chemicals and a dedicated staff of certified industrial hygienists, chemists and technicians, we offer our customers a wide array of sampling and analysis protocols based on Occupational Safety and Health Administration and National Institute for Occupational Safety and Health methodologies.

The Industrial Hygiene Laboratory provides critical data to our customers, underwriters and Workers Compensation specialists to help them make informed decisions that keep employees safe and produce long-term value. On average, the Industrial Hygiene Laboratory performs more than 50,000 analyses on approximately 30,000 samples annually for chemical exposures, helping customers better protect their employees. The experienced staff develops innovative analytical methods and recommends products and services to monitor workplace environments to help customers improve the health and safety of their employees. Our ability to adapt and leverage virtual consulting tools enables us to provide our customers with timely support and guidance when on-site visits are unavailable.

Ergonomics Consulting Services

Our ergonomics specialists focus on helping customers [identify and reduce ergonomic risk factors](#) in the workplace. Ergonomic risk factors are prevalent in many industries and can result in musculoskeletal disorders that affect employee health and well-being. Our staff of dedicated certified ergonomists have specialized knowledge and experience working with businesses in the manufacturing, logistics, financial services, health care and service industries. Our core consulting services include:

- Ergonomic assessments, which leverage AI-enhanced video capabilities, to help identify the “vital few” tasks with the highest potential for reducing employee injuries.
- The Ergonomic Job Improvement Process, our four-phase process to help customers self-identify and address key ergonomic issues using a team approach.
- Ergonomic task force development assistance to empower teams to make workplace ergonomic improvements through employee engagement.

In addition to our on-site services, our ergonomics specialists provide on-demand virtual consulting to customers to help them assess their risks and offer effective solutions.

Transportation Safety

Recognizing the need for drivers to operate in an environment that prioritizes and fosters safety, Travelers Risk Control transportation specialists provide effective fleet risk management solutions to businesses with commercial auto fleets—from passenger vehicles to tractor-trailers. Our specialists conduct on-site and virtual visits and meet with managers responsible for vehicle safety to help our customers minimize risk exposures.

Our specialists have experience in “for-hire” trucking fleets, as well as private auto fleets. They can evaluate fleet operation and exposure to help customers determine which controls to implement. After conducting a fleet assessment, our specialists can compare the customer’s controls with industry best practices. With this information, our specialists propose recommendations to help customers build or modify a vehicle safety program designed to prevent transportation-related accidents and reduce costs.

Our consultants work to develop what we refer to as a “[total fleet safety approach](#),” which helps our customers effectively mitigate loss exposures in their fleet operations. Our comprehensive approach addresses the key components of a successful fleet safety program, including hiring qualified drivers, managing driver performance, providing effective training and operating well-maintained equipment.

Since driver safety is important not only to our customers but also to the general public, we offer driver safety information to the public through our [online content](#) and community activities. For example, the *Travelers Institute* leverages the expertise of Travelers Risk Control specialists through its [Every Second Matters](#)[®] initiative to combat distracted driving. This public-facing campaign brings together advocates from the medical, technology and insurance communities, as well as members of the public sector, to explore innovative approaches to prevent distracted driving and make our roadways safer for everyone.

Fire & Life Safety

Travelers Risk Control fire protection specialists have broad experience in many industries, including manufacturing involving metal, wood, plastic, paper and textiles; wholesale and retail business; educational organizations; and various service organizations. Working closely with our customers, our fire protection specialists and consultants identify and evaluate fire hazards and assess facilities and operations relative to property protection and business continuity. We conduct more than 20,000 on-site and virtual property surveys each year. In addition to property surveys, we offer our customers a range of services, including customized consulting, employee training programs, evaluation of fire protection equipment and fire protection specifications, and plan reviews for new construction. Our [Fire Protection System Impairment Management](#) Tool, available on our secure [MyTravelers® for Business](#) website and mobile platform, is designed to help customers record and communicate with Travelers when a sprinkler system, fire pump, special extinguishing system or other fire protection system component is out of service. The tool allows customers to track impairments at multiple properties and sends automatic reminder emails to help them ensure their systems are restored and back in service in a timely manner, protecting their business and employees.

Our specialists have deep expertise in the fire and life safety standards of the National Fire Protection Association (NFPA). They maintain memberships with various NFPA standards committees, the Underwriters Laboratories (UL) Fire Council, various UL committees and the Insurance Institute for Business & Home Safety. They are also active in the nonprofit Property Insurance Research Group, which is part of the Fire Protection Research Foundation.

Preventing Chronic Pain & Potential Opioid Use

According to the Centers for Disease Control and Prevention, 136 people die in the United States every day from an opioid overdose. In addition to opioids' devastating effects on society, the costs associated with opioid addiction are taking an increasing financial toll on businesses and the U.S. economy. It is estimated that between 2015 and 2018, the total economic burden of the opioid crisis in the United States was at least \$631 billion; of that amount, nearly one-third—or \$205 billion—is said to be attributable to increased health care spending, and an estimated 15%—or \$96 billion—is related to lost productivity costs^[1].

Using Our Data and Analytics to Help Reduce Addiction

By analyzing workers compensation claim data, Travelers created the [Early Severity Predictor®](#) model, which can help identify an injured employee's likelihood of experiencing chronic pain using weighted predictors at key points during the life of a claim. By adjusting medical care and resources, the *Early Severity Predictor* model can help address potential drivers of chronic pain—a condition that is largely treated with opioids or other painkillers—and reduce the risk of opioid addiction.

This program has benefited more than 90,000 injured employees since its inception in 2015. In addition to improving the recovery experience for tens of thousands of injured employees, the program has resulted in loss-cost savings of more than \$150 million by helping reduce surgeries performed and opioids prescribed. We apply [this model](#) to all of the lost-time workers compensation claims we receive.

[1] Society of Actuaries, Economic Impact of Non-Medical Opioid Use in the United States (October 2019).

Opioid Addiction and the Construction Industry

Construction sites present health and safety risks that can lead to worker injuries, such as strains, sprains, broken bones and head traumas, which can result in chronic pain and, therefore, opioid treatment. Many workers compensation claims submitted to Travelers from the construction industry involve opioid prescriptions. To help curb prescription opioid abuse, we use our *Early Severity Predictor* alongside our comprehensive pharmacy management program, which monitors drug interactions, excessive dosing and abuse patterns to reduce the risk of opioid dependency. With these two efforts combined, we have seen a nearly 50% reduction in the use of opioids among the injured construction workers we have helped since 2015.

Furthermore, our nurses and Claim professionals review claims and create specific action plans for injuries that often include physical therapy and other interventions to prevent acute pain from becoming chronic. This approach is particularly significant for the construction industry, where Travelers claim data show that injured workers who suffer from chronic pain can be out of work for significantly longer periods of time than those in other industries.

Engaging Injured Employees in Recovery

Employers can also help injured employees avoid opioid dependency and other barriers to a successful return to work by implementing a post-injury management strategy. This is a key part of the Travelers [Corridor of Care[®]](#) process, which takes a systematic and positive approach to handling employee injuries. Responding promptly to injuries and providing attentive medical case management can help prevent an injured employee from developing chronic pain for which opioids may be prescribed. This type of active management can help an injured employee return to work as soon as medically appropriate. Helping employees recover from their injuries can also have a positive ripple effect within an organization, helping to prevent disruptions in production, quality and morale. In addition, Travelers continues to support research initiatives and make investments in new solutions to help injured [employees through the claim process](#) and enhance engagement through CustomCareSM.

These programs deliver on the Travelers Promise and illustrate the shared value we create for our customers, their employees, our communities and our shareholders.

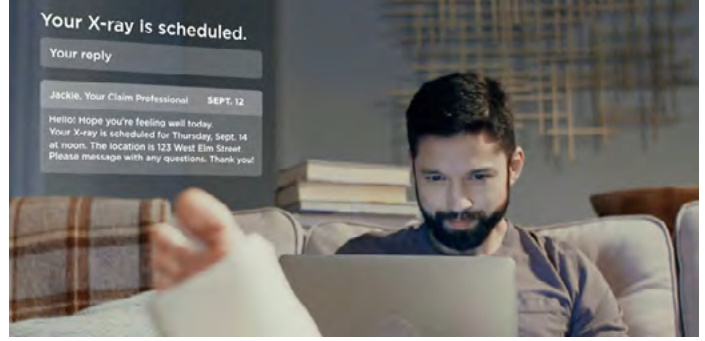
To read more about how we help prevent chronic pain and potential opioid use for our customers and their employees, please visit the Employee Wellness page of our [corporate website](#).

Illustrative Initiatives



TRAVELERS MEDICAL ADVANTAGE

ConciergeCLAIM Nurse: Helping Injured Employees Return to Work



TRAVELERS MEDICAL ADVANTAGE

MyTravelers: Secure and Convenient Access from Anywhere



CUSTOMCARE AND WORKERS COMPENSATION INJURY RECOVERY

Enhancing the Experience of Injured Employees



INNOVATION FOR SAFETY

Leveraging Technology to Improve Worker Safety



INNOVATION IN WORKERS COMPENSATION RECOVERY

Finding Innovative Ways to Manage Workers Compensation-Related Injuries



MAKING MENTAL HEALTH A PRIORITY

A Focus on Life Balance and Mental Health

Illustrative Initiatives



TRAVELERS INSTITUTE

Distracted Driving—
Every Second Matters



Financial Performance

At Travelers, our simple and unwavering mission for creating shareholder value is to deliver superior returns on equity by leveraging our competitive advantages; generate earnings and capital substantially in excess of our growth needs; and thoughtfully rightsize capital and grow book value per share over time. Executing this financial strategy has produced industry-leading returns over time, and 2021 was no exception.

2021 Results

Travelers generated very strong core income of \$3.5 billion* and \$13.94 of core income per diluted share, up 33% compared to the prior year. Core return on equity increased by more than 200 basis points to an excellent 13.7%, a meaningful spread above both the 10-year Treasury and our cost of equity.

We delivered record underlying underwriting income for the year of \$2.3 billion after-tax, and a very strong underlying combined ratio of 90.3%. Our average underlying underwriting income for the past five years was 34% greater than the average underlying underwriting income for the five years prior to that. Significantly, underlying underwriting income as a percentage of core income in 2021 remained at a historically high level, an indication of the high quality of our earnings. In other words, when you adjust for the things over which we have less control, such as catastrophes, prior year reserve development and the interest rate environment, we delivered operating performance that was very strong compared to our historical average. Our 2021 results demonstrate that our strategy of innovating to grow the top line at attractive returns and improving productivity and efficiency continues to pay off.

During the year, we improved our expense ratio to a historically low 29.4%, a 50-basis-point improvement over the prior year and a 7% improvement over the past five years. We achieved this by leveraging cutting-edge technology and workflow enhancements, and not by depriving our business of important investments. Improving operating leverage continues to be a strategic priority for us. It gives us the flexibility to invest the gains in our strategic priorities or let the benefit fall to the bottom line.

Our cash flow from operations reached an all-time record of \$7.3 billion in 2021. This reflects the benefit of continued increases in premium volume, strong profitability and lower-than-normal overall claim payouts, as courtroom and other settlement activity remained below historic levels throughout the year. We assume that the lower-than-normal payout pattern is ultimately a timing issue, and, as a result, when establishing our reserves and pricing our products, we are continuing to assume that elevated severity related to social inflation has not abated.

Our cash flow from operations has increased significantly over the last five years, with the average annual cash flow from operations for that period nearly 50% higher than the average for the five years prior to that. Strong cash flow enables us to make significant investments in our business, return excess capital to shareholders and grow our investment portfolio. Over the past five years, our investment portfolio grew an impressive \$16.9 billion, or 24%, to \$87.4 billion at year-end.

Turning to the top line, today's production generates tomorrow's earned premiums. In 2021, we delivered record net written premiums of \$32 billion for the year, up 7% compared to the prior year. This represents the 12th consecutive year of net written premium growth. All three of our business segments contributed to the strong top-line performance, with Business Insurance up 4%, Bond & Specialty Insurance up 14% and Personal Insurance up 10%. This premium growth has been driven by high levels of retention, higher pricing and the addition of high-quality new business. Significantly, we have strong confidence in the profitability of the business that we are putting on the books, as it comes from products, geographies, classes of business and distribution partners that we know well.

We believe that return on equity is the right way to measure our success and that any commitment to deliver an industry-leading return on equity over time requires a strategy to grow over time. Across all our businesses, our strategic focus continues to include creating opportunities to write more business through retaining and growing our relationships with our high-quality in-force accounts and bringing our franchise value to new customers. To that end, several years ago, we laid out a plan to achieve profitable growth in the context of the forces of change that we had previously identified as impacting the industry—namely, changing consumer expectations, emerging technology trends, more sophisticated data and analytics, and evolving distribution models.

In light of these trends, we have established key innovation priorities and are investing in capabilities consistent with those priorities. Notwithstanding a challenging environment for the industry, including the second year of a global pandemic, we have faithfully and consistently executed on this strategy. This relentless execution has paid off. Since 2016, we have grown net written premiums at a compound annual growth rate of 5.1%, substantially outpacing both the growth in gross domestic product over the same period and our compound annual growth rate of 2.7% for the prior years in the decade.

At the same time as we have grown net written premiums, we have also improved our underlying margins—our underlying combined ratio over the last two years has been meaningfully below the 10-year average. That tells us that we have not grown by either underpricing the product or taking on too much risk.

Investment Expertise

The performance of our investment portfolio—a key source of stability and strength for Travelers—continues to be exceptional. Our investment portfolio is managed first and foremost to support our insurance operations and, accordingly, is positioned to meet our obligations to policyholders under almost every foreseeable circumstance—anything from a global pandemic to a significant natural disaster to a financial crisis. With this in mind, we are focused on risk-adjusted returns and credit quality rather than reaching for yield that is not commensurate with the underlying risk.

Our asset allocation is designed so that the predictable stream of investment income from our fixed income portfolio will provide a firm and reliable foundation for our business. In addition, the allocation between fixed income and alternative investments is designed such that when the market is challenging for our alternative investment portfolio, we still have a shot at reaching our target returns, and when the alternative portfolio has a strong year, we will benefit from the upside.

Our performance over the past two years is a perfect illustration of how effective this disciplined investment strategy is in managing through very different and volatile market conditions. In 2020, we saw record low interest rates (the 10-year Treasury hit a stunning low of 0.318%), and we experienced significant volatility in the equity markets that negatively impacted the returns from our alternative investment portfolio. Nonetheless, we delivered strong 2020 net investment income of \$1.9 billion after-tax, contributing to a strong core return on equity of 11.3%. In 2021, the alternative investment portfolio benefited from the recovery in the equity markets, and the same disciplined strategy and well-constructed portfolio delivered net investment income of \$2.5 billion after-tax, contributing to an industry-leading core return on equity of 13.7%.

Strategy, not serendipity, drove these strong results throughout two very different economic and market environments—that is the value of our thoughtful and disciplined approach.

Underwriting Expertise

Underwriting excellence is of course key to our success, and there is nothing more critical to underwriting excellence than a culture that values strong performance over time and understands how to balance the art and science of decision making based on data and analytics. This culture alone is a significant competitive advantage, and one that we believe is very hard to replicate.

A critical component of our culture is our granular approach to underwriting. In our commercial businesses, that means execution on an account-by-account or class-by-class basis. In personal lines, it means a very high degree of segmentation by account, product and geography. With that and our advanced data and analytics, we thoughtfully select the risks we write and price our products deliberately with our target return in mind.

Given the elevated frequency and severity of catastrophes in recent years, including once again in 2021, we will take a moment to highlight the work we have done over the last several years in terms of the strategic management of our catastrophe exposure.

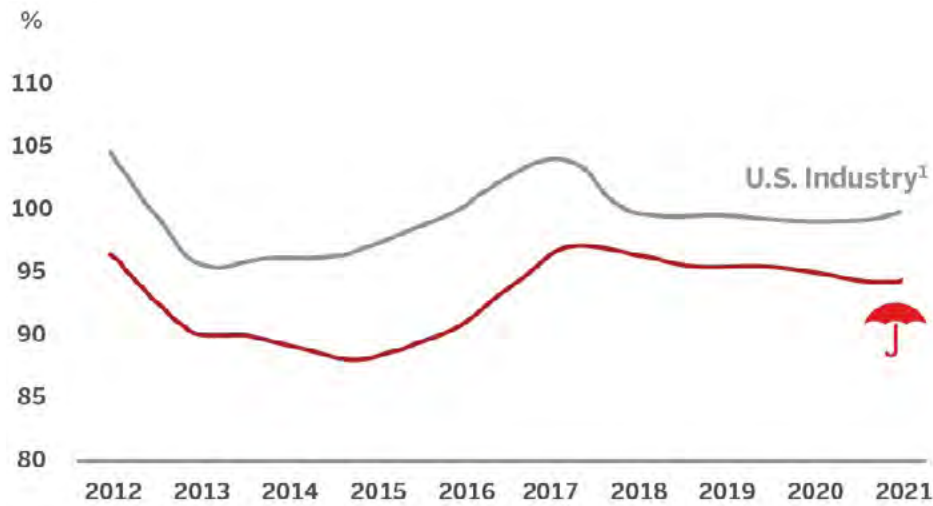
Underwriting excellence is of course key to our success, and there's nothing more critical to underwriting excellence than a culture that values strong performance over time and understands how to balance the art and science of decision making based on data and analytics.

Consistent with our general approach of recognizing, assessing and addressing trends rapidly, we have taken decisive action in anticipation of continued elevated weather frequency and severity. Our efforts started with talent. We have added experts in data science, meteorology, geophysics and environmental engineering, among others, to our catastrophe management organization. We have also established dedicated teams for each catastrophe peril, with the goal of developing industry-leading scientific and underwriting expertise.

We have incorporated the learnings into our product development, risk selection, pricing, capital allocation and claim response. The insights we have developed have enabled us to supplement standard vendor catastrophe models with our own sophisticated, peril-by-peril view. This gives us a refined, granular view of catastrophe risk, incorporating proprietary variables, such as complex roof characteristics, tree and brush density and location intelligence down to the parcel level. These variables are incorporated into our product development, enhancing our segmentation. They are also integrated into proprietary algorithms that we use at the point of sale to inform risk selection and decisions about terms and conditions.

Taken together, these efforts have enabled us to manage our exposure to catastrophes more effectively, and while there is always the potential for us to have outsized exposure to an event, the positive impact on our results this year and in recent years is evident. In 2021, our share of both wildfire and hurricane peril losses was several percentage points lower than our market share in the affected areas. Over the past five years, our share of property casualty losses relative to total domestic P&C industry losses has declined significantly compared to the five years prior to that and has been meaningfully lower than our corresponding market share.

Combined Ratio^[1]—Travelers In Comparison to the U.S. Industry



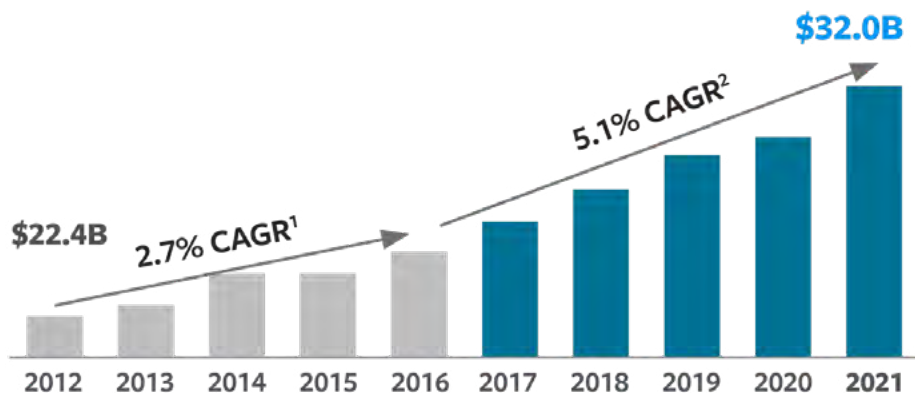
Line chart displaying Travelers in comparison to the U.S. Industry. According to S&P Global Market Intelligence, Travelers' Statutory Combined Ratio has compared favorably to the U.S. industry average from 2012 to 2021. Data as of 3/24/22, 93% of companies have filed for 2021. Used with permission.

[1] Statutory Combined Ratio. Copyright © 2022, S&P Global Market Intelligence. Used with permission.

2021 Financial Results in the Context of Our Innovation Strategy

Over the past five years, we have grown our business and, at the same time, improved our underlying profitability. We have also successfully executed on our strategic initiative to improve productivity and efficiency. These achievements have resulted in significantly higher underlying underwriting income, meaningfully higher cash flow from operations and growth in our investment portfolio. The following charts illustrate this strategy at work and its compounding, multiyear benefit:

Accelerating Net Written Premium Growth^{[1][2]}

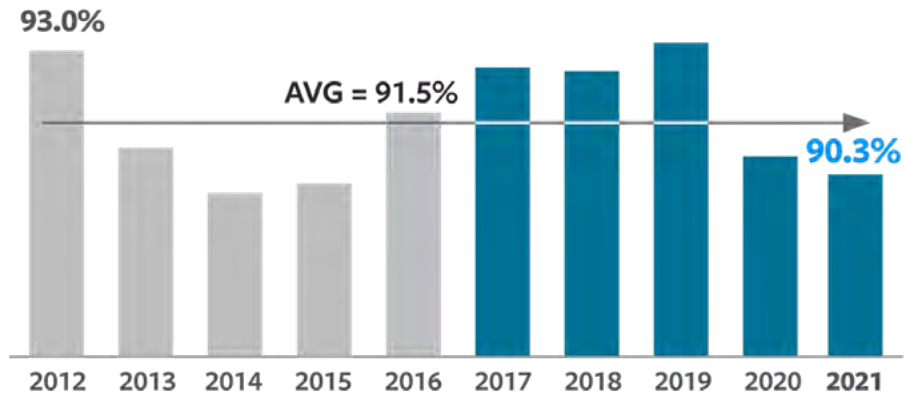


Bar chart displaying Net Written Premium Growth from 2012 until 2021, showing an increase from \$22.4 billion in 2012 to \$32.0 billion in 2021. Compound annual growth rate from 2012 to 2016 was 2.7%, and from 2016 to 2021 was 5.1%.

[1] Represents growth from 2012 through 2016.

[2] Represents growth from 2016 through 2021.

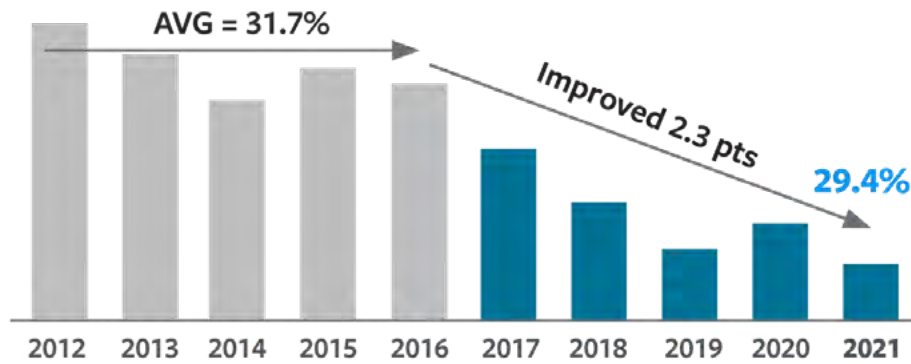
Improving Underlying Combined Ratio^[1]



Bar chart displaying Improving Underlying Combined Ratio from 2012 until 2021. In 2021, the stable underlying combined ratio was 90.3%, a decrease from 2020 levels. In 2012, the stable underlying combined ratio was 93.0%. The average across 2012 to 2021 is 91.5%. This data excludes the impact of catastrophes and prior year reserve development.

[1] Excludes the impact of catastrophe and prior year reserve development.

Improving Expense Ratio



Bar chart displaying Improving Expense Ratio from 2012 until 2021. The average between 2012 until 2016 was 31.7%. The ratio dropped between 2017 and 2019, and decreased in 2021 to 29.4%.

Increasing Underlying Underwriting Income^[1] (after-tax)

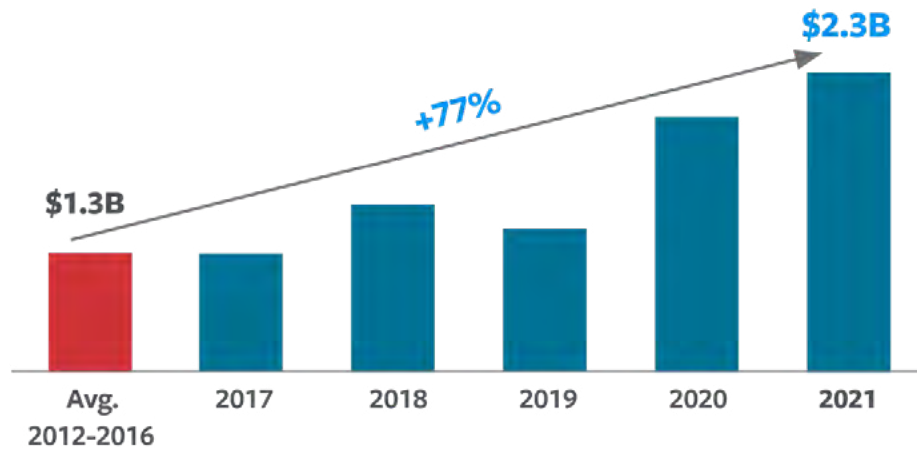
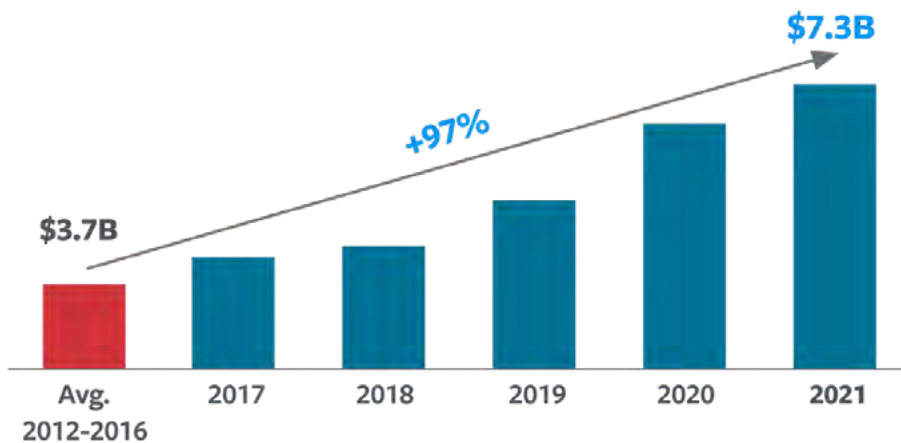


Chart displaying Increasing Underlying Underwriting Income from 2012 until 2021. The increase from 2012 until 2021 was 77%, representing an increase from an average of \$1.3 billion in 2012 to 2016, to \$2.3 billion in 2021. This data excludes the impact of catastrophes and prior year reserve development.

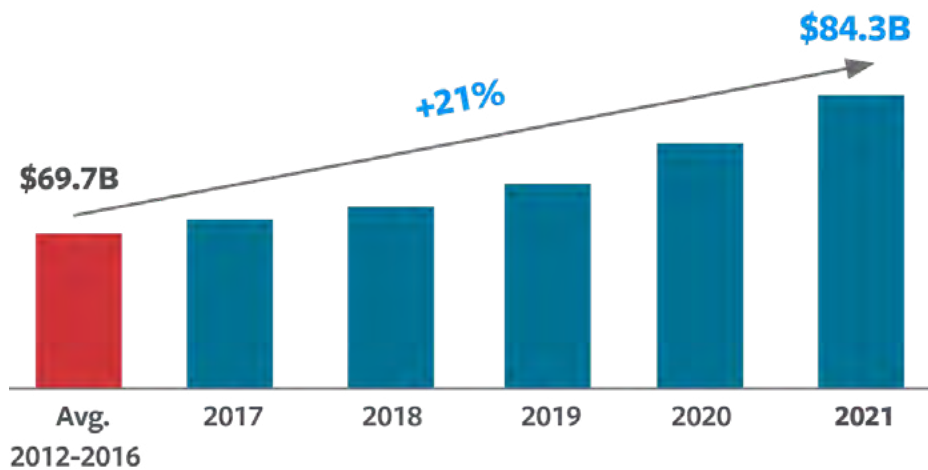
[1] Excludes the impact of catastrophes and prior year reserve development.

Increasing Cash Flow from Operations



Bar chart displaying Increasing Cash Flow Operations from 2012 until 2021. The average increased 97% between 2012 and 2021, increasing from an average of \$3.7 billion in 2012 to 2016, to \$7.3 billion in 2021.

Growing Invested Assets^[1]



Bar chart displaying Growing Invested Assets from 2012 until 2021. The increase from 2012 until 2021 was 21%, representing an increase from an average of \$69.7 billion between 2012 to 2016, to \$84.3 billion in 2021. Invested assets excludes net unrealized investment gains (losses).

[1] Invested assets excludes net unrealized investment gains (losses).

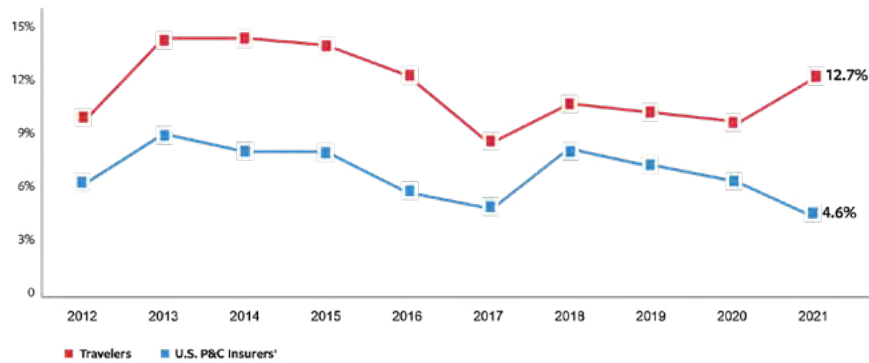
Consistent and Successful Long-Term Financial Strategy Delivers Shareholder Value

It is important to consider our financial results and our strategic initiatives in the context of what we are ultimately trying to achieve. At Travelers, our simple and unwavering mission for creating shareholder value is to:

- Deliver superior returns on equity by leveraging our competitive advantages.
- Generate earnings and capital substantially in excess of our growth needs.
- Thoughtfully rightsize capital and grow book value per share over time.

The results we deliver are due to our deliberate and consistent approach to creating shareholder value. We have been clear for many years that one of our crucial responsibilities is to produce an appropriate return on equity for our shareholders. This has meant developing and executing financial and operational plans consistent with our goal of achieving superior returns, which we defined many years ago as a mid-teens core return on equity over time. We emphasize that the objective is measured over time because we recognize that the macroeconomic environment, loss cost trends, weather, and geopolitical and other factors impact our results from year to year, and that there are years—or longer periods—and environments in which a mid-teens return is not attainable. In that regard, we established the mid-teens goal at a time when the 10-year Treasury was yielding around 5%, and mid-teens was simply the quantification of what qualified as an industry-leading return in that environment. As we have said before, our ability to achieve a mid-teens return over time going forward will depend on interest rates returning to more normal levels by historical standards. In any event, we always seek to deliver industry-leading returns over time.

Return on Equity^[1]



Line graph displaying Return on Equity for Travelers compared with U.S. P&C Insurers. Travelers is at 12.7% in 2021, compared to U.S. P&C Insurers at 4.6%. Travelers' return on equity exceeds the average return on equity for the industry in each of the past 10 years. The 2021 Forecast is sourced from Conning, Inc., used with permission. S&P historical data used with permission.

[1] 2021 Forecast © 2022 Conning, Inc. Used with permission. S&P historical data used with permission.

Our 2021 return on equity of 12.7% and core return on equity of 13.7% again meaningfully exceeded the estimated average return on equity for the U.S. P&C industry of 4.6%, according to estimates from Conning, a global investment management firm and insurance research provider. As shown in the chart above, our return on equity has significantly outperformed the average return on equity for the industry in each of the past 10 years.

Importantly, these industry-leading returns on an absolute basis are even more impressive on a risk-adjusted basis when you take into account our industry-leading (low) volatility. The level and consistency of our return on equity over time reflect the value of our competitive advantages and the discipline with which we run our business.

A Balanced Approach to Rightsizing Capital

Our strong and consistent returns over time, together with our fortress balance sheet, have enabled us to grow both book value per share and adjusted book value per share at a compound annual growth rate of 7% over the last 10 years.

Adjusted Book Value Per Share^[1]

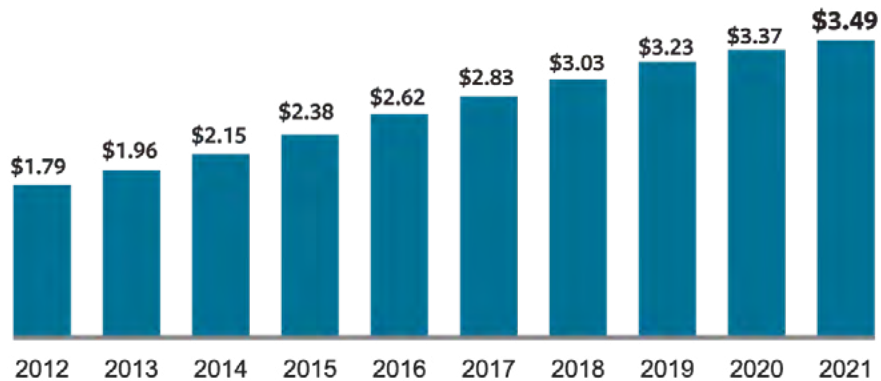


Bar chart displaying Adjusted Book Value Per Share steadily increasing from 2012 until 2021. In 2021, the value was \$109.76, compared to \$99.54 in 2020. This chart excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity.

[1] Excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity.

During this period, we have also returned a significant amount of excess capital to our shareholders through dividends and share repurchases. Over the last decade, we increased our dividend each year and grew dividends per share at an average annual rate of approximately 8%.

Dividends Per Share



Bar chart displaying Dividends Per Share steadily increasing each year from 2012 to 2021. In 2021 they were \$3.49, compared to \$3.37 in 2020.

Notably, since we began our share repurchase program in 2006, we have returned nearly \$50 billion of excess capital to our shareholders, including through nearly \$38 billion of share repurchases, which is well in excess of the market capitalization of the company at that time. Just by virtue of our share repurchase program, your percentage ownership of Travelers increased 5% during 2021 alone. If you owned Travelers stock when we began our share repurchase program in 2006, your percentage ownership has increased by nearly 300%. These percentage increases were even higher if you participated in our dividend reinvestment program.

Our capital management strategy has been an important driver of shareholder value creation over time. Our first objective for the capital we generate is to reinvest it in our business—organically and inorganically—to create shareholder value. For example, as we continue to grow our top line, as we have for the past few years, we will retain more capital to support that growth. Also, we continue to invest in everything from talent to technology to further our ambitious innovation agenda and advance our strategic objectives.

Having said that, we are disciplined stewards of our shareholders' capital. To the extent that we generate capital that we cannot reinvest consistent with our objective of generating industry-leading returns over time, we will manage it the same way we have for more than a decade—by returning it to our shareholders through dividends and share repurchases. By returning excess capital to our investors, we give them the ability to allocate their investment dollars as they see fit, including by investing in companies with different growth profiles or capital needs, thereby efficiently allocating capital across the economy. Over time, that efficient allocation of capital in the marketplace contributes to a stronger economy.

See the [Non-GAAP Reconciliations](#) page for a discussion and calculation of non-GAAP financial measures.

Financial Highlights

At and for the year ended December 31. Dollar amounts in millions, except per share amounts.

| Metric | 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Earned Premiums | \$30,855 | \$29,044 | \$28,272 | \$27,059 | \$25,683 |
| Total Revenues | \$34,816 | \$31,981 | \$31,581 | \$30,282 | \$28,902 |
| Core Income | \$3,522 | \$2,686 | \$2,537 | \$2,430 | \$2,043 |
| Net Income | \$3,662 | \$2,697 | \$2,622 | \$2,523 | \$2,056 |
| Net Income Per Diluted Share | \$14.49 | \$10.52 | \$9.92 | \$9.28 | \$7.33 |
| Total Investments | \$87,375 | \$84,423 | \$77,884 | \$72,278 | \$72,502 |
| Total Assets | \$120,466 | \$116,764 | \$110,122 | \$104,233 | \$103,483 |
| Shareholders' Equity | \$28,887 | \$29,201 | \$25,943 | \$22,894 | \$23,731 |
| Return On Equity | 12.7% | 10.0% | 10.5% | 11.0% | 8.7% |
| Core Return on Equity | 13.7% | 11.3% | 10.9% | 10.7% | 9.0% |
| Book Value Per Share | \$119.77 | \$115.68 | \$101.55 | \$86.84 | \$87.46 |
| Dividends Per Share | \$3.49 | \$3.37 | \$3.23 | \$3.03 | \$2.83 |

See the [Non-GAAP Reconciliations](#) page for a discussion and calculation of non-GAAP financial measures.

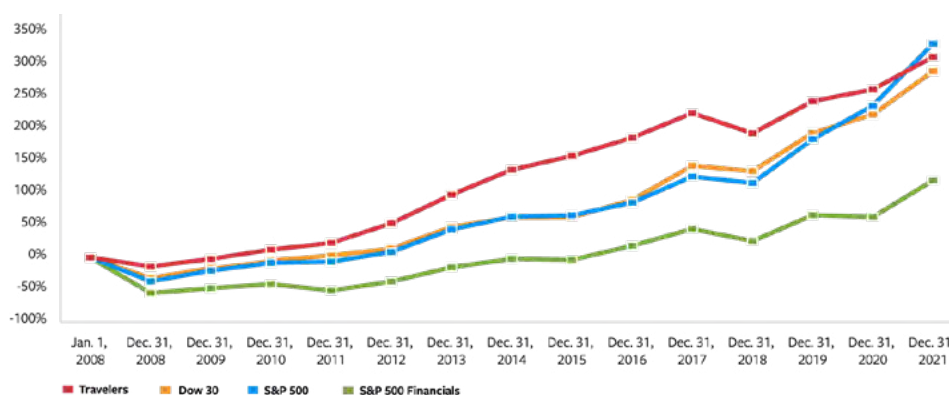
Deliberate and Disciplined Execution

| | |
|--|--|
| Strong Top Line Performance Accelerating Net Written Premium Growth | 5% CAGR 2016-2021 3% CAGR 2012-2016 |
| Strong Margins Improving Underlying Combined Ratio¹ | 90.3% 2021 91.5% Average 2012-2021 |
| Productivity and Efficiency Optimizing Operating Leverage | >2 Point Improvement Expensive Ratio 2016-2021 |
| Dividend Growth Growth in Dividends per Share | 8% CAGR 2012-2021 |
| Book Value Growth Growth in Book Value per Share | 7% CAGR 2012-2021 |
| <small>¹Excludes the impact of catastrophes and prior year reserve development.</small> | |

Delivering Value Over Time

Ultimately, it is the success of our strategy—with all its component parts—that drives our total return to shareholders over time. These unprecedented times are an important reminder that we have a well-established track record of managing the company to create value over the long term, through periods of weather volatility; through anticipated and unanticipated developments impacting loss trends; and through both foreseeable and unforeseeable economic cycles and more extreme economic, geopolitical and other conditions. With that in mind, the graph below compares our returns since the 2008 financial crisis to the returns for the Dow 30, the S&P 500 and the S&P 500 Financials.

Total Return to Shareholders^[1]



Line graph comparing Travelers Total Returned to Shareholders to the returns for the Dow 30, S&P 500 and S&P 500 Financials between 2008 and 2021. This represents the change in stock price plus the cumulative amount of dividends, assuming dividend reinvestment. For each year on the chart, the total return is calculated with January 1, 2008, as the starting point and December 31 of the relevant year as the ending point. The graph shows returns generally increasing between 2008 and 2021.

[1] Represents the change in stock price plus the cumulative amount of dividends, assuming dividend reinvestment. For each year on the chart, total return is calculated with January 1, 2008, as the starting point and December 31 of the relevant year as the ending point. © Bloomberg Finance L.P. Used with permission of Bloomberg.

Viewing our performance through this long-term lens, we are as confident as ever that executing on our long-term financial strategy, managing Travelers with an over-time discipline and continuing to invest in our competitive advantages through our ambitious and focused innovation agenda is the right approach for building on Travelers' outstanding record.

Non GAAP Reconciliations

Reconciliation for Net Income Per Share to Core Income Per Share On A Diluted Basis

| (Dollars in millions, after-tax) | 2021 | 2020 |
|--|---------|---------|
| Net income | \$14.49 | \$10.52 |
| Adjustments: | | |
| Net realized investment gains, after-tax | (0.52) | (0.04) |
| Impact of changes in tax laws and/or tax rates ^{[1][2]} | (0.03) | - |
| Core income | \$13.94 | \$10.48 |

[1] Impact is recognized in the accounting period in which the change is enacted.

[2] 2017 reflects impact of Tax Cuts and Jobs Act of 2017 (TCJA).

Reconciliation of Shareholders Equity to Adjusted Shareholders' Equity

| | As of December 31, | | | | | |
|---|--------------------|----------|----------|----------|----------|----------|
| (Dollars in millions) | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Shareholders' equity | \$28,887 | \$29,201 | \$25,943 | \$22,894 | \$23,731 | \$23,221 |
| <i>Net unrealized investment (gains) losses, net of tax, included in shareholders' equity</i> | (2,415) | (4,074) | (2,246) | 113 | (1,112) | (730) |
| <i>Net realized investment gains, net of tax</i> | (132) | (11) | (85) | (93) | (142) | (47) |
| <i>Impact of changes in tax laws and/or tax rates</i> | (8) | — | — | — | 287 | — |
| Adjusted shareholders' equity | \$26,332 | \$25,116 | \$23,612 | \$22,914 | \$22,764 | \$22,444 |

Calculation of Return on Equity and Core Return on Equity

| | For the year ended December 31, | | | | |
|--|---------------------------------|----------|----------|----------|----------|
| (Dollars in millions, after-tax) | 2021 | 2020 | 2019 | 2018 | 2017 |
| Net income | \$3,662 | \$2,697 | \$2,622 | \$2,523 | \$2,056 |
| Average shareholders' equity | \$28,735 | \$26,892 | \$24,922 | \$22,843 | \$23,671 |
| Return on equity | 12.7% | 10.0% | 10.5% | 11.0% | 8.7% |
| Core income | \$3,522 | \$2,686 | \$2,537 | \$2,430 | \$2,043 |
| Adjusted average shareholders' equity | \$25,718 | \$23,790 | \$23,335 | \$22,814 | \$22,743 |
| Core return on equity | 13.7% | 11.3% | 10.9% | 10.7% | 9.0% |

Calculation of Book Value Per Share and Adjusted Book Value Per Share

| As of December 31, | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| (Dollars in millions, except per share amounts) | | | | | | | | | |
| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Shareholders' equity | | | | | | | | | |
| \$28,887 | \$29,201 | \$25,943 | \$22,894 | \$23,731 | \$23,221 | \$23,598 | \$24,836 | \$24,796 | \$25,405 |
| Less: Net unrealized investment gains (losses), net of tax, included in shareholders' equity | | | | | | | | | |

As of December 31,

(Dollars in millions, except per share amounts)

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 2,415 | 4,074 | 2,246 | (113) | 1,112 | 730 | 1,289 | 1,966 | 1,322 | 3,103 |
| Shareholders' equity, excluding net unrealized investment gains (losses), net of tax, included in shareholders' equity | | | | | | | | | |
| \$26,472 | \$25,127 | \$23,697 | \$23,007 | \$22,619 | \$22,491 | \$22,309 | \$22,870 | \$23,474 | \$22,302 |
| Common shares outstanding | | | | | | | | | |
| 241.2 | 252.4 | 255.5 | 263.6 | 271.4 | 279.6 | 295.9 | 322.2 | 353.5 | 377.4 |
| Book value per share | | | | | | | | | |
| \$119.77 | \$115.68 | \$101.55 | \$86.84 | \$87.46 | \$83.05 | \$79.75 | \$77.08 | \$70.15 | \$67.31 |
| Adjusted book value per share | | | | | | | | | |
| 109.76 | 99.54 | 92.76 | 87.27 | 83.66 | 80.44 | 75.39 | 70.98 | 66.41 | 59.09 |

Reconciliation of After-Tax Underlying Underwriting Income (Also Known As Underlying Underwriting Gain) to Net Income, and Reconciliation of Core Income to Net Income

For the year ended December 31,

(Dollars in millions, after-tax)

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Underlying underwriting income | | | | | | | | | |
| \$2,251 | \$2,008 | \$1,400 | \$1,522 | \$1,239 | \$1,265 | \$1,446 | \$1,430 | \$1,277 | \$888 |
| Impact of catastrophes | | | | | | | | | |
| (1,459) | (1,274) | (699) | (1,355) | (1,267) | (576) | (338) | (462) | (387) | (1,214) |
| Impact of net favorable (unfavorable) prior year reserve development | | | | | | | | | |
| 424 | 276 | (47) | 409 | 378 | 510 | 617 | 616 | 552 | 622 |
| Underwriting income | | | | | | | | | |
| 1,216 | 1,010 | 654 | 576 | 350 | 1,199 | 1,725 | 1,584 | 1,442 | 296 |
| Net investment income | | | | | | | | | |
| 2,541 | 1,908 | 2,097 | 2,102 | 1,872 | 1,846 | 1,905 | 2,216 | 2,186 | 2,316 |

For the year ended December 31,

(Dollars in millions, after-tax)

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Other, including interest expense | | | | | | | | | |
| (235) | (232) | (214) | (248) | (179) | (78) | (193) | (159) | (61) | (171) |
| Core income | | | | | | | | | |
| 3,522 | 2,686 | 2,537 | 2,430 | 2,043 | 2,967 | 3,437 | 3,641 | 3,567 | 2,441 |
| Net realized investment gains | | | | | | | | | |
| 132 | 11 | 85 | 93 | 142 | 47 | 2 | 51 | 106 | 32 |
| Impact of changes in tax laws and/or tax rates^{[1][2]} | | | | | | | | | |
| 8 | — | — | — | (129) | — | — | — | — | — |
| Net income | | | | | | | | | |
| \$3,662 | \$2,697 | \$2,622 | \$2,523 | \$2,056 | \$3,014 | \$3,439 | \$3,692 | \$3,673 | \$2,473 |

[1] Impact is recognized in the accounting period in which the change is enacted.

[2] 2017 reflects impact of Tax Cuts and Jobs Act of 2017 (TCJA).

Reconciliation of Invested Assets to Invested Assets Excluding Net Unrealized Investment Gains (Losses)

For the year ended December 31,

(Dollars in millions)

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Invested assets | | | | | | | | | |
| \$87,375 | \$84,423 | \$77,884 | \$72,278 | \$72,502 | \$70,488 | \$70,470 | \$73,261 | \$73,160 | \$73,838 |
| Less: Net unrealized investment gains (losses), pre-tax | | | | | | | | | |
| 3,060 | 5,175 | 2,853 | (137) | 1,414 | 1,112 | 1,974 | 3,008 | 2,030 | 4,761 |
| Invested assets excluding net unrealized investment gains (losses) | | | | | | | | | |
| \$84,315 | \$79,248 | \$75,031 | \$72,415 | \$71,088 | \$69,376 | \$68,496 | \$70,253 | \$71,130 | \$69,077 |

Underlying underwriting income is net earned premiums and fee income less claims and claim adjustment expenses (excluding catastrophe losses and prior year reserve development) and insurance-related expenses.

Average shareholders' equity is (a) the sum of total shareholders' equity at the beginning and end of each of the quarters for the period presented divided by (b) the number of quarters in the period presented times two.

Adjusted shareholders' equity is shareholders' equity excluding net unrealized investment gains (losses), net of tax, included in shareholders' equity, net realized investment gains (losses), net of tax, for the period presented and the effect of a change in tax laws and tax rates at enactment (excluding the portion related to net unrealized investment gains (losses)). Adjusted average shareholders' equity is (a) the sum of adjusted shareholders' equity at the beginning and end of each of the quarters for the period presented divided by (b) the number of quarters in the period presented times two.

Return on equity is the ratio of (a) net income for the period presented to (b) average shareholders' equity for the period presented. Core return on equity is the ratio of (a) core income for the period presented to (b) adjusted average shareholders' equity for the period presented.

Definitions of certain terms on this site are included in the Glossary of Selected Insurance Terms portion of the [Form 10-K](#).



About our Sustainability Reporting

We believe it is important for our shareholders and other stakeholders to understand how we create value over time, in the broadest sense. This website conveys our multifaceted value creation strategy for our investors and other key stakeholders.

Approach

At Travelers, we recognize that our long-term success—our ability to create long-term value for our shareholders—depends not only on our financial strategy, business objectives and competitive advantages but also on keeping our promise to be there for our customers, communities and employees. For this reason, we take an integrated approach to sustained value creation. We articulate that approach throughout this website.

Except where noted, the information covered on this site highlights our performance and initiatives in fiscal year 2021. We used multiple frameworks to guide our disclosures. Based on extensive discussions with investors, we have decided to generally align our disclosures with the Value Reporting Foundation’s Sustainability Accounting Standards Board (SASB) standards for the insurance industry, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Global Reporting Initiative (GRI) standards. In addition, our approach to reporting was informed by the Value Reporting Foundation’s Integrated Reporting framework. Integrated reporting aligns closely with our approach to long-term value creation, in which our business strategy and performance are inextricably linked with fulfilling our commitment to our customers, our communities and our employees. In addition to publishing stand-alone [SASB](#) and [TCFD](#) Reports, we provide a [Content Index](#) that directs users to disclosures on our integrated website relevant to the GRI standards.

In addition to being vetted and confirmed by our relevant internal subject matter experts, the content on this site was reviewed by our ESG Committee, Disclosure Committee and Legal and Finance departments.

We appreciate all feedback related to this site. If you have any comments or questions, we encourage you to contact Sustainability@Travelers.com.

Stakeholder Engagement & Topic Prioritization

We regularly engage with our investors, our customers, our employees, our agents and brokers, regulators, rating agencies and other stakeholders on business issues and environmental, social and governance (ESG) topics of interest to them. In 2021, we again took an integrated approach to our shareholder engagement efforts, including with respect to governance, compensation, financial performance and sustainability matters. Through these efforts, in 2021, we engaged with shareholders representing more than 40% of the company's outstanding shares. Topics of discussion included, among others, our compensation programs, board composition, comprehensive climate strategy, approach to human capital management and diversity and inclusion efforts. We also continued to solicit feedback from our institutional investors with respect to our sustainability reporting.

Our approach to sustainability reporting, the frameworks and standards with which we have aligned our disclosures and the specific topics we cover on our site were informed by our extensive engagements with our shareholders. In advance of preparing our first sustainability site, which we launched in May 2019, we engaged with institutional investors representing approximately 50% of the company's outstanding shares at the time to understand their views with respect to ESG disclosure.

We also conducted a prioritization exercise at that time to help focus our ESG reporting on the topics most relevant to our industry, our business and our stakeholders. To **identify** a universe of ESG topics potentially relevant to our industry, we reviewed internal documents, industry and peer reporting, analyses by prominent ESG data providers and sustainability reporting frameworks (SASB, GRI). After identifying the potentially relevant topics, we **prioritized** them based on a series of internal group discussions, each dedicated to a distinct stakeholder group—Travelers, investors, customers, employees, and agents and brokers. The dialogues were supplemented by evidence from industry sources and results of prior stakeholder feedback (e.g., customer, agent and broker, and employee engagement surveys), including feedback from our investor interviews.

Working with our management-level [ESG Committee](#), as well as the internal dialogue participants, we then **refined** the list of priority topics to the following 16 topics:

Our Drivers of Sustained Value

- [Business Strategy & Competitive Advantages](#)
- [Capital & Risk Management](#)
- [Climate Strategy](#)
- [Community](#)
- [Customer Experience](#)
- [Data Privacy & Cybersecurity](#)
- [Disaster Preparedness & Response](#)
- [Diversity & Inclusion](#)
- [Eco-Efficient Operations](#)
- [Ethics & Values](#)
- [Governance Practices](#)
- [Human Capital Management](#)
- [Innovation](#)
- [Investment Management](#)
- [Public Policy](#)
- [Safety & Health](#)

Click on the above links for a discussion of how each topic contributes to sustained value creation at Travelers.

Reporting Frameworks & Standards

This website communicates our company's value creation story holistically. In addition to being informed by the Value Reporting Foundation's Integrated Reporting framework. The reporting on this site is aligned with several leading frameworks and standards.

Value Reporting Foundation's Sustainability Accounting Standards Board (SASB) Standards

SASB has developed industry-specific sustainability accounting standards designed to guide public companies in their disclosure of relevant ESG information to investors. We have included on our site a stand-alone [report](#) corresponding to SASB's insurance industry standards.

Task Force on Climate-related Financial Disclosures (TCFD) Framework

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) has developed recommendations aimed to produce more effective climate-related disclosures for the benefit of investors, lenders, insurers and other stakeholders. In this stand-alone [report](#), we provide disclosure consistent with the TCFD recommendations.

Global Reporting Initiative (GRI) Standards

The GRI provides a set of principles and standards by which organizations can report on sustainability issues. See our [Content Index](#) for our GRI disclosures.

IMPORTANT LEGAL INFORMATION

This site contains information about Travelers. Travelers disclaims any duty or obligation to update such information. Any “forward-looking statement” is made only as of the date such information was originally prepared by Travelers and is intended to fall within the safe harbor for forward-looking information provided in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates” and other similar expressions are used to identify these forward-looking statements. These statements include, among other things, statements about our future results of operations and financial condition; our share repurchases and dividends; our strategy and competitive advantages; our strategic operational initiatives to improve profitability and competitiveness; our new product offerings; our innovation agenda; our investment portfolio; our risk management, including climate-related risks and opportunities; our catastrophe modeling, including statements about probabilities or likelihood of exceedance; our scenario analyses; our cybersecurity, business resiliency and data privacy; our underwriting strategy; and our carbon footprint. Results may differ materially from those expressed or implied by forward-looking statements. Factors that can cause results to differ materially include those described under “Forward Looking Statements” in the Corporation’s most recent Form 10-K and Form 10-Qs filed with the Securities and Exchange Commission and linked in this report, and with respect to our scenario analyses, those factors described under “Climate Scenario Analysis With Respect to the Hurricane Peril” and “Climate Scenario Analysis With Respect to Our Investment Portfolio” in Travelers TCFD Report included on this site.

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

Except where noted, the information covered on this site highlights our performance and initiatives in fiscal year 2021.

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

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Illustrative Initiatives



IBHS SPONSORSHIP

Supporting Research in Severe Weather Readiness and Response

Travelers has partnered with the Insurance Institute for Business & Home Safety (IBHS) for over 20 years. We have played a key role in guiding the IBHS research team as a co-founding member of IBHS's one-of-a-kind research center located in Chester County, South Carolina. Additionally, in light of our strong commitment to IBHS, we have a permanent seat on its executive committee.

IBHS delivers top-tier science and translates it into action so we can prevent avoidable suffering, strengthen homes and businesses and help communities recover faster from a natural disaster.

According to a National Institute of Building Sciences study, for every \$1 spent on hazard mitigation, the United States can save \$6 in future disaster costs. Over the last decade, IBHS has conducted full-scale laboratory testing at its state-of-the-art facility and has influenced changes to existing building code standards and best practices to mitigate potential losses.

The events and programs listed below highlight some of the recent work we have collaborated on with IBHS.

- In August 2021, IBHS released the Wildfire Prepared Home program. Similar to the FORTIFIED program for wind, this new program provides homeowners with a pathway to receive a three-year designation recognizing their efforts to reduce wildfire risk. Importantly, the designation process includes an independent inspection and assessment to evaluate the effectiveness of the home's wildfire mitigation efforts.
- Resiliency is more important in the face of changing climate conditions. Extreme wind events like hurricanes and tornadoes can cause severe damage and greatly disrupt families, businesses and communities. During Hurricane Sally in September 2020, several FORTIFIED Commercial™ buildings were put to the test and performed at or above expectations, with overall damage equaling less than 0.05% of their total building cost. The Lodge at Gulf State Park in Alabama, for example, was able to offer shelter to many guests before, during and after the event, with essential services uninterrupted. Success stories like these are great reminders of the importance of the work IBHS does to improve community resilience, and for members to provide mitigation credits to FORTIFIED Commercial™ properties, as Travelers does.

- In August 2020, IBHS released Suburban Wildfire Adaptation Roadmaps that identify best practices to reduce the vulnerability of residential homes to wildfire. The roadmap provides a step-by-step guide for homeowners to proactively reduce their wildfire risk. Over the years, IBHS has made significant contributions to wildfire preparedness, adaptation and communication. These guidelines enable us to better support our customers in mitigating wildfire risk in suburban communities.
- Throughout 2019 and 2020, IBHS conducted hail impact testing on asphalt shingles, culminating in the release of shingle performance ratings by manufacturer. The performance ratings resulted in some shingle manufacturers pulling products or reformulating them to improve resilience. The ratings, therefore, appear to support future accountability and provide motivation to manufacturers to improve asphalt shingle hail performance. Insights from studies like this also enable us to better protect our customers and their assets.

Given the dual challenges during 2020 of preparing for a disaster while facing the pandemic, the *Travelers Institute*, our public policy arm, teamed up with IBHS and the American Property Casualty Insurance Association during National Hurricane Preparedness Week on a media campaign to provide information and tips to prepare a home or business for a disaster. In addition, as part of its new Wednesdays with Woodward® webinar series, the *Travelers Institute* convened these organizations for a webinar to celebrate the 10th anniversary of the IBHS Research Center, highlighting successes and lessons learned on preparedness for wildfires, hail and wind events.

[View the webinar here.](#)



WILDFIRE DEFENSE SERVICES

Protecting Our Customers from Increased Wildfire Risk

For the fifth year in a row, the 2021 wildfire season in California was very destructive. There were more than 8,800 fires that burned approximately 2.5 million acres and damaged or destroyed more than 3,600 buildings. Four of the 20 largest fires in California history occurred during 2021, including the second largest fire in state history, the Dixie Fire, which burned nearly 1 million acres across five California counties. In Colorado, a relatively quiet 2021 wildfire season came to a tragic end when 110 mph winds pushed the Marshall Fire through the towns of Louisville and Superior on December 30 and 31, damaging or destroying more than 1,000 buildings. The fire was the most destructive wildfire in the state's history, measured in terms of the number of homes destroyed.

While our commitment to our customers is to make them whole after a covered loss such as a wildfire, we also help our customers avoid or mitigate the loss. In 2019, Travelers introduced a Wildfire Defense Services Endorsement for California home and landlord policies. In 2020, we expanded this offering to Small Commercial policyholders with building coverage in California and then expanded it again in 2021, this time to home, landlord, farm and ranch customers in Colorado. This endorsement provides an added layer of wildfire protection for our customers at no additional cost. We work with Wildfire Defense Systems (WDS) to provide response services that supplement the efforts of local firefighters and other first responders who are deployed before, during and after active wildfires.

WDS is a private firm that specializes in wildfire education, loss prevention and response services. In the event of a wildfire, the firm uses proprietary technology to generate wildfire threat prediction maps that help identify the imminent threat zone and the Travelers customers within that area. WDS then services as many homes as possible based on a variety of factors, including resources, weather conditions, the fire's proximity and the firm's own safety guidelines. The service works to protect our customers' homes and businesses from wildfires with services beyond what local fire departments may be able to provide—such as reducing potential fuel sources, taping vents, applying fire retardants and setting up sprinklers.

In addition to protecting our customers' businesses and properties, this loss prevention service has saved us millions of dollars in potential losses. This is just one example of the shared value we create—in other words, how delivering on our promise to our customers also generates shareholder value.



TRAVELERS FORTIFIES COMMUNITIES

Building Strong, Resilient Communities

Resiliency is more important in the face of changing climate conditions. Extreme wind events like hurricanes and tornadoes can cause severe damage and greatly disrupt families and communities. To help build stronger, more resilient communities, we joined forces with Habitat for Humanity®, a nonprofit organization that helps families build and improve their homes, and the [Insurance Institute for Business & Home Safety \(IBHS\)](#) in 2011 to build affordable, wind-resistant homes to FORTIFIED Home™ standards throughout the country. Developed by IBHS, FORTIFIED Home™ construction practices are designed to help homeowners and communities better weather future storms, including hurricanes, high winds, hail and severe thunderstorms. Building FORTIFIED means exceeding the minimum standards set by building codes for construction techniques and materials. Our partnership shows that by making a few important changes in home construction standards, homes are better able to withstand storms without significantly adding to the cost. To date, Travelers has supported the construction of nearly 90 FORTIFIED Habitat homes.

Building on the success of the program with Habitat for Humanity, in 2019, Travelers launched a FORTIFIED building pilot program with SBP, a nonprofit organization that works to shrink the time between disaster and recovery. As of December 2021, the Travelers partnership has resulted in 34 SBP staff receiving FORTIFIED construction training and 205 FORTIFIED homes being built in Alabama, Florida, Louisiana, New Jersey, New York, Puerto Rico, South Carolina and Texas.

Homes built in New Orleans were tested by Hurricane Ida, a Category 4 storm that hit in late August 2021, and the homes held up well, consistent with their design; the SBP roofs withstood the storm compared with others in the neighborhood. IBHS and other resilience advocacy groups are using these homes as an example of the benefits of FORTIFIED building and to advocate for stronger building codes in Louisiana.

In recognition of the successful program, SBP received a 2020 FORTIFIED Pioneer Award from IBHS. Annually, the FORTIFIED Awards program honors builders who are among the first in their area to use the FORTIFIED standards to advance stronger, more resilient construction. With assistance from SBP and other organizations, more than 31,000 FORTIFIED homes have been built over the last five years to help communities rebuild after devastating natural disasters.

In 2018, Travelers provided funding for [Team Rubicon](#) to begin piloting a response model aimed at low-attention disasters—that is, devastating weather events that affect communities but are not large enough in scale to draw the attention of government, media or philanthropic organizations. Team Rubicon is a nonprofit organization that unites the skills and experiences of military veterans with first responders to rapidly deploy emergency response teams after disasters. Team Rubicon is committed to building its capacity for incorporating FORTIFIED standards into its rebuilding program. Since then, Travelers has provided \$1 million in grant funding for the low-attention disaster rebuild program. This funding helped Team Rubicon in its efforts to rebuild 116 homes in Houston, 60% of which were built to FORTIFIED standards; 502 roofs in Puerto Rico, 90% of which were FORTIFIED; and 40 homes in Florida. As of December 2021, Team Rubicon has completed the rebuilding of 23 homes for approximately 51 family members, and 17 of these homes were built to FORTIFIED standards. Homes continue to be rebuilt in areas of Houston, Texas, impacted by Hurricane Harvey, as well as communities impacted by low-attention disasters in Texas (Orange), Alabama (Selma), Alaska (Haines) and Louisiana (Calcasieu Parish).

Community Benefits

- Nearly 300 FORTIFIED homes for low-income families have been built by Habitat for Humanity and SBP across the United States supported by Travelers funding. In addition, Team Rubicon has built more than 500 FORTIFIED homes, made possible in part with funding from Travelers.
- Numerous Habitat for Humanity affiliates throughout the country have learned about safer building standards, and many are adopting them as they build new homes for some of America’s most vulnerable families.
- SBP has trained 34 staff members on FORTIFIED standards, and SBP plans to continue educating its staff and contracting partners to increase familiarity with FORTIFIED building practices.
- Disasters often disproportionately impact low-income communities of color. The greatest asset of low-income homeowners tends to be their home. And according to the Urban Institute, home equity makes up a disproportionate amount of overall net worth for Black households. After a disaster, however, housing values drastically decrease. When a home is rebuilt, the value is restored, giving the resident more leverage and potential for upward economic mobility.

Travelers Benefits

- Data gathered from the FORTIFIED program is used at hearings to influence stronger building codes in hurricane-prone regions and to demonstrate the affordability of building to FORTIFIED standards.
- Since we entered our partnership with Habitat for Humanity, dozens of Travelers volunteers have helped build FORTIFIED Habitat homes, increasing our employees’ knowledge of FORTIFIED Home standards. Videos of prior builds can be viewed [here](#).
- Thousands of our employees have participated in Habitat builds—both FORTIFIED and traditional—driving engagement by doing purposeful work together in our communities.
- In addition to its positive impact on communities, these partnerships benefit both Travelers and the insurance industry by increasing the number of resilient homes in vulnerable communities.

RELATED RESOURCES

- Travelers Institute® Webinar: [Weathering the Storm: A Behind-the-Scenes Look at the Insurance Institute for Business & Home Safety](#)



TEAM RUBICON

Veterans Deploy with Disaster Responders

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.

In 2015, Travelers recognized Team Rubicon with the first Travelers Excellence in Community Resilience Award. The relationship continued when, in 2016, Travelers began a three-year, \$1 million commitment as the exclusive insurance sponsor of Team Rubicon's Mobile Engagement Team, which travels across the United States to provide large-scale training events, recruit volunteers and establish relationships with state and local emergency management agencies. In 2019, we renewed our support for the Mobile Training Center through 2021 with an additional \$1 million in support.

From 2017 to 2019, the Mobile Training Center visited nearly 100 cities, including stops at Travelers offices in Braintree (Massachusetts), Denver, Hartford and St. Louis; interacted with more than 7,500 people; and trained more than 2,000 members in nearly 200 courses, including core operations, damage assessment and instructor training.

Due to the COVID-19 pandemic, outside of disaster response, the Mobile Training Center continued virtual trainings in 2021. More than 15,500 community members engaged in more than 41,000 virtual training courses and completed more than 34,700 hours of training. In 2021, the Mobile Training Center also trained 310 volunteers through Disaster Training Camps in Georgia, Texas and California and provided just-in-time training for over 200 volunteers to immediately assist survivors of Hurricane Ida and the Kentucky tornadoes with necessary home repairs.

Given our commitment to supporting our military veterans and helping communities recover from disasters, our collaboration with Team Rubicon is a natural fit.

Community Benefits

- Each year, Team Rubicon helps thousands of military veterans recapture their sense of purpose, helping to mitigate mental health challenges.
- Individuals who are faced with home damage following a natural disaster receive free assistance from Team Rubicon to help them recover sooner.
- Disasters often disproportionately impact low-income communities of color. The greatest asset of low-income homeowners tends to be their home. And according to the Urban Institute, home equity makes up a disproportionate amount of overall net worth for Black households. After a disaster, however, housing values drastically decrease. When Team Rubicon rebuilds a home, the value is restored, giving the resident more financial security and potential for upward economic mobility.

Travelers Benefits

- Support of Team Rubicon provides visibility for Travelers among veterans and their families, an important talent pipeline for the company.
- Supporting organizations that respond to crises helps ensure that communities, including those with Travelers customers, receive resources to mitigate further damage and enables faster recovery, potentially reducing costs for the company.

RELATED RESOURCES

- Travelers Institute® Webinar: [Leading Through Crisis: A Conversation with Team Rubicon Co-Founder & CEO Jake Wood](#)



TRAVELERS INSTITUTE

Thought Leadership on Disaster Preparedness

To address the crisis of availability and affordability of coastal wind insurance for homeowners, in 2009, the Travelers Institute, the public policy division of Travelers, developed the [Travelers Coastal Wind Zone Plan](#), a comprehensive, private-market approach to insuring the Gulf and Atlantic coasts. Building on this flagship publication, the *Travelers Institute* launched a series of events to raise awareness about coastal challenges and disaster preparedness, including a Kicking Off Hurricane Preparedness Season event, to help families, businesses and communities prepare ahead of the Atlantic hurricane season.

Recent programming and educational outreach in this area from the *Travelers Institute* include a virtual program on advances in tech-enabled insurance claim capabilities that help insurance industry professionals and insureds respond more quickly to disasters. Given the dual challenges of preparing for a disaster while facing the pandemic, the *Travelers Institute* teamed up with the Insurance Institute for Business & Home Safety (IBHS) and the American Property Casualty Insurance Association (APCIA) during National Hurricane Preparedness Week on a media campaign to provide information and tips on preparing a home or business for a disaster. These included highlighting digital resources and virtual inspection solutions to handle claims and continue providing services when disaster strikes. In addition, the *Travelers Institute* convened IBHS and APCIA for a webinar through the Wednesdays with Woodward® series to celebrate the 10th anniversary of the IBHS Research Center, highlighting successes and lessons learned on preparedness for wildfires, hail and wind events.

Additionally, following recent extreme weather events like Superstorm Sandy, the *Travelers Institute* launched [Insurance Essentials: Your Questions Answered](#), an initiative aimed at helping individuals make informed decisions when selecting personal insurance policies.

RELATED RESOURCES

- *Travelers Institute* Webinar: [The Tech-Enabled Insurance Claim Revolution](#)
- *Travelers Institute* Webinar: [Weathering the Storm: A Behind-the-Scenes Look at the Insurance Institute for Business & Home Safety](#)
- [Resilient Coasts: A Blueprint for Action](#)
- [Travelers Wildfire Defense Services Endorsement](#)



TRAVELERS EDGE®

Transforming Tomorrow's Workforce

Established in 2007, our signature college-to-career pipeline program, Travelers EDGE® (Empowering Dreams for Graduation and Employment), endeavors to increase the number of underrepresented students who complete a bachelor's degree and who are prepared for a career at Travelers or in our industry. The *Travelers EDGE* program provides education support and professional development through partnerships with colleges, universities and community-based organizations, increasing access to higher education and providing students with opportunities to excel. The program aims to:

- Increase the number of students from underrepresented communities attending college.
- Help those students graduate from college.
- Build awareness of careers in insurance and financial services.

Once enrolled in college, *Travelers EDGE* students benefit from a broad range of support services, which include scholarships, academic guidance and emergency funds. In order to build awareness of careers at Travelers and within our industry, *Travelers EDGE* also offers mentoring, internships and job-shadowing opportunities. Through *Travelers EDGE* and [other targeted recruiting practices](#), Travelers seeks to increase the presence of people from historically underrepresented communities in our industry.

Community Benefits

- Since the inception of *Travelers EDGE*, 563 students have been *Travelers EDGE* scholars, and 67% of scholars have successfully attained a bachelor's degree or are currently on track to do so. During the 2020-2021 academic year, *Travelers EDGE* helped 82 students through a direct scholarship or stipend and helped more than 17 students complete an associate's or bachelor's degree.
- Over the past five academic years, 80% of all graduates were employed at graduation or shortly after. Of those, 76% entered careers in the insurance and financial services industry.

Travelers Benefits

- Since the program's inception, 102 *Travelers EDGE* graduates have been hired by the company.
- In 2020-2021, six out of the 17 graduates (35%) were hired full time by Travelers. Of those who accepted full-time positions at Travelers, 83% were admitted into leadership and technical development programs.
- Employees of Travelers who serve as *Travelers EDGE* managers and mentors overwhelmingly reported that participation strengthened their leadership skills, their understanding of diversity and inclusion and, importantly, their connection to Travelers.



SMALL BUSINESS RISK EDUCATION

Empowering Small Business Owners to Succeed

The Travelers Small Business Risk Education (SBRE) program leverages our employees' expertise to help women, minority and veteran small business owners learn about risk management and business continuity, develop safety risk management plans and qualify for microloans. Travelers partners with nonprofit organizations throughout the United States to provide workshops.

Since the program's inception in 2012, more than 3,500 representatives of women-, minority- and veteran-owned small businesses have attended risk management workshops and other events.

In 2017, we launched a veteran-owned business program in select markets across the United States, and since launching this program, we have reached more than 500 representatives of veteran-owned businesses through workshops and events.

In 2019, we launched a partnership with [Village Capital](#) to provide educational and financial resources to entrepreneur support organizations (ESOs) throughout the United States. In 2020, we announced an expanded partnership to specifically support ESOs led by and focused on business founders of color through Resource, a nationwide project that provides ESOs with infrastructure and investment-readiness support. Resource is co-led by Village Capital and the Black Innovation Alliance.

In 2021, Travelers continued to provide virtual workshops to our nonprofit partners' small business clients and offered them the *Travelers Institute* Wednesdays with Woodward® webinar series, which explores pressing topics impacting individuals and businesses, such as cybersecurity, innovation and economic development. A few examples include:

- *Travelers Institute* Webinar: [Small Business—Big Opportunity®](#)
- *Travelers Institute* Webinar: [Small Business in America: Where do we go from here?](#)
- *Travelers Institute* Webinar: [Protecting Your Most Valuable Asset: Employee Safety During COVID-19](#)
- *Travelers Institute* Webinar: [Liability Issues for Businesses in the Time of COVID-19](#)
- *Travelers Institute* Webinar: [PATH to Reopening Your Business](#)
- *Travelers Institute* Webinar: [Leading Through Crisis: A Conversation with Team Rubicon Co-Founder & CEO Jake Wood](#)

Community Benefits

- Women-, minority- and veteran-owned businesses are driving economic growth and job creation in their communities; our support contributes to their success, which, in turn, leads to community vitality and resilience.

Travelers Benefits

- Travelers Risk Control professionals deliver the workshops, increasing employee involvement, raising the profile of Travelers among local business owners and creating a stronger emotional attachment to the Travelers brand.
- The SBRE content serves as a prototype for developing webinars and other helpful materials for Travelers customers.



TRAVELERS CHAMPIONSHIP®

Our Signature Community Event

The [Travelers Championship®](#) golf tournament is one of the most popular stops on the PGA TOUR and showcases how our company and employees maintain a strong commitment to the communities in which we live and work. The event features four days of competition by some of the world's best professional golfers and attracts tens of thousands of fans to Connecticut each year, on top of being broadcast to more than 200 countries.

All net proceeds from the *Travelers Championship* benefit charities throughout the region. Since Travelers became title sponsor in 2007, the tournament has generated more than \$22.5 million to support more than 800 [local charities](#). In 2021, the tournament generated \$2.2 million for more than 125 local charities, including the primary beneficiary, [The Hole in the Wall Gang Camp](#). Founded in 1988 by Paul Newman, the camp provides summer camp experiences, as well as year-round hospital and family outreach programs, to thousands of children with serious illnesses and their families—all completely free of charge.

After a fire destroyed the Camp's main program complex in Ashford, Connecticut, in February 2021, Travelers and the *Travelers Championship* jointly announced a commitment to match up to \$1 million in donations to help the rebuilding effort. The match was met within a week, and the camp has plans to open a reimagined and fully accessible creative complex in 2022.

The *Travelers Championship* has also given many other worthy causes a platform that helps bring awareness to their organizations and funds to their bottom lines. Some examples include a program that has given aspiring young golfers an opportunity to feel what it is like to be a PGA TOUR player for a day while raising funds for the First Tee of Connecticut, as well as a Sunday stroll on the golf course that has generated money for the Lustgarten Foundation for Pancreatic Cancer Research.

Finally, the *Travelers Championship* has a tradition of celebrating and recognizing our country's military heroes. The event has offered several benefits including free admission for U.S. military members, veterans and their immediate family and access to the Patriots' Outpost, a hospitality venue with free food and beverages. This is in addition to hosting Operation Shower—an annual baby shower for expectant military mothers whose spouses are deployed.

RELATED RESOURCES

- Travelers Institute® Webinar: [Behind the Scenes at the Travelers Championship](#)



JUNIOR ACHIEVEMENT INSURANCE LEARNING LABS

Fostering Financial Literacy and Insurance Know-How

Travelers has partnered with Junior Achievement (JA) for nearly two decades, providing financial support and employee volunteers for local programs. In 2019, in coordination with JA, Travelers launched insurance learning lab “storefronts” in Colorado, Minnesota and Georgia to teach students about insurance basics and how to make responsible economic decisions, helping develop their financial literacy and preparing them for success in the future. Housed in JA’s experiential learning centers, the storefronts reinforce concepts for students by providing hands-on business simulations. In 2021, Travelers partnered with Junior Achievement of Central Maryland to create our fourth Travelers storefront to serve more than 46,000 K-12 students each year.

Travelers provided nearly \$300,000 in financial support to eight JA organizations across the country in 2021. Throughout the COVID-19 pandemic, Travelers employees have continued to provide business and career advice through virtual classroom settings and career panels in partnership with JA. In calendar year 2021, approximately 420 employees logged more than 1,100 hours of volunteer work with JA. In addition, Travelers sponsored Minnesota’s Junior Achievement North’s Inspire Virtual Career Expo, through which more than 20,000 students made over 36,000 visits to corporate “booths” to explore career opportunities in a variety of fields, including property casualty insurance.

Travelers received the U.S. President’s Silver Volunteer Service Award for the 2020-2021 school year. Created by the President’s Council on Service and Civic Participation, the award recognizes individuals and organizations that contribute a significant amount of time to volunteer service. Junior Achievement USA®, as an official certifying organization, designated Travelers for volunteering more than 3,000 hours across the country.

Community Benefits

- The program provides age-appropriate learning on topics such as civic constructs, currency, economics and business, helping students prepare at an early age for career and financial decisions to come.
- Our partnerships with JA are focused on districts with limited resources, where students may otherwise not have access to these programs.

Travelers Benefits

- The program introduces students to Travelers as potential future employees or customers.
- Employee volunteers have opportunities to build their own capabilities, such as teamwork and presentation skills, which helps develop Travelers' talent base.
- Employee volunteers expressed satisfaction with the company making investments in youth, which deepens engagement and helps with retention.



PARTNERING WITH INVEST

Travelers Insuring Futures

Inspired by conversations at the 2019 Travelers Leadership Conference Women’s Forum about the importance of raising awareness of the insurance industry as a future career opportunity for students, we partnered with InVEST, a nonprofit organization that educates high school and community college students on insurance, financial services and risk management topics, to create a program we call Travelers Insuring Futures. This “summer program in a box” provides a curriculum and related materials for agents and brokers who are hosting summer programs for high school students. The curriculum, which can also be easily modified to host college students, introduces students to the possibility of a career in insurance.

After launching the curriculum successfully in a pilot program in New York City, we’ve continued the program in our Alpharetta, Georgia, and Chicago, Illinois, offices.

Community Benefits

- Through Travelers Insuring Futures, students are introduced to an industry that offers a wide variety of rewarding career opportunities.
- Paid internships provide experience that helps students identify areas of interest and builds their skills and competencies for successful employment in the future.

Travelers Benefits

- Our Travelers Insuring Futures program is one of the many ways in which we are working to attract, grow and develop insurance industry talent.
- This program benefits our agent and broker partners and strengthens our relationship with them.



SUPPORTING OUR ENTREPRENEURS

Our Partnership with Village Capital

In 2019, Travelers launched a partnership with Village Capital to provide resources to entrepreneur support organizations (ESOs) in locations throughout the United States. Village Capital is the largest organization in the world supporting impact-driven, seed-stage startups. Since 2009, the Village Capital team has directly worked with more than 1,100 entrepreneurs in 28 countries, and its affiliated fund, VilCap Investments, has invested in 110 startups that have gone on to raise more than \$4 billion in follow-on capital.

In 2020, Travelers expanded its partnership with Village Capital through Resource, a nationwide project to support and connect ESOs led by and focused on entrepreneurs of color. The project is co-led by Village Capital and the Black Innovation Alliance and has a goal to create a stronger entrepreneurial infrastructure for founders of color through educational and financial resources and network building.

As part of this partnership, which is an extension of the [Small Business Risk Education program](#), Travelers employees have served as mentors and panelists for virtual workshops that are focused on operations, investment readiness and strategic planning. Since launching, 23 ESOs led by Black, Indigenous and Latinx founders from across the country have participated in Resource.

Community Benefits

- Small businesses are an important economic engine, and Travelers' support helps communities remain vital by providing financial and intellectual capital.

Travelers Benefits

- By interacting with a variety of small businesses and small business incubators, Travelers has a line of sight into emerging trends and risks that can help inform its product development and risk control protocols.
- Travelers' advocacy for small business is on display through support of this partnership, improving awareness and enhancing the brand reputation of our company among potential future customers.



AMERICAN FORESTS PARTNERSHIPS

Partnering for a Purpose—Helping to Reforest America

Beginning in 2017, our Chairman and CEO, Alan Schnitzer, organized an effort to offset carbon emissions associated with our annual Travelers Leadership Conference. To aid that effort, we partnered with American Forests—the country’s oldest nonprofit conservation group—and funded the planting of 40,000 trees.

In April 2019, Travelers launched a bold new initiative with American Forests and committed to fund the planting of one tree for each Personal Insurance billing account converted to paperless billing. This initiative sought to minimize our environmental impact and carbon footprint by both lowering our paper consumption by 22 million pages and funding the planting of 1 million trees across the United States between April 2019 and April 2020.

By Earth Day 2020, we reached our goal, funding the planting of 1 million trees in areas most in need of reforestation, including:

- California Wildfire and Watershed Restoration.
- Texas Lower Rio Grande Ocelot Habitat Restoration.
- Whitebark Pine and Grizzly Habitat Restoration.
- Michigan Kirtland’s Warbler Habitat Restoration.
- Georgia Longleaf Pine Restoration.

In 2020, we committed to fund the planting of an additional 500,000 trees by Earth Day 2021—a goal we achieved—and joined the U.S. chapter of 1t.org to help conserve, restore and grow 1 trillion trees by 2030. In April 2021, we extended our support for American Forests and committed to fund the planting or conservation of an additional 1.5 million trees. We also support the Tree Trust Branches program, a job training and mentorship initiative that helps disadvantaged young people in the Twin Cities finish high school and build meaningful careers in urban forestry.

In addition to restoring natural landscapes, providing habitat for wildlife and naturally capturing carbon emissions, this effort has helped us reduce our environmental impact and carbon footprint. Through our initiative with American Forests, we have drastically lowered our paper consumption and are now planting or conserving more trees than we are consuming.

Beyond the environmental impacts of planting trees for this campaign, paperless billing provides an added level of convenience for customers by allowing for easy access and retrieval of billing and policy documents, while helping us save millions of dollars in paper and postage costs.

Some of the events and initiatives that have helped us reach our goals include the following:

- We launched #OneMillionReasonsWhy, a paperless campaign to engage customers in the conversation and create an emotional connection to the initiative.
- In October 2019, we held two planting events:
 - Nearly 100 Travelers employees came together with KNOX Hartford and American Forests to plant 36 trees—red oaks, apple trees and junipers—in Colt Park in Hartford, Connecticut. Both Luke Bronin, Mayor of Hartford, and Jad Daley, President and CEO of American Forests, were in attendance and spoke to the team, thanking them for their efforts and inspiring our team and partners.
 - In the Lower Rio Grande, one of our areas of focus, Travelers employees and local independent agents joined members of the community to plant hundreds of trees in Rio Grande City, Texas. This was a particularly important project because 95% of the habitat in this area—home to 18 endangered or threatened species—has been cleared.

As of Earth Day 2022, we have funded the planting or conservation of over 3 million trees, with 1.5 million going toward the 1t.org goal of helping to conserve, restore and grow one trillion trees by 2030. We have recently committed to fund the planting or conservation of an additional 2 million trees by Earth Day 2024.

Community/Environmental Benefits

- Each tree planted absorbs carbon, improves air quality and helps restore habitats for birds and other animals.

Travelers Benefits

- Travelers achieves cost savings by eliminating the materials and labor costs associated with printing and mailing forms.
- Employees are increasingly concerned about the environment and appreciate the company's focus on restoring forests, which improves engagement.
- Volunteer activities linked to the partnership provide team-building opportunities.



COMMUNITY SERVICE VEHICLE DONATIONS

Driving Opportunity

Travelers is proud to partner with Recycled Rides®, a program managed by the National Auto Body Council that brings together insurers, auto repair shops and others to donate refurbished vehicles to those without reliable transportation. Through this partnership, the company has donated more than 35 vehicles to individuals in need, including U.S. veterans and active military members, educational institutions and community organizations.

In 2021, Travelers donated seven vehicles through the *Recycled Rides* program. These donations benefitted veterans and families in need and the Community Renewal Team, a nonprofit in Connecticut.

Community Benefits

- This partnership helps provide individuals and families with access to transportation for employment, health care, nutritional and recreational needs.
- Through this partnership, charitable organizations obtain an asset that enables them to further their mission and increase impact.

Travelers Benefits

- Supporting this program enhances our relationships within the auto industry.
- Travelers receives positive brand recognition among supporters and beneficiaries of the Recycled Rides program.
- Travelers employees who are involved in identifying vehicles to donate, selecting charities to benefit from the donations and representing Travelers at presentations gain skills valuable to our company and experience satisfaction from Travelers using its resources to benefit the community.



GIRLS' LEADERSHIP SUMMITS

Inspiring Girls to Be Strong, Smart and Bold

In keeping with our commitment to be the leading advocate for women in the insurance industry, Travelers supports Girls Inc., a nonprofit that inspires girls ages 5 to 18 to be “strong, smart and bold!” In 2017, the Travelers St. Louis office established a partnership with the local Girls Inc. affiliate and hosted the first Girls' Leadership Summit. Our Long Island, New York, office replicated the program the following year with its local Girls Inc. affiliate.

Based on this model, Travelers hosted four leadership summits for girls in early 2020—in Connecticut, Colorado, Georgia and Minnesota—in partnership with Girls Inc. and the YWCA. Students and parents heard from engaging presenters on topics related to personal branding, interview skills and college affordability.

Every girl in attendance was given the opportunity to have a 30-minute “advising session” with uAspire, a nonprofit whose mission is to ensure that all young people have the financial information and resources necessary to find an affordable path to and through college. There were 180 girls and 70 parents in attendance at the events, and 70 Travelers employees volunteered their time to plan and execute the summits.

In 2021, our partnership turned virtual, with 75 Travelers employees volunteering nearly 250 hours with Girls Inc. of St. Louis. Employees appeared in a career panel and hosted breakout sessions to help equip Girls Inc. participants with real-life knowledge, introducing them to insurance and, specifically, Travelers. Employees shared their life experiences owning cars and buying insurance, budgeting, banking and preparing for college.

Community Benefits

- The programs provided learning and networking opportunities to young women navigating college and career paths.
- The free advising service offered at the 2020 summits provided counseling about financial considerations for college.

Travelers Benefits

- This program is aligned with our commitment to lead the industry in advocating for women in insurance, including through [SHE Travels®](#) and our various initiatives to help broaden and enhance the talent pipeline for the insurance industry.
- The program introduced students to Travelers as potential future employees or customers.
- Employee volunteers had an opportunity to build their own capabilities, such as project management and presentation skills, which helps us develop our talent base.
- Travelers volunteers expressed satisfaction with the company making an investment in young women, which deepens engagement and helps with retention.



GIRLS WHO CODE

Growing Tech Talent

Women make up just 24% of the U.S. computing workforce—down from 37% in 1995—according to Girls Who Code, a nonprofit with the mission to close the gender gap in entry-level technology jobs.

In 2020, Travelers again teamed up with Girls Who Code to provide a two-week virtual Summer Immersion Program focused on computer programming and technology job opportunities to rising high school sophomores, juniors and seniors across the United States. Half of the girls the organization serves come from historically underrepresented groups.

The program engaged the students in a computer science curriculum taught by Girls Who Code staff. As part of the 2021 program, Travelers led workshops on topics such as artificial intelligence, mentoring, resume building and job interviewing. Employee volunteers from EmpowHER+, our women’s professional group in Technology & Operations, organized and facilitated the workshops.

“We’re committed to building a talent pipeline of women and individuals of color into tech roles at Travelers, and that starts in high school and college when girls are imagining themselves in the roles they want to pursue when they finish school,” said Mojgan Lefebvre, Travelers Chief Technology Officer. “Bringing in and providing mentorship to girls and women with diverse backgrounds and perspectives enhances our entire organization and opens up new opportunities for us to evolve and enhance our tech capabilities.”

The Summer Immersion Program culminated with a project showcase, in which the students presented their classwork and participated in an activity with our Travelers team. In a survey conducted at the beginning of the program, 55% of the students said they were interested in pursuing a tech career. Following the program, that number jumped to 83%, and 69% of them shared that they were likely to apply for an internship at Travelers.

Community Benefits

- The program provided hands-on computer science experience and networking opportunities to girls considering college and career paths relating to technology and operations.

Travelers Benefits

- This program is aligned with our commitment to lead the industry in advocating for women in insurance, including through [SHE Travels®](#) and our various initiatives to help broaden and enhance the pipeline of women technologists through EmpowHER+.
- The program introduced students to Travelers as potential future employees or customers.
- Employee volunteers had an opportunity to build their own capabilities, such as project management and presentation skills, which helps us develop our talent base.
- Travelers participants expressed satisfaction with the company making an investment in youth, which deepens engagement and helps with retention.



Sheila Pree Bright
Shanae Rowland, 2007
The Amistad Center for Art & Culture, 2008.2

TRAVELERS ART SPEAKS

Advancing Inclusion through the Arts

Travelers invests millions of dollars annually to support arts and cultural organizations that help keep our communities vibrant and culturally enriched. We believe that arts and cultural organizations help drive economic growth, enhance learning and build multicultural understanding – leading to more accepting and inclusive communities.

Launched in 2019, Art Speaks is an employee-focused program that leverages Travelers' investment in arts and cultural organizations to spark meaningful and thought-provoking dialogue around diversity and inclusion. This initiative engages employees in discussions that help drive civil discourse, encourage deep multicultural exploration and promote unity.

Through Art Speaks, employees have opportunities to enjoy in-person or virtual artistic experiences, followed by discussions led and facilitated by diversity and inclusion professionals, drawing on themes related to diversity, equity and inclusion. Arts and cultural experiences vary; employees are exposed to different forms of artistic expression, such as theater, visual arts, dance, photography and music.

In 2020, Travelers pivoted and began offering Art Speaks experiences virtually to employees. For example, through a partnership with the Norman Rockwell Museum, more than 600 Travelers employees learned about some of Norman Rockwell's most iconic artwork and other illustrators' works while discussing social justice, racial equity and women's rights.

In 2021, Travelers hosted several virtual Art Speaks events focused on social justice and racial equity, including a discussion about Juneteenth in partnership with the Amistad Center for Art & Culture. Through a partnership with the Harriet Beecher Stowe Center, employees also had an opportunity to engage in a conversation about the intersection of music, race and history through a soundscape curated by DJ Q-BOOGIE that featured the musical selections and literary works of three iconic authors: Harriet Beecher Stowe, James Baldwin and historian Dr. Eddie S. Glaude Jr.

Community Benefits

- Arts and cultural organizations benefit from Travelers' sponsorship and gain visibility among Travelers employees.
- In partnership with Travelers, these nonprofit organizations are developing their diversity, equity and inclusion curricula and building capacity for engaging other audiences in similar discussions.

Travelers Benefits

- Art Speaks supports Travelers' ongoing efforts to build an inclusive culture through conversations and opportunities that bridge differences among employees with diverse life and career experiences.
- Feedback surveys from participating employees show that 90% feel the arts and cultural programs provide an effective tool for communicating themes related to diversity and inclusion.



VIRTUAL VOLUNTEERING

Responding Remotely to Community Needs

In the midst of the pandemic, our Community Relations team quickly developed virtual volunteer opportunities and has continued to expand the creative possibilities for our employees to have a positive impact on their communities.

Career Development

- A team of Travelers employees from Business Insurance and teams of interns and first-year participants from our Leadership Development Programs participated in career panels for Junior Achievement programs in Hartford schools.
- Employees led weekly, virtual professional development workshops for Pathways Entrepreneurial Labs, a program that provides work-based learning and enrichment to high school students in the Hartford area.

Mentoring & Support

- More than 140 employees helped to make a difference for high school students by volunteering with BestPrep's Cloud Coach and eMentors programs, which focus on one-on-one email mentoring to help students better understand career paths and identify potential workplace skills. In 2021, we increased our engagement to include employees outside of Minnesota; over 200 employees participated.
- During the 2021-2022 school year, more than 30 employees have been reading "live" on a weekly basis to students through a virtual program with Read to a Child.
- In 2021, more than a dozen Hartford-based employees volunteered weekly as math tutors for high school students.
- Travelers employees served as virtual mentors to graduating seniors, helping them with college planning.
- More than a dozen Travelers employees volunteered as mentors and panelists for [Resource](#), a joint initiative of Village Capital and the Black Innovation Alliance, to provide resources to entrepreneur support organizations (ESOs) led by and focused on Black, Latinx and Indigenous entrepreneurs. Mentors shared their expertise in business development, team building and operations management in one-to-one and small group sessions with the ESOs.

- 100 Travelers Women & Allies Diversity Network members in Canada gathered virtually for a letter-writing campaign for girls across Canada to provide them with extra support and encouragement during pandemic remote learning restrictions.
- During National Hispanic Heritage Month, 63 members of the Travelers Hispanic/Latino & Allies Diversity Network recorded translated versions of children's books for Hope Reads, a free online listening library for hospitalized and homeless children nationwide.
- 35 Travelers employees and 45 Travelers EDGE® scholars, alumni and partners volunteered to create hundreds of clay hearts that are included in Art with a Heart's 25th anniversary sculpture, a new public art asset for Baltimore.
- Over the summer and holidays, Travelers employees sent cards and handmade snowflakes to campers of The Hole in the Wall Gang Camp—a camp for seriously ill children.

Community Benefits

- Although many nonprofit organizations were unable to continue with traditional, in-person volunteer activities, they were able to continue to benefit from the expertise, skill and compassion of Travelers employees through virtual volunteering programs.

Travelers Benefits

- Employees continued to serve their communities and appreciated that Travelers provided a menu of safe, meaningful experiences that reinforced the company's commitment to supporting cities where they live and work.



FEATURED SERVICE PROJECT

Literacy for Learning

At Travelers, there's no separating our success from the success of the people and communities we serve. And for too many students, the inability to read at a proficient level remains a stubborn barrier to advancement. Competency in reading opens doors and unlocks opportunity. Literacy is fundamental to education, which in turn is fundamental to economic mobility and to achieving inclusive prosperity.

That's why, in January 2020, Travelers CEO Alan Schnitzer launched a multipronged initiative, Literacy for Learning, to take on the issue of literacy. We started by funding every single literacy-related project on DonorsChoose—a charity platform that allows teachers in under-resourced districts to list needed classroom supplies—for elementary schools in the neighborhoods surrounding our nine office locations across the country where Travelers has more than 500 employees. In all, Team Travelers came together to provide more than \$250,000 in much-needed resources to schools throughout the United States.

We also partnered with United Way Worldwide to support literacy efforts in the United States, Canada and Europe. And in Connecticut, more than 160 of our employees volunteered with a local United Way to create nearly 1,000 literacy kits for students.

But we didn't stop there. In February 2020, Travelers surprised the M.D. Fox Elementary School in Hartford, Connecticut, by hand-delivering more than 6,000 items on their DonorsChoose "wish list," from Chromebooks and Kindle Fires to markers and books. Volunteers read to students in pre-K through fifth grade, and students in all grades received literacy kits that included a book for them to take home.

Then, in early 2021, as the pandemic kept schools shuttered and learning continued online, we sent \$50,000 to Sterling Elementary in Pineville, North Carolina—a school our Charlotte office supports—so they could purchase Chromebooks for students who needed them to access their education.

It's one more example of how Travelers is making good on our promise to take care of our communities—by ensuring that today's children have the tools, resources and support they need to thrive.



QUANTUM HOME 2.0

Simplifying the Customer Experience

In 2021, we continued the successful rollout of our Quantum Home 2.0® product, an enhanced homeowners insurance product with tailored pricing and more flexible coverage options, all on simpler policy documents that help customers better understand their insurance. Travelers offers *Quantum Home 2.0* through an updated platform that allows agents to provide greater customization, requires fewer steps to complete a quote and enables simplified customer communications. This product increases efficiency for agents while helping them to deliver better service and drive new business. It also provides customers with the flexibility to scale up or down the typical base coverages in a policy and the ability to easily add bundled options to meet their individual needs.

Travelers' new *Quantum Home 2.0* insurance packages now also include a page designed to educate and inform customers about some of the basic terms and coverages included in their policies. The summary page features an illustration of a home and urges the customer to explore their coverage in an engaging way.

Quantum Home 2.0 also includes features such as:

- Decreasing Deductible® and loss-forgiveness options that recognize customers for their loyalty.
- New discounts for customers who pay on time and for those with smart-home protective technology, including fire, burglar and water alarms.
- An enhanced water package that can cover sewer backups and hidden water damage.
- Equipment breakdown coverage for appliances, water heaters, etc.

As of December 31, 2021, our [Quantum Home 2.0](#) product is available in 42 states and the District of Columbia.



TRAVELERS INSTITUTE

Insurance Essentials: Your Questions Answered

As part of our commitment to customers, both existing and potential, the [Travelers Institute](#) (the public policy division of Travelers) has an initiative called *Insurance Essentials: Your Questions Answered* to help consumers make informed decisions about their personal insurance options. This initiative was introduced following Superstorm Sandy and other extreme weather events, which have demonstrated to us that many consumers need, or want, more help understanding their insurance policies and options. This initiative includes an educational [Insurance Essentials Guide](#) that covers topics such as how insurance works, types of homeowners and auto insurance coverages, condominium and renters insurance, wedding insurance, flood insurance, limits and deductibles, and basic disaster preparedness. Further, the *Travelers Institute* partners with independent insurance agents to bring an educational symposium series to their communities, also addressing local issues such as wildfires and hurricanes.

As part of our pandemic-era Wednesdays with Woodward® webinar series, the *Travelers Institute* has also hosted several public webinars offering an inside look at the insurance underwriting process, industry trends and more.

RELATED RESOURCES

- *Travelers Institute* Webinar: [The Changing Risk Landscape: Underwriting for the “New Normal”](#)
- *Travelers Institute* Webinar: [Insurance Market Insights: Emerging Trends to Watch](#)
- *Travelers Institute* Webinar: [60 Minutes in the Middle Market: Opportunities in a Changing Marketplace](#)

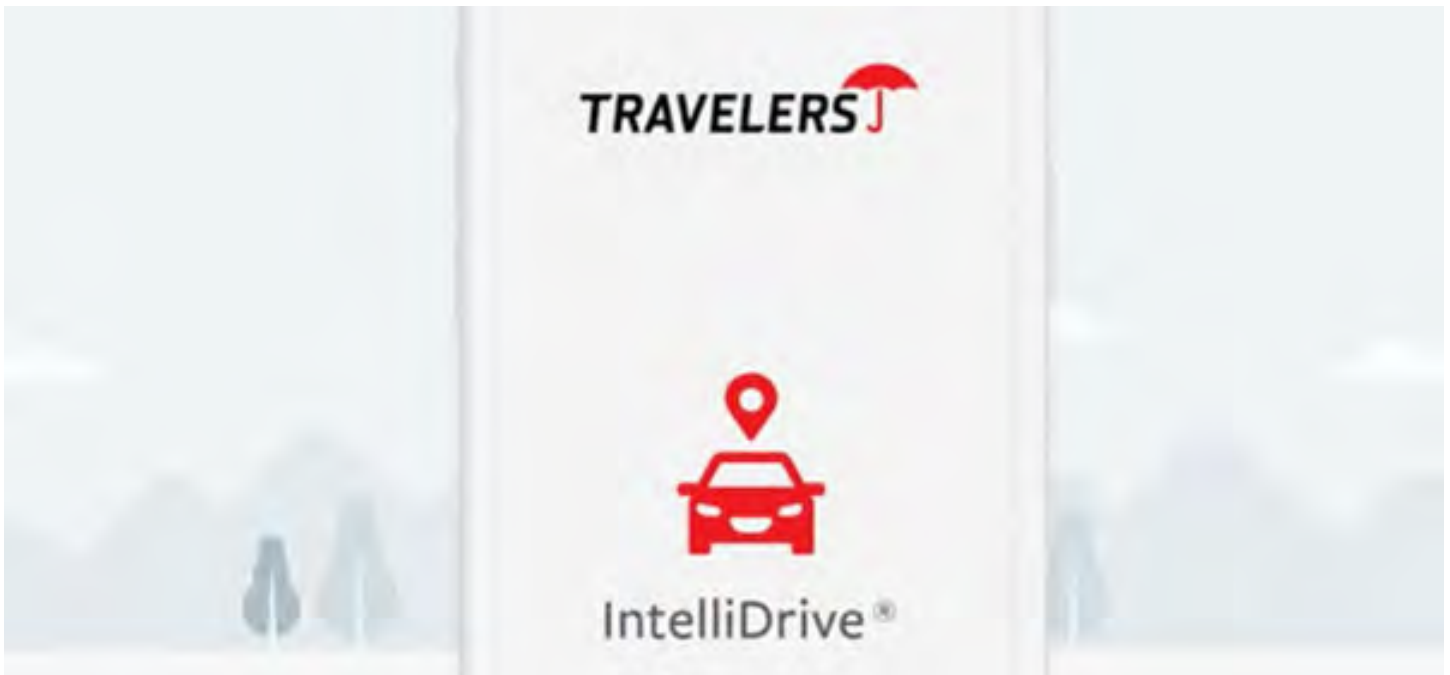


HOME PROTECTION SERVICES

Tips for Customers on Preventing Water-Related Damage

At Travelers, we continually monitor industry and claim data to help us identify loss trends impacting our customers and potential customers. Based on these trends, we determined that losses associated with nonweather water damage have been on the increase over a number of years. In response, our Risk Control group partnered with teams from across the Travelers enterprise to create a public-facing education program.

Our [Home Water Damage Prevention](#) web content, interactive tools and videos—featuring the Advertising Research Foundation (ARF) Ogilvy Silver award-winning [Come Home Happy](#) campaign—help raise awareness of water-associated damage while providing homeowners with practical actions they could take to quickly and easily prevent it. In addition to helping people better protect their homes, this initiative has allowed us to deepen our relationship with our customers and communities.



INTELLIDRIVE®

Leveraging Telematics to Encourage Safe Driving

Our IntelliDrive® mobile-app telematics program allows customers to better understand their driving habits by collecting and assessing data on behaviors such as hard braking, rapid acceleration, speed, the time of day customers drive and distracted driving. Through this 90-day program, customers can influence their auto insurance price based on their driving habits. In most states, safe drivers can see savings of up to 30% on their auto premiums at renewal, while riskier driving habits may result in a higher premium. New customers who enroll in the program can receive savings of up to 10%, in most states, just for participating.

The *IntelliDrive* program, which was originally launched in 2017, is now available in 43 states and Canada. In 2020, Travelers introduced a number of significant enhancements to *IntelliDrive*. These changes included a completely redesigned *IntelliDrive* mobile app experience, based on agent and consumer feedback, which allows customers to more easily monitor driving performance on a newly enhanced dashboard, challenges drivers to put their phones down while driving with the new “Distraction-Free Streak” and gives users information on ways to be a safer driver. We introduced distracted driving as an additional scoring variable, thereby encouraging drivers to limit phone use when driving, and provide drivers with relevant content from the Every Second Matters campaign (see Related Resources). These changes, as well as an increased discount for enrolling and the potential for greater savings for safe driving, have helped to increase the *IntelliDrive* adoption rate.

Building on the success of the *IntelliDrive* program, in 2021 Travelers introduced *IntelliDrivePlus*™ in three states. *IntelliDrivePlus* is a continuous driving program that uses a smartphone app to capture data relating to driving behavior and miles driven and adjusts a customer’s rate based on how much they drive. By enrolling, new customers could save up to 12% on their car insurance policy’s first term. At renewal, safe driving habits can lead to savings of up to 30%, plus additional savings for lower mileage, while riskier driving and higher mileage could lead to higher premiums.

Leveraging telematics has been impactful for both our company and our customers. Our telematics program allows us to attract and retain safer drivers, more accurately price for higher-risk drivers and increase engagement with our customers. At the same time, participating in a telematics program gives customers the opportunity to influence their premiums while also obtaining real-time feedback and tips on safe driving.

- [Click here](#) to learn more about *IntelliDrive*.
- [Click here](#) to learn more about *IntelliDrivePlus*.

RELATED RESOURCES

- Travelers Institute® [Every Second Matters® Distracted Driving Campaign](#)
- *Travelers Institute* Webinar: [The Art and Science of Behavior Change](#)
- *Travelers Institute* Webinar: [An Inside Look at IntelliDrive, Travelers' Telematics Program to Encourage Safer Driving Behaviors](#)

WEDNESDAYS WITH WOODWARD®

WEBINAR SERIES

WEDNESDAYS WITH WOODWARD WEBINAR SERIES®

Thought Leadership Programming

At the start of the pandemic, the Travelers Institute® launched Wednesdays with Woodward®, a webinar series exploring pressing issues in our personal and professional lives during these uncertain times. These programs, which are open to the public and hosted by *Travelers Institute* President Joan Woodward, provide practical advice for our business partners, our customers and the communities we serve. Through the end of 2021, the *Travelers Institute* hosted 45 webinars, which had nearly 98,000 viewings in total.

Some recent programs include:

- [The fight against cybercrime](#) with Travelers President of Bond & Specialty Insurance Jeff Klenk.
- [Creating an innovation culture](#) with Travelers Chief Innovation Officer Kevin Smith.
- [Business transformation in a digital age](#) with Travelers Chief Technology & Operations Officer Mojgan Lefebvre.
- [The future of personal insurance distribution](#) with Travelers Field Sales Senior Vice President Loree Toedman.
- [The future of insurance and autonomous vehicles](#) with Travelers Personal Insurance President Michael Klein.
- [Underwriting for a “new normal”](#) with Travelers Chief Underwriting Officer Rick Keegan.
- [The connection between ESG issues and a company’s long-term success](#) with Travelers Chief Sustainability Officer Yafit Cohn.

The webinars are [available for replay](#) through the *Travelers Institute* website.

RELATED RESOURCES

- [Wednesdays with Woodward](#) homepage (sign up for *Travelers Institute* programming invitations here)
- Press Release: [Travelers Institute Announces Upcoming Webinars for 2021](#)
- Press Release: [Travelers Institute Announces Fall 2021 Virtual Programming](#)
- Press Release: [Travelers Institute Kicks Off Summer 2021 Virtual Programming with ‘The Future of Cities’ Webinar](#)
- Press Release: [Travelers Institute Announces Spring 2021 Virtual Programming](#)
- Press Release: [Travelers Institute Kicks Off 2021 Programming](#)
- Video: [An Introduction to Wednesdays with Woodward](#)
- Press Release: [Travelers Institute Launches New Webinar Series Offering Solutions to Current Business and Consumer Challenges](#)



PROTECTING PROPERTY THROUGH SMART & CONNECTED TECHNOLOGIES

Test and Learn of IoT Devices

Travelers is collaborating with customers to understand the potential benefits offered by a wide variety of Internet of Things (IoT) devices through a test-and-learn program in our Property and Boiler & Machinery businesses. The early detection of conditions or factors that can cause a loss can help customers avoid or mitigate claims and inform their operational practices. Some of the additional benefits our customers could potentially realize include cost savings, streamlining maintenance activities and achieving greater visibility into their operations.

We have a team dedicated to identifying potential IoT vendors for particular use cases, vetting the devices' design and construction, testing them at our Forensics Laboratory and offering them to customers for pilot use. Sample use cases include frozen pipes, water leakage, power monitoring, machine health, environmental issues (CO₂, humidity), pressure monitoring, and vibration and motion detection, among others. Through this work, we hope to establish relationships with leading IoT providers and enhance Travelers Business Insurance customers' experience and their ability to mitigate risk at their properties.



2021 TRAVELERS RISK INDEX

Understanding Cyber Risks

In 2021, the Travelers Risk Index, an annual national survey of approximately 1,200 business leaders, found that cyber risks are the No. 1 concern among all businesses. Business leaders are concerned about security breaches, system glitches and unauthorized access to confidential information. Nearly half of the respondents indicated that their company suffered a security breach—an increase of 40% in just one year.

Despite the heightened concerns and increased threats, many businesses remain unprepared and have not even implemented basic prevention measures, such as:

- Using multifactor authentication for remote access.
- Having a written business continuity plan.
- Having a cyber assessment for vendors' or customers' assets.
- Using endpoint detection and response.
- Having a post-breach team on retainer as part of an incident response plan.

[Click here](#) to see an infographic that summarizes the key findings from the 2021 Travelers Risk Index.

RELATED RESOURCES

- *Travelers Institute* Webinar: [Cybersecurity Playbook: Creating Your Checklist](#)
- *Travelers Institute* Webinar: [The Fight Against Cyber Crime—from Prevention to Prosecution](#)
- *Travelers Institute* Webinar: [Cybersecurity During the Pandemic](#)
- *Travelers Institute* Webinar: [Return to Work with Cybersecurity](#)



TRAVELERS INSTITUTE®

Cyber: Prepare, Prevent, Mitigate, Restore

Recognizing that education is critical to enhancing cybersecurity, the Travelers Institute has been promoting cyber awareness through a series titled *Cyber: Prepare, Prevent, Mitigate, Restore*®. The Institute has featured more than 40 educational programs—in person across the United States and Canada or virtually—convening leaders from the public and private sectors to share insights on preparing for, and responding to, evolving cyber threats.

The *Travelers Institute Wednesdays with Woodward*® webinar series has hosted four dedicated cybersecurity webinars through the end of 2021. In early 2020, the *Travelers Institute* promoted cybersecurity awareness at the New York Stock Exchange, hosting a symposium featuring speakers from the Federal Bureau of Investigation (FBI), the New York City Police Department's Intelligence & Counterterrorism office, Travelers and selected vendors. Agents and brokers attended these programs to educate themselves on how to better serve their customers and enhance their own cybersecurity.

These programs are opportunities for us to share our internal risk management expertise with the public and a platform for government officials to publicize regulatory requirements for data protection and highlight free resources. Past speakers include representatives from the U.S. Department of Homeland Security, Cybersecurity and Infrastructure Security Agency, U.S. Department of Justice, FBI and Federal Trade Commission. These events also provide an important value-add to key constituencies, such as agents and brokers, who partner with us to bring programs to their communities; Travelers customers; public sector organizations and municipalities; and the general public.

The *Travelers Institute* has also published a comprehensive educational [Cybersecurity Guide](#) for small and mid-sized businesses to help them understand and assess cyber threats and vulnerabilities. The guide is available for U.S. and Canadian businesses.

RELATED RESOURCES

- [Travelers Institute Cybersecurity Education Initiative](#)
- *Travelers Institute* Webinar: [Cybersecurity Playbook: Creating Your Checklist](#)
- *Travelers Institute* Webinar: [The Fight Against Cyber Crime—from Prevention to Prosecution](#)
- *Travelers Institute* Webinar: [Cybersecurity During the Pandemic](#)
- *Travelers Institute* Webinar: [Return to Work with Cybersecurity](#)
- *Travelers Institute* Webinar: [PATH to Reopening Your Business](#)
- Press Release: [Travelers Institute Celebrates 10th Anniversary by Ringing the Opening Bell® and Hosting Cybersecurity Symposium at New York Stock Exchange](#)
- Video: [Cybersecurity Symposium at New York Stock Exchange](#)
 - [Cybersecurity Guide Canadian Version](#)



CYBERSECURITY

National Cybersecurity Awareness Month

October is National Cybersecurity Awareness Month—a collaborative industry- and government-led effort to continue raising awareness around the importance of cybersecurity. In 2020, our Chief Information Security Officer kicked off National Cybersecurity Awareness Month internally with a video message to employees. The video announced the Cyber Rules of the Road theme of the 2020 campaign, highlighted the current cyber threat landscape and reinforced the critical role each employee plays in safeguarding information. The campaign also introduced the interactive, online Cyber Rules of the Road game for employees to test their cyber knowledge.

In 2021, the Travelers Institute®, the public policy division of Travelers, marked National Cybersecurity Awareness Month with an educational [webinar](#) for independent insurance agents and small to midsized businesses. The program, part of the [Wednesdays with Woodward®](#) webinar series, explored the fight against cybercrime and featured Jeff Klenk, President of Bond & Specialty Insurance at Travelers, and Edward Chang, cybercrimes prosecutor and Assistant U.S. Attorney for the U.S. Department of Justice. Our [2021 Travelers Risk Index](#) report found that cyber threats are the No. 1 concern across all businesses. Despite heightened cyber concerns, only 61% of participants reported feeling extremely or very confident in their companies' cyber practices. In addition, less than half of survey respondents have adopted basic preventive measures available to companies, such as multifactor authentication, and cyber attacks continue to increase both in frequency and severity. Travelers understands the complexity of cyber threats and continues to be proactive in addressing cyber concerns for business customers.

RELATED RESOURCES

- *Travelers Institute* Webinar: [Cybersecurity Playbook: Creating Your Checklist](#)
- *Travelers Institute* Webinar: [Cybersecurity During the Pandemic](#)
- *Travelers Institute* Webinar: [Return to Work with Cybersecurity](#)



NATIONAL CATASTROPHE CENTER

Catastrophe Planning and Response

Our National Catastrophe Center is the hub of our catastrophe response planning and event response efforts. Staffed by full-time Catastrophe Management professionals, this “command center” is equipped with state-of-the-art tools to actively monitor weather and claim trends, enabling us to quickly transform information into action.

Our Catastrophe Management professionals continually monitor and evaluate data from numerous sources. This allows us to plan and coordinate responses in a secure environment away from the disaster area. We track storm formations to identify developing weather patterns days in advance, enabling us to evaluate the potential impact for customers and, where appropriate, to stage event response resources before an event. After an event, we aggregate millions of data points from weather services to create event overlays for our proprietary geospatial tools to visualize an event against our customers’ locations. This data visualization and sophisticated use of layered geospatial insights enhances our overall operational intelligence and helps us deploy Catastrophe Claim professionals to the right place at the right time.

For example, we use our knowledge of the precise size of hail that impacts an area and the type of damage certain sizes of hail can cause in conjunction with our customer location data to assess the estimated severity of losses associated with hail damage. Our digital capabilities give us additional insight to help us determine the scope of an event and the best response strategy. We then layer in ultra-high-resolution aerial imagery to further assess property damage.

During an event with severe losses, such as a wildfire or tornado, we are often able to inform agents and customers of estimated losses before our Claim professionals are allowed into the impacted area. This also enables an earlier claim process, including advance payments, before our teams physically deploy to an area. For those customers with a significant or total loss, we can pull the pre-event imagery into our estimating software and generate a fully dimensioned 3D diagram of the building to immediately estimate the cost to rebuild.

The digital capabilities of our National Catastrophe Center, paired with the dedicated technical expertise of our Catastrophe Leadership team, generate an immediate understanding of the event magnitude and its estimated financial impact, helping our agents and customers prepare for, respond to and recover from disasters.

Command Center Technical Highlights

- 180-square-foot video wall projects real-time data and analytics from across Travelers and third-party sources.
- 1,100 square feet with seating for 50.
- Dual camera arrays for video conferencing.
- Dedicated data server and KVM (keyboard, video and mouse) switch control platform.
- Data capabilities, including:
 - Supercomputer weather model analytics.
 - Real-time notice of loss and escalation data.
 - Simultaneous real-time key performance metrics across multiple events.
 - Claim handling resource availability and deployment information.
 - Proprietary geospatial system.
 - High resolution post-event imagery.
 - Artificial intelligence imagery analysis.
 - Wildfire monitoring and response information.
 - Social media monitoring and analytics.
 - Real-time drone flight monitoring.
 - Multiple television news feeds.

[Click here](#) to take a virtual tour of the Catastrophe Operations Management Room in our National Catastrophe Center.



THE POWER OF TRAVELERS IS US

Exploring the Power of 30,000 People

We owe our success to Travelers' extraordinary talent. What underlies all our competitive advantages is our greatest asset—our people. The expertise of our 30,000 employees is particularly important in a rapidly evolving business landscape. Together, our employees drive our performance and fuel our ambitious innovation agenda.

We benefit from both the expertise of our long-tenured employees and the fresh perspectives of our new colleagues. To that end, we launched a campaign called “The Power of Travelers Is Us” so we could listen to our colleagues and learn from their diverse perspectives.

Here are a few examples of videos and articles associated with that campaign.



[The Power of Caring for Our Service Members:](#)



[The Power of Being True to Yourself:](#)



[The Power of Helping Drive Change](#)



[The Power of Respect](#)

The Power of Encouraging Development

Jason, an Engineer Advocate in Digital Enablement, believes that it isn't enough to learn a new skill. "It's just as important that an engineer is able to adapt that skill to Travelers," he says.

That's the tough process behind Development Days (Dev Days) ... and Hour of Code ... and Front-End Development Practice Area ... and Engineering Coaching Sessions.

Jason believes in collaboration as much as education. He partners with like-minded colleagues to create learning and development opportunities within Digital Enablement and with the broader engineering community at Travelers.

Dev Days, for instance, bring together engineers, architects, scrum masters, product owners and others to solve real business challenges. "Each participant," says Jason, "brings unique skills to the table in areas that others might not be as strong in or know as much about." He encourages participants to bring relevant use cases from their "day jobs" as examples to work through.

Like so many other events, Dev Days have gone virtual because of the pandemic. "We planned and completed the coaching sessions in person leading up to our event in March of last year," he says, "but we used Zoom for the Dev Day itself." The topic of that event was design thinking, a "people first" methodology for creating solutions.

It is not unlike Jason's own thinking – whether the people he's putting first are engineers he empowers or the agents and customers who ultimately benefit from the work being done in Digital Enablement.

Everyone benefits because at the end of the day, Jason sees his role as an opportunity to "help shape what the future of engineering is going to look like."

The Power of Restoring Freedom

As a clinical nurse and a captain in the Air National Guard, Latrik has always followed the military's advice to "be ready."

This past January, that meant she had less than a week's notice before leaving her husband, three children and her role as a workers compensation medical case manager in Travelers' Upper Midwest Claim Center to deploy to COVID-19 vaccination sites in Missouri. Her Travelers colleagues were very supportive, stepping in and offering to help in any way they could so that Latrik could go on assignment.

May honored both National Nurses Month and Military Appreciation Month, and Latrik says she celebrated by doing what she loves – serving. In her National Guard role, she is currently leading Task Force Freedom, a team that delivers vaccinations to senior citizens, homeless shelters, underserved neighborhoods and other populations who don't have easy access to the vaccine.

“It’s been an amazing experience,” says Latrik, “and I couldn’t be more excited about providing people with the ability to be with the loved ones they’ve wanted to see over the past year, and do everything else they enjoy doing.”

Latrik joined the Air Force in 1993 and then reenlisted in 2009 with the Missouri Air National Guard. She is assigned to the 139th Airlife Wing in St. Joseph, Missouri, alongside her husband, Marcus, a lieutenant colonel in the National Guard.

As she looks forward to going back to the job she’s held at Travelers for the past six years, Latrik reflects on how her roles in the military and at Travelers are actually very similar and require complimentary skill sets.

“In both roles, you are responsible for helping give people their freedom back – whether by vaccinating someone or by helping an injured customer return to work,” she says. “You are really a liaison and an advocate, and that’s true for me here with Task Force Freedom and at Travelers.”

The Power of Helping Us Return to Office Safely

Sarah, Operations Consultant, describes her role in Travelers’ COVID-19 response as being similar to a scrum master. “I serve on a cross functional team of leaders who are experts in their domains. My role is to pull people together and come out with an outcome or recommendation that takes the whole experience into account. It’s a mix of project management and execution and delivery, and involves a great deal of collaboration.”

Back in February 2020, the team was preparing technical infrastructure, getting laptops and other equipment ready for a potential work from home environment and trying to anticipate how the pandemic would affect employees (e.g., would it happen regionally?). In March, says Sarah, the focus turned to “making sure everyone was safe and productive in their work environment,” including worksite- and fieldwork-essential employees. And as early as June of last year, the team started thinking about what a voluntary – and, ultimately, broader – return to the office might look like.

“This role is so dynamic,” Sarah says. “Every day is different. Even if we’re talking about a similar topic – masks or vaccinations or social distancing – something in the environment is always changing so that we need to talk about it again.”

The most challenging part, she says, is that “this isn’t isolated to an office or a state. The work we’re doing on this cross-functional team affects the entire enterprise – U.S., Canada, UK, Ireland. We have to take into consideration what’s best for 30,000 employees and what’s best for the company. There are no clear, simple answers to the difficult issues we are trying to solve. We need to have confidence that we put forward plans that will keep Travelers strong and effective in the marketplace and make Travelers a place where people want to work and stay.”

Sarah has done all this while continuing to seamlessly execute her day-to-day accountabilities within Operations, part of which entails driving progress toward strategic initiatives across the function.

Whether talking about her responsibilities in Operations or her role in the enterprise’s COVID-19 response, Sarah continues to emphasize the importance of collaboration. Looking toward the broader return to the office, she says, “In our core team, we have representation from Claim, Communications, Human Resources, International, Legal, Real Estate, Security and Technology & Operations. To ensure that we keep pace with the marketplace as the environment changes, we also engage with key stakeholders across the enterprise – including leaders whose teams interact with our customers and distribution partners.”

When asked what she finds most rewarding, Sarah says, “I love all the small wins along the way, like the recent rollout of the voluntary return to office program in Canada, California and Oregon. And, most important, it’s knowing that our recommendations and plans are based on extensive research and data, and keep the health and safety of our employees top of mind.”

The Power of Developing Talent in the Field

In each of 11 regions across the United States, you will find a cohort of high-performing individuals in the field preparing to grow into broader leadership roles. Together, they are called the Field Development Group.

The program is like a partnership between regional business leadership and HR to help create a pipeline of leaders in customer-facing and internal areas like underwriting, sales and operations. They do this through a two-year, field-driven leadership development experience that includes classroom training, skill-building, e-learning and more.

The first group of over 200 participants graduated from the program in 2020. The next wave of emerging leadership talent will start the program late this year or early next year, following a curriculum focused on subjects such as leadership practices, strategic thinking, inclusive leadership and how to build key business relationships.

“This experience was invaluable in all aspects,” says Christine, who helped lead the Field Development Group program in the Central Region. “The highlight for me was forming new relationships with the other members. I am very grateful for the opportunity to have been part of such an amazing program.”

Jeff, with our Bond & Specialty Insurance team in New England, says, “The participants’ energy and engagement were amazing. They didn’t skip a beat even after we went to a fully virtual program earlier this year.”

Concludes, Jim, a senior leader in our Central and Great Lakes regions, “I was impressed by the participants’ sheer dedication to this multiyear program. I am very excited to see where this group goes.”

The Power of Advocating for Both Agent and Customer

The new business started as an opportunity for two lines – National Property and Commercial Account Group – for a large national real estate management company based in the Central Region. But the agent wanted all coverages with Travelers, and so Debbie, an Account Executive in National Property, took on the challenge of making it happen.

Debbie got our Commercial Account Underwriter, Kim, involved right away. At the last minute, Kim identified a coverage gap in the liability coverage and pulled in Chelsea, an Excess Underwriter to fill it.

However, that produced an additional cost, which put all lines with Travelers in jeopardy. Debbie worked with the agent to find a way to offset some of the cost to secure the deal and she and her team found additional credits on the Travelers side.

By listening to both the agent and the customer, Debbie, Kim and Chelsea helped bring in an important new piece of business.

“I’ve worked with this agent for many years,” says Debbie, “going back to before I came to Travelers. It was great to work with this agency again, and our long-standing relationship was a critical piece in a successful outcome for Travelers, the agent and the insured.”

The agent wrote to Debbie: “Working with you and your Travelers team to place this client with your company was made so easy, due to the knowledge and experience of the entire Travelers group that you work with. You and Kim working together to communicate so well as we moved through the process was a key. As you know, there are many pieces and many questions that arise with a client like this, and your ability to respond and give answers quickly really mattered. Having your team working as a unit, with a primary connection with you and Kim, really did help with the flow.”

The client could not be more pleased with the Travelers experience, from the start to placement, then the onboarding with loss control and claims – which, collectively, gave them a comfort that they had made a good partner choice for their future. Travelers’ ability to handle the bulk of this client’s needs, with all contacts primarily coming out of a single local office, also made it much easier.

“Deb, my sincere thanks again to you, Kim and the rest of your team for making this happen. You were all very professional, and everything was done with excellence, start to finish!”



SHE TRAVELS®

Advancing Women's Careers in Insurance

As part of our commitment to *lead the industry in advocating for women in insurance*, we developed a program called SHE Travels®—named to highlight Travelers' support of the positive momentum of women in our industry. *SHE Travels* has three priorities:

- Raise awareness of insurance as an attractive career opportunity for women.
- Promote professional development for women already in the industry.
- Facilitate effective networking and mentoring for those women.

At the heart of *SHE Travels* is a series of Women's Leadership Forums focused on topics for advancing women in the workplace. Since the program's inception in 2018, more than 5,000 Travelers agents and employees have participated in 40 live and virtual events across the country, discussing topics such as modern mentoring, career advancement and work-life integration in a COVID world.

In honor of International Women's Day 2020, we launched our *SHE Travels* LinkedIn group—an online professional community for women and allies, where our colleagues and agency partners can learn from and support one another. The group helps to facilitate meaningful conversations and connections and has grown to over 3,500 participants. We also have a *SHE Travels* video series where women share their stories about how smart risk-taking helped them advance their careers. Through *SHE Travels*, we hope to empower our people, shape our culture and pave the way for all women who do and will work at Travelers.

[Click here](#) for a video about our *SHE Travels* events.



ENHANCING OUR COMMITMENT TO PEOPLE WITH DISABILITIES

Fostering a More Inclusive Workforce and Changing Lives

As part of our commitment to fostering an inclusive workplace where all employees can develop and thrive, Travelers has partnered with a number of groups to focus on individuals' abilities, rather than their disabilities.

In 2018, we joined the Autism @ Work Employer Roundtable—a collection of cross-industry employers committed to promoting the inclusion of people of all abilities in the workforce. These companies share best practices for hiring and the workplace and help other companies see the return on their investment in hiring people with autism.

We also partner with local nonprofit organizations, such as Lifeworks and Viability, to provide job training placement programs for individuals with disabilities. These partnerships have allowed Travelers to help people with disabilities find financial security, gain independence, build confidence and, most importantly, feel empowered and valued for the skills and perspectives they bring to work every day. As program participants have noted, the program can be life changing. In 2019, Lifeworks, a Minnesota nonprofit that provides support to individuals with disabilities, recognized our commitment to this work by naming Travelers its [Employer of the Year](#). We have been partnering with Lifeworks for more than 20 years.

Broadening our diversity efforts to include people with disabilities has a positive effect on our workplace as well. These programs have given us access to previously untapped sources of employee talent and are helping us meet our business needs in an efficient and effective manner, while meeting a crucial need for our communities.

Based on our belief that organizations thrive when they tap into the unique talents of their employees and that individuals thrive when they can bring their best selves to work, we are also a member of the Disability: In Neurodiversity @ Work Employer Roundtable. As a member, we join other employers in our shared commitment to neurodiversity-focused hiring.



COMMITTED TO MILITARY VETERANS

Supporting Those Who Serve

When Travelers signed a national Employer Support of the Guard and Reserve Statement of Support in 2016, we reaffirmed our passion to foster a military-friendly culture, and we committed to hiring and supporting our nation’s service members. In the years since, we’ve followed through on our promise to support veterans—so much so that Travelers has been named a Military Friendly Employer and Company and a “Best for Vets” company by different organizations multiple times. Our commitment to and appreciation for our military heroes are evidenced by our prominent and permanent “Wall of Heroes” display at our Hartford campus, which honors Travelers employees who are military veterans or are currently serving the country.

We count the following organizations as valued partners in supporting veterans:



Casey Neff, who leads the Training and Development Group in Personal Insurance and concluded his 25-year career in the U.S. Army in 2007, helps other military veterans transition to civilian careers at private sector companies through American Corporate Partners (ACP). This year, we are celebrating our 11th anniversary partnering with ACP, which helps returning U.S. veterans and spouses of active duty military personnel connect with mentors in the private sector. Since 2011, more than 200 Travelers volunteers have been involved in more than 600 military mentorships. “About five of every six jobs in the military have direct private sector or civilian correlations,” said Casey, “whether that is in logistics, planning, technology, HR or other functions. It’s a privilege to talk to these individuals and help them translate those skills and accomplishments into something that the right civilian employer is going to find meaningful.”

In 2020, Travelers joined the Department of Defense Military Spouse Employment Partnership. Through this partnership, the company has already hired a number of military spouses, many of whom, while highly talented, had been having difficulty finding job opportunities because of their military lifestyle. The *Travelers Institute* has also highlighted the importance of [recruiting military spouses](#) in a Wednesday with Woodward® webinar series event that included speakers from leading military support organizations. Importantly, our commitment to our nation’s service members and their families is meaningful to our employees, who feel proud to be part of a company that advocates for those who serve. “Travelers really took care of me before, during and after my deployment,” said Mark Lear, Regional Vice President of Bond & Specialty Insurance—Midwest Region, who needed help determining how his deployment affected his employment and benefits. “Our company truly goes out of its way to support service members.” Travelers is also a sponsor of Operation Shower, a baby shower for expectant military mothers that takes place annually as part of the Travelers Championship® golf tournament.

Travelers also partners with the Institute for Veterans and Military Families to host career readiness programs and workshops that help veteran small business owners sustain and grow their businesses.



FOSTERING INCLUSION

Supporting Transitioning Employees and Gender Inclusivity

We believe that providing a work environment based on respect, trust and collaboration creates an exceptional employee experience where employees can bring their whole selves to work and thrive in their careers. Travelers is committed to providing a positive, respectful environment for employees who are going through, are considering going through or have gone through the gender transition process. Our health insurance benefits provide coverage for transitioning employees enrolled in a Travelers medical plan and their eligible family members.

Many in the LGBTQ+ community strive to have their gender identity recognized, and language standards regarding gender pronouns (e.g., she/her/hers, he/him/his) have been evolving as people express pronouns that reflect their innermost concept of self as male, female, a blend of both or neither. Our health insurance benefits provide coverage for employees and their eligible family members who are transitioning. This includes coverage for professional counseling, hormone therapy and, if clinically appropriate, gender reassignment surgery. We provide guidelines and best practices for transgender and gender nonconforming employees as well as for their HR professionals, managers and co-workers. The guidelines also cover how to address customers and clients.

Many in the LGBTQ+ community strive to have their gender identity recognized, and language standards regarding gender pronouns (e.g., she/her/hers, he/him/his) have been evolving. At Travelers, employees are given the option of expressing their gender/gender-neutral pronouns in their email sign-off or in the Travelers signature template.



SYMPOSIA FOR STUDENTS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Inspiring the Next Generation of Job Seekers

Among our efforts to help inspire the next generation of job seekers, in 2019, we hosted more than 50 students from the Howard University School of Business during the school's week-long Financial Services, Insurance and Risk Management (FIRM) Symposium in New York City. In partnership with our Black/African American & Allies Diversity Network (BAADN), local leaders and our leadership development program associates, we offered an interactive presentation to help students hone their networking skills, better understand the future workplace and become enthusiastic about a potential career at Travelers. "The learning process is a lifelong journey, and this is the next generation of leaders in our industry," said Hansford Johnson, Assistant Vice President for Enterprise Diversity & Inclusion at Travelers. "The goal in partnering with Howard University is to create a meaningful experience that encourages each student to return to campus even more energized to enter this industry and make their mark."

In 2020, Travelers was the title sponsor for the inaugural I.M.P.A.C.T. Next Generation Insurance Career Symposium. The first-of-its-kind virtual event was designed to inform and empower 150 students from historically Black colleges and universities (HBCUs) to impact the insurance industry. Travelers employee Brittani Austin shared her background and professional experiences through a series of workshops, networking roundtables and topical presentations.

In 2021, Travelers partnered with the National African American Insurance Association to host two industrywide virtual events, titled "Black Equity: Ensuring the Talent and Leadership Pipeline." Focusing on the importance of leadership development, the first session, held in April, highlighted programs like Hartford Youth Scholars, INROADS, Page Education Foundation and Posse as exemplary organizations that create opportunities in the insurance and financial services industry for underrepresented early-career professionals. The session also featured a panel of Travelers leaders who attributed their professional success to these programs and continue to pay it forward as advisory board members and mentors. The second session, held in November, focused on the advancement of experienced Black professionals within the industry, highlighting Management Leadership for Tomorrow and its unique programs dedicated to preparing Black and Hispanic/Latino professionals for senior leadership roles.



METROPOLITAN ECONOMIC DEVELOPMENT ASSOCIATION PARTNERSHIP

Helping Minority Entrepreneurs Succeed

For nearly 50 years, Travelers has partnered with the Metropolitan Economic Development Association (Meda) to provide one-on-one business consulting, access to capital and connections to market opportunities for minority entrepreneurs in Minnesota. Through these services, minority-owned businesses can become sustainable employers that create quality jobs with livable wages and health care benefits. In addition to providing an annual operating grant, Travelers participates on Meda's board of directors and has hosted Meda's annual Million Dollar Challenge for Minority Entrepreneurs.

Travelers has been a longtime financial supporter of the organization, providing more than \$300,000 in support over the past 10 years.



MINORITY BUSINESS DEVELOPMENT INSTITUTE PARTNERSHIP

Helping Minority- and Women-Owned Contractors

Starting in 2012, Travelers and the Minority Business Development Institute (MBDI) partnered to help small minority- and women-owned contracting firms—underserved segments of this market—become bonded, which can increase their sustainability and success. Rather than waiving surety bond requirements, MBDI believes that education and one-on-one advisory consulting services will create sustainable minority- and women-owned contractors. Travelers participates on MBDI’s advisory board and has presented educational content to more than 250 minority- and women-owned contractors.



DEVELOPING A MORE DIVERSE PIPELINE OF ACTUARIAL TALENT

Our Work with the International Association of Black Actuaries

For more than a decade, Travelers has worked closely with the International Association of Black Actuaries (IABA), a professional and student member organization whose mission is to increase representation of Black actuaries in the profession and influence their successful career development, civic growth and achievement. By participating in IABA networking events, mentoring IABA members and helping Black actuarial students transition to the insurance industry by securing internships or entry-level roles, Travelers is building a more diverse talent pipeline and fostering diversity and inclusion within the actuarial profession and within Travelers.

Joycelyn Aryeetey, a participant in the Travelers Actuarial Leadership Development Program, is a proud model of the relationship's success. "The IABA organization has been a great resource for me as a Black actuary," she notes. "I can confidently say that I am an actuary today because of the guidance of the IABA and the support of companies like Travelers."

Travelers is proud to continue its engagement with the IABA and continues to look for ways to increase diversity among its ranks, within and beyond the actuarial profession.



OFFICE RENOVATIONS

Boost Engagement and Save Energy

Starting in 2016, Travelers piloted a new open office configuration at our main campus in Hartford, Connecticut, to promote employee engagement and collaboration. Based on positive employee feedback from the pilot program, we decided to implement the new workspace environment at additional Travelers office locations across the United States.

The new layout promotes employee well-being and productivity by incorporating:

- Increased natural lighting.
- Universal sit/stand workstations.
- More collaborative workspaces.

As of year-end 2021, we have new, more collaborative workspaces for more than 15,000 of our employees. In addition to making the office space more conducive to collaboration, the redesign includes LED lighting upgrades and more efficient HVAC systems, which reduce the total energy required to run our buildings. The open design provides a sense of spaciousness though it actually reduces the square footage required per employee, further minimizing our physical and environmental footprint. Upon the project's completion, we anticipate reducing the square footage. U.S. portfolio by approximately 30%. We have achieved half of this reduction as of year-end 2021.

The new workspace redesign in our U.S. offices is in full swing. As of year-end 2021, we have completed the renovations at our Hartford campus and renovations to field offices are approximately 60% complete. We will continue to update our field locations as office space or business needs change.

Environmental Benefits

- Reducing our real estate footprint and improving our operating efficiencies help us lower our energy and greenhouse gas emissions intensity. At year-end 2020, our largest owned campus (based in Hartford, Connecticut) achieved a 60% reduction in energy consumption compared with a 2006 baseline. We anticipate that the renovations in the rest of our real estate portfolio will further reduce our total energy use.

Travelers Benefits

- The workspace redesign aims to increase employee collaboration and engagement, which play a role in employee well-being, retention and productivity.
- Reducing our real estate footprint and improving operating efficiencies reduce overhead expenses and will help offset future real estate cost increases.



REDUCING NONESSENTIAL TRAVEL

Encouraging Eco-Friendly Commuting and Video Collaboration

To minimize the environmental impacts of commuting, Travelers offers programs that allow employees to pay for transit expenses with pre-tax dollars. At our Hartford office, we estimate that, prior to the pandemic, up to 20% of Travelers employees primarily commuted using public transportation. We also offer parking incentives for carpoolers and operate a vanpool with free parking at the pickup location. In early 2020, we began a pilot program to provide electric vehicle charging stations for employees at our Hartford, Connecticut, campus. With a successful pilot program now complete, Travelers will proceed with the installation of electric vehicle charging stations at all owned locations in the Hartford market.

We are also an advocate of bicycling to work. As part of our Bike to Work program, we provide bike racks and free parking for bicycles as well as showers and lockers in some locations. The League of American Bicyclists' Bicycle Friendly Business program has awarded Travelers designations for the bicycling programs in our two largest employee locations: Hartford, Connecticut, and St. Paul, Minnesota. Travelers first received this distinction in 2015 and has received it every year since.

We continue investing in remote collaboration tools like video-enabled conference rooms to reduce nonessential business travel. Some of our recently renovated offices include sharable desk space, which offers flexibility to work remotely, as appropriate.

Environmental Benefits

- By promoting and supporting the use of public transportation and ride-sharing, Travelers directly reduces GHG emissions from employee commuting.
- Video collaboration helps to reduce nonessential business travel—business travel is one of our primary sources of Scope 3 GHG emissions.

Travelers Benefits

- Commuting programs are an integral employee benefit in some of our locations; they play a role in our benefits aimed at employee attraction and retention.
- Eliminating nonessential business travel helps to lower our operating costs.



GREENING CLAIMS

Monitoring the Environmental Impact of Our Vehicle Usage

Travelers maintains a fleet of vehicles operated by Claim and Underwriting professionals that spend substantial time on the road. We work to minimize the number of vehicles and continually strive to collaborate with car manufacturing companies to continue transitioning our fleet to more efficient vehicles/engines. The mobile combustion emissions related to claim services and CAT response vehicles fluctuate with the number and severity of claims and natural catastrophes that we respond to in a given year. Prompt, safe and effective claim service remains our top priority.

Many of our recent efforts to improve our claim service also create opportunities to reduce our emissions intensity. These efforts, described in further detail under [Innovative Products & Services](#), include:

- **Virtual Inspections.** Implementing virtual claim tools allows customers to share photos and videos to file a claim. This can speed claim payments and also reduce miles driven by our Claim fleet.
- **Drone Use.** Deploying drones to inspect roof damage improves the customer experience while eliminating safety hazards and emissions associated with roof inspections.



MAKING MENTAL HEALTH A PRIORITY

A Focus on Life Balance and Mental Health

In the spirit of supporting employees' total well-being, we continue to foster a culture that encourages them to seek help through our employee assistance program, called Life Balance. U.S. employees and their family members have 24/7 access to Life Balance services and resources, including five free sessions of professional counseling; counseling through digital and text-based applications; and personalized mentoring over the phone from a life coach. Similar services are available to our employees in Canada and Europe. Life Balance also offers advice on how to manage working from home with kids and support resources for daily life needs such as finding child care or tutor services.

Throughout the pandemic, we continued to promote our mental health resources, including those focused on mindfulness, stress reduction and resiliency. Additionally, the Travelers Institute®, the public policy division of Travelers, highlighted mental health issues externally through its webinar series [Wednesdays with Woodward®](#). The series explores personal and professional issues impacting our agents, our brokers, our customers, our employees and the communities we serve. The series explores personal and professional issues impacting our agents, our brokers, our customers, our employees and the communities we serve.

RELATED RESOURCES

- *Travelers Institute* Webinar: [Resilience in Times of Uncertainty](#)
- *Travelers Institute* Webinar: [Emotional and Social Reintegration in the Age of COVID-19](#)
- *Travelers Institute* Webinar: [Leading Through Crisis: A Conversation with Team Rubicon Co-Founder & CEO Jake Wood](#)



TRAVELERS INSTITUTE

Travelers Institute University Tours

One way Travelers distinguishes itself as a prospective employer is by proactively engaging on public policy issues that impact the insurance industry through the Travelers Institute. As one example, the *Travelers Institute* partners with university risk management and insurance programs to bring the [Every Second Matters®](#) distracted driving symposium series to campuses across the United States and Canada. The program raises awareness about the dangers of distracted driving and promotes safe driving. It also highlights the relevance of this issue to the insurance industry and challenges insurance leaders to leverage data and technology to address distracted driving and help save lives.

Gamma Iota Sigma, an international business fraternity for students of insurance, risk management and actuarial science, is a key recruiting relationship for Travelers, and the *Travelers Institute* regularly partners with its chapters to host events on their campuses and has presented at Gamma Iota Sigma's international and regional conferences.

Similarly, in the past, the *Travelers Institute* has traveled to universities to raise awareness about the U.S. national debt and its implications for the American economy. As the presenting sponsor of the PBS documentary "[Overdraft](#)"—a nonpartisan look at the growing national debt and its impact on individuals and U.S. economic competitiveness—the *Travelers Institute* hosted an educational symposium series between 2012 and 2014 that featured 80 screenings of the film for groups across the country.



INNOVATION IN WORKERS COMPENSATION RECOVERY

Finding Innovative Ways to Manage Workers Compensation-Related Injuries

Workplace injuries that lead to chronic pain can cause ongoing issues, as an injured employee may mask pain with opioids or other drugs. To help solve this problem, Travelers continues to invest in programs designed to aid in the recovery process and provide alternatives to opioid prescription.

Using a biopsychosocial approach to claim handling helps us understand, identify and acknowledge the many factors involved in an individual's recovery after an injury or illness. The application of this approach engages injured employees in managing their recovery, leading to a reduction in chronic pain and unnecessary medical treatments, increasing the likelihood of returning to work as soon as medically appropriate. Additionally, we provide our Claim and medical professionals with training to recognize recovery barriers and tools to support the injured employee in overcoming these challenges. As we expand our capabilities, we are implementing a support and training app for injured employees to help build resilience through self-care exercises.

Combining our existing and emerging tools, our approach fosters engagement, facilitates medical care and streamlines the claim process, leading to faster recovery times. These initiatives highlight our focus on finding innovative ways to help customers maintain a safe workplace and manage work-related injuries.

Other innovations include our [CustomCareSM program](#), our [ConciergeCLAIM[®] Nurse program](#), our [Early Severity Predictor[®]](#) model, [MyTravelers[®] for Injured Employees](#) and our [risk management services](#).

In addition, in November 2021, the Travelers Institute[®] hosted a public program on the pandemic-era opioid crisis, which examines employer-led interventions that can support better health outcomes for employees. [View the program here.](#)



INNOVATION FOR SAFETY

Leveraging Technology to Improve Worker Safety

Wearables Technology

Travelers Risk Control is working with select vendors, such as Triax Technologies, to explore the potential safety benefits of using wearable devices at construction sites. Triax provides workers with an unobtrusive wearable device that enables faster response times to suspected injuries with real-time, worker-generated safety notifications that include the worker's location. The Internet of Things (IoT) device also includes smart evacuation and muster functionality and provides insights into worker risk key performance indicators and behavior analytics. Additionally, it offers other safety and workforce management benefits, such as identifying individuals entering the worksite with expired OSHA training and using other coded data to identify work areas with a high density of workers who are most at risk of injury.

AI-Assisted Ergonomic Assessments

Travelers is the first insurance carrier to offer its business customers virtual and on-site ergonomic assessments, supported by artificial intelligence (AI) technology. Our technology first analyzes a video of a worker performing a task to identify movements and postures that could cause injury. The software then quantifies the risk and produces a report that helps a Travelers ergonomics professional develop consultative solutions that help keep workers safe.

Musculoskeletal disorders, often caused by poor workstation design, can lead to serious health issues that can impair an employee's ability to perform certain tasks or require them to take time off to recover. By using AI-assisted ergonomic modeling, we can help reduce the time spent assessing problems from days to hours, enabling our specialists to focus their attention on developing tailored workplace improvements that can help our customers reduce the risk of workplace injuries and related costs.

Virtual Visit

Using Virtual Visit, a conferencing tool developed by Travelers, our Risk Control consultants can take a virtual tour of a customer's facility while talking to the customer using the camera on the customer's smartphone. This solution allows our consultants and customers to focus on specific risks related to employee safety, processes and facilities when an on-site presence is not possible.



INVESTMENT IN KITTYHAWK

Enhancing Our Drone Program

Today, we are one of the largest commercial users of drones in the United States, with approximately 600 FAA-certified drone pilots and more than 84,000 completed flights since the program's inception. As our drone program has grown, so too has the task of managing compliance and safety requirements, as well as the opportunity to leverage the data we gain. Kittyhawk has supported the growth of our drone operation by streamlining the data, hardware and software into one single system of record.

Travelers has made a strategic investment in Kittyhawk, the market leader in enterprise drone operations software and an organization we had been partnering closely with for some time. The investment has further enhanced our position as an industry leader in the use of drone technology.

We began using drones in 2016 to inspect roofs of residential and commercial properties in everyday claim situations, as well as in response to catastrophes, enhancing the customer experience by expediting inspection, payment and repair while improving the safety of our Claim and Risk Control professionals by reducing the need to climb roofs and enter potentially hazardous areas.



CLAIM UNIVERSITY

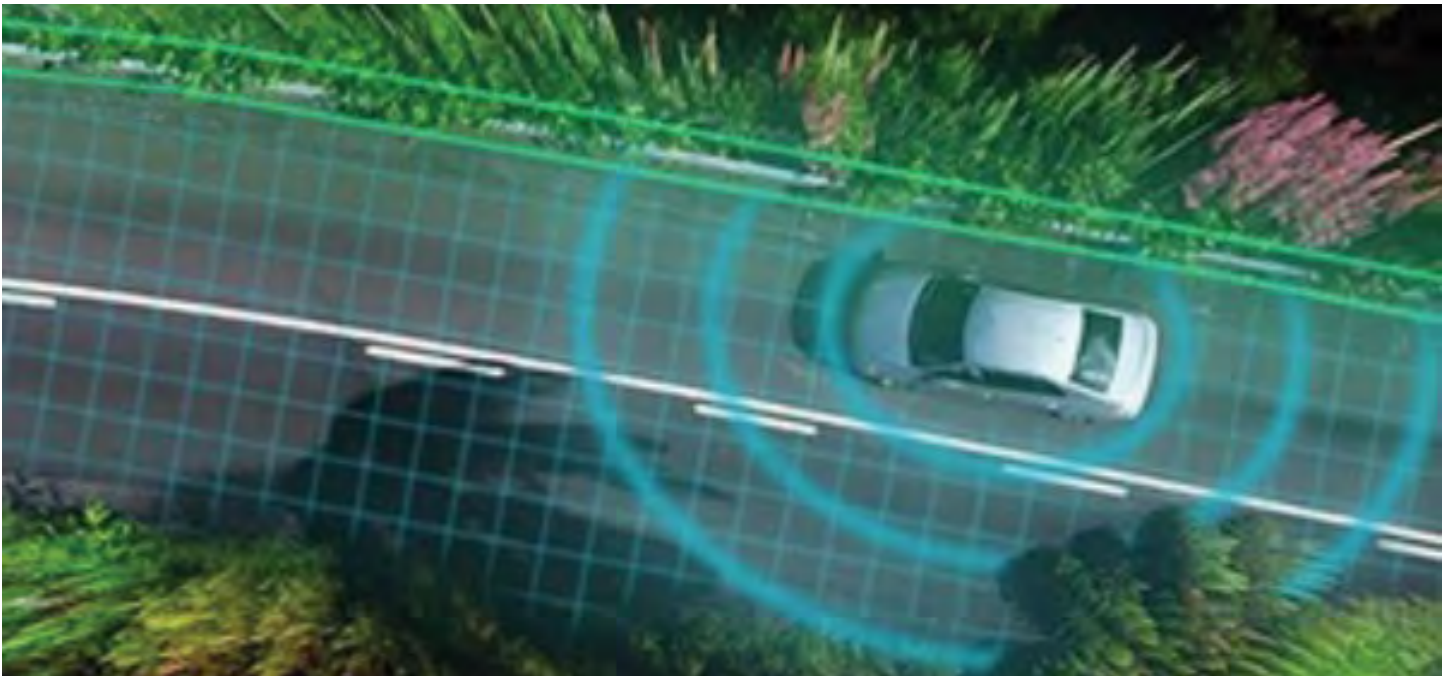
Training World-Class Claim Professionals

Travelers [Claim University](#) is our state-of-the-art training and skills development facility for our Claim professionals. Opened in 2007, it is a symbol of our commitment to our employees and our customers.

Claim University provides impactful, skill-based training to Claim professionals to make sure they are equipped to provide knowledgeable, empathetic and efficient claim service to our customers. Claim University's team of learning professionals and subject matter experts prepare Claim professionals through a variety of teaching methods, including traditional and online classrooms, hands-on experience in auto and property labs, and digital media.

The 175,000-square-foot facility contains automobiles and heavy equipment such as cranes, backhoes and bulldozers. It also contains two fully furnished homes, building mechanical systems and a medical lab. Claim professionals use these resources as they learn how to efficiently identify damage and accurately estimate the cost of repairs. Claim University uses a centralized approach to developing training that allows our Claim employees from all over the world to develop new skills and expand existing ones.

[Click here](#) to take a virtual tour of Claim University.



TRAVELERS INSTITUTE®

Insuring Autonomy—Autonomous Vehicles

The autonomous vehicle (AV) industry has grown significantly in the last several years. As a company, we believe AVs ultimately will benefit society by reducing the number of crashes, injuries and lives lost.

That said, public policy questions and challenges with AVs continue to arise. We believe those questions and challenges must be addressed in a comprehensive manner that increases public safety, provides peace of mind, protects drivers and pedestrians, and spurs innovation.

As a longtime leader and innovator in both commercial and personal auto insurance, Travelers is well-positioned to contribute to this discussion. We are committed to being part of the insurance solution for risks associated with AVs and are actively underwriting such risks in the commercial market. In fact, we have an enterprise working group dedicated to monitoring and assessing the potential impacts and risks of AVs across our business units.



Our Position on AVs and Insuring AVs

As a leading auto insurer, Travelers plays a central role in the conversation about the future of transportation and mobility. The Travelers Institute® recently released an updated position paper titled [Insuring Autonomy: How auto insurance will lead through changing risks](#), as well as a companion edition for Canada. This position paper offers our company's perspective and recommendations on important public policy issues related to AVs.

Our position paper makes the following key points, among others:

- **Auto insurance can—and will—meet society’s needs in an AV world:**
 - Travelers believes that leveraging the existing automobile insurance structure, both commercial and personal, is the best method for compensating crash victims quickly and efficiently—now and in the future.
 - The current insurance structure is already designed to adapt to evolving risk environments and would minimize regulatory uncertainty, market disruptions and consumer confusion.
 - Continuing to rely on auto insurance for coverage, regardless of vehicle type, will also help to ensure consistency during the period in which AVs and driver-operated vehicles share the road.
 - Whether a vehicle is autonomous or driver operated, auto insurance offers vehicle owners the most peace of mind when it comes to other concerns such as weather damage or theft.
- **There are several critical insurance-related components for AV regulation:**
 - Any proposed legal and regulatory framework governing AVs must include provisions specifically related to auto insurance.
 - Vehicle owners should be required to purchase and maintain adequate insurance for their AV, whether it is a personal, ride-hailing or company-owned vehicle. Coverage limits should be high enough to account for more expensive technology in AVs.
 - The insurance industry should play a central role in AV policymaking and stakeholder discussions. Local, state and federal lawmakers and regulators must coordinate and seek input from all relevant constituencies to ensure a consistent, rational regulatory framework that addresses all potential issues.
 - Travelers would support the development of a model state law relating to AV insurance that builds on the current state-based regulatory and oversight structure for auto insurance.
 - Travelers engages in coalitions that help educate the public and make recommendations on AV-related issues. Insurers have extensive consumer communications programs and can help educate key groups on AV safety.

Watch Joan Woodward, President of the *Travelers Institute*, discuss new insights from the position paper in [this video](#).

Additional Public Policy Leadership

In addition to sharing our perspective through the Insuring Autonomy position paper, we engage on AV-related issues as a member of the Advanced Vehicle Technology Consortium at the Massachusetts Institute of Technology, the Center for Automotive Research at Stanford and the Partners for Automated Vehicle Education (PAVE) coalition, including PAVE Canada. These organizations work to strategically advance research and public information about automated vehicle and driver assistance technologies.

In 2021, the *Travelers Institute* also hosted a series of webinars exploring automated vehicle technologies featuring Travelers leaders, government regulators, researchers and safety experts, including a former member of the National Highway Traffic Safety Administration. Moreover, prior to the pandemic, the Institute held numerous in-person programs that included partners such as the Traffic21 Institute at Carnegie Mellon University and the RAND Institute for Civil Justice. Travelers experts regularly speak in public forums about AVs and the related insurance implications. The discussion of AVs is also incorporated into the *Travelers Institute* [Every Second Matters](#)[®] symposia, exploring how the advent of autonomous technologies impacts driver distraction.

We look forward to continuing to work with policymakers and other stakeholders to develop AV insurance policies and regulations that make sense for and benefit this growing industry and our consumers.

RELATED RESOURCES

- United States AV Programming
 - [Insuring Autonomy Position Paper](#)
 - Press Release: [Travelers Releases Position Paper on Insuring Autonomous Vehicles](#)
 - Webinar Replay: [On the Horizon: The Future of Autonomous Vehicles](#)
- Canadian AV Programming
 - [Canadian Insuring Autonomy Position Paper](#)
 - Press Release: [Travelers Outlines Framework for Autonomous Vehicle Insurance in Canada](#)
 - Webinar Replay: [On the Horizon: The Future of Autonomous Vehicles](#)
- Press Release: [Travelers Joins Automated Vehicle Coalitions in Shaping the Future of Transportation](#)
- Press Release: [Travelers Institute Teams Up with Carnegie Mellon University and RAND Corporation to Host Automated Vehicle Symposium](#)



CUSTOMCARESM AND WORKERS COMPENSATION INJURY RECOVERY

Enhancing the Experience of Injured Employees

CustomCareSM offers a claim management process designed to create a better balance between digital self-service and personal human connections throughout an injured employee's workers compensation claim experience.

By using multiple engagement tools, we empower injured employees to better manage their recoveries, leading to lower disability duration and increased satisfaction for the injured employee and lower claim costs for us. As a result of investments in new technologies and capabilities, we were able to continue uninterrupted support for injured employees despite challenges related to the pandemic.

Our dynamic tool, Virtual Visit, enables Claim and nurse professionals to conduct real-time video chats with employers, medical providers and injured employees to discuss matters pertaining to the recovery process. These virtual face-to-face interactions can help identify potential issues that may not be easily discovered during a traditional telephone call, such as signs of an infection or an improperly applied splint. The TravCare[®] Nurse Line allows injured employees to receive medical guidance from a nurse, who can recommend the appropriate level of care immediately following a workplace injury. Telemedicine programs, including telerehab and virtual independent medical examinations, connect injured employees with health care providers for diagnosis and treatment. These and other virtual care offerings have also empowered our teams to ensure seamless delivery of care to injured employees.

These programs, along with our focus on [engaging and supporting injured employees](#), help customers maintain a safe workplace and manage workers compensation-related risks and challenges. Some of these challenges, addressed by our Chief Medical Director, Dr. Marcos Iglesias, include [emotional and social reintegration in the age of COVID-19](#) and [suicide prevention in the construction industry](#).

Other examples of how we aim to improve injured employee engagement include our [ConciergeCLAIM[®] Nurse program](#), our [Early Severity Predictor[®]](#) model, [MyTravelers[®] for Injured Employees](#) and our [risk management services](#).



TRAVELERS INSTITUTE®

Distracted Driving—Every Second Matters

The Travelers Institute®, the public policy division of Travelers, launched the [Every Second Matters®](#) education campaign in 2017 to help combat distracted driving. That year, more than 37,000 people died on U.S. roads, marking the end of a two-year period (2014-2016) that saw the highest rate increase in traffic fatalities in more than 50 [years](#)^[1]. Since that time, with the onset of the COVID-19 pandemic, risky driving behaviors have continued to have deadly consequences. Despite miles driven decreasing by about 13% in 2020, U.S. traffic fatalities are estimated to have increased by about 7% over 2019^[2]. As an industry leader with extensive claim insights into auto collision trends, Travelers is taking a leadership role in addressing distracted driving.

The [Every Second Matters](#) campaign recognizes that every driver, passenger, cyclist and pedestrian has a role to play in combating distraction—such as texting while driving—and enhancing roadway safety. The *Travelers Institute* has hosted educational programs at universities and in communities across the United States and Canada. *Travelers Institute* staff have also highlighted the topic at transportation safety conferences, including the Lifesavers Conference and DRIVE SMART Virginia's Distracted Driving Summit, as well as at insurance industry conferences, such as the National African American Insurance Association's Annual Conference, the Cottingham & Butler Transportation Summit and various Gamma Iota Sigma conferences. In 2021, the *Travelers Institute* continued raising awareness about the dangers of distracted driving through virtual presentations in the [Wednesdays with Woodward®](#) webinar series.

Every Second Matters stands on three key principles:

- Creating a **social stigma** so drivers feel embarrassed to drive distracted.
- Increasing understanding about **situational awareness** by all roadway users, including elevating the conversation about **pedestrian and cyclist safety**.
- Examining scalable **technology** and **insurtech solutions**.

[1] U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA), 2017 Fatal Motor Vehicle Crashes: Overview, October 2018; NHTSA, 2016 Fatal Motor Vehicle Crashes: Overview, October 2017.

[2] U.S. Department of Transportation, NHTSA, 2020 Fatality Data Show Increased Traffic Fatalities During Pandemic, June 3, 2021, available at www.nhtsa.gov/press-releases/2020-fatality-data-show-increased-traffic-fatalities-during-pandemic.

The campaign explores the latest approaches to help combat distracted driving, including how technology, which often contributes to distraction, can offer solutions to reduce distracted driving. In engaging thousands of people in this campaign, we are hoping it will convince people to put down their phones while driving. If it saves even one life, it'll have been worth the effort.

Key Activities

- **Symposium Series.** The *Travelers Institute* has engaged policymakers, researchers, students, independent insurance agents and others through an educational symposium series throughout the United States and Canada, and virtually. In total, the *Travelers Institute* has held 90 events since the series launched in 2017. Speakers have included representatives from the RAND Institute for Civil Justice, the National Highway Traffic Safety Administration, the National Safety Council and Travelers. View select *Travelers Institute* events [here](#).
- **Cross-Sector Collaboration.** Technology firms, universities, research centers, nonprofits, industry groups, student organizations and others have joined forces with the *Travelers Institute* to explore cross-sector synergies to mitigate distracted driving risk. The *Travelers Institute* also works closely with the National Safety Council and is a member of the Road to Zero Coalition, a cross-sector initiative working to eliminate roadway deaths. View collaborations [here](#).
- **Digital Resources.** Travelers is elevating the topic of distracted driving by offering online resources and content for use by advocates, business leaders and the general public. Notably, Travelers worked with the families of victims of distracted driving to honor their loved ones' unfinished stories through our "[Unfinished Stories](#)" campaign. In October 2020, Travelers shared the story of a young boy named Zaadii, who was killed by a distracted driver. His passion for comics and superheroes was the focus for an innovative way to reach out to distracted drivers across the country. In partnership with his family, an [exclusive comic book](#) was created by two well-known comic book professionals: writer Gail Simone and artist Jim Calafiore.

Travelers also sponsored an Emmy-nominated documentary for public television titled "3 Seconds Behind the Wheel," released [A Conversation Starter on Reducing Distracted Driving Risk](#) and published distracted driving research through the Travelers Risk Index. As of 2021, "3 Seconds Behind the Wheel" has been broadcast in 83 U.S. markets. It was also accepted by PBS International and distributed in Asia, Europe, the Middle East and North Africa. The film streamed for one year on Amazon Prime and was rated 4.7 out of 5 stars, receiving between 1,200 and 5,000 unique views each month. Finally, as part of the Every Second Matters distracted driving initiative, the *Travelers Institute* has held screenings of the documentary for attendees at colleges, transportation safety conferences and agent events.

- **Incentivizing Safe Behavior.** [IntelliDrive](#)[®] is a 90-day usage-based insurance program for Travelers customers that uses a smartphone app to capture driving data and allow customers to better understand their driving habits. The driving performance score is based on several behaviors, including time of day, speed, acceleration, braking and distracted driving. In most states, safe driving can lead to savings of up to 30%, while riskier driving could result in a premium increase. In-app content from the *Every Second Matters* initiative includes tips and advice to encourage safer driving behaviors.
- **Employer Engagement.** *Every Second Matters* challenges employers and employees to elevate distracted driving prevention within their organizations, discussing strategies for creating a culture of safety in the workplace. Travelers Risk Control also advises Travelers customers with regard to strategies to prevent distracted driving. [Learn more](#).
- **Agent and Broker Engagement.** Our company's network of 13,500 independent agents and brokers see the consequences of distracted driving with customers every day. Travelers offers resources to help them facilitate conversations with personal and business insurance customers to create safer roadways for all. Agent and broker associations are also taking a leadership role in hosting university education programs partnered with the *Travelers Institute*.

- **Student Engagement.** The *Travelers Institute* is engaging with future risk management and insurance leaders on campuses across the United States and Canada to look at distracted driving as an important industry issue and an opportunity for innovation. Programming at universities of all sizes also helps increase visibility for Travelers and attract talent; Travelers Talent Acquisition team leverages these programs to connect with students and showcase the opportunity to impact important issues through a career at Travelers. Programs have been held at Harvard University, St. John's University, the University of Connecticut and the University of Pennsylvania, among others. In addition, for more than 10 years, Travelers has sponsored the Connecticut Department of Motor Vehicles' Teen Safe Driving Video Contest. In this contest, students from across Connecticut script, direct and edit short videos educating their peers on Connecticut's graduated driving laws and the dangers of distracted driving.
- **Promoting Safe Driving at Travelers.** Consistent with the *Every Second Matters* platform, Travelers has an internal Driver Safety policy to help maintain the safety of Travelers employees who drive for Travelers, as well as a policy regarding Driving and the Use of Mobile Technology. These policies are supported by Travelers senior leaders, who regularly remind employees that their safety while driving is of paramount importance.

RELATED RESOURCES

- *Travelers Institute* Webinar: [The Art and Science of Behavior Change](#)
- *Travelers Institute* Webinar: [Crash and Learn: An Inside Look at the Insurance Institute for Highway Safety](#)
- *Travelers Institute* Webinar: [High Risk? Marijuana Legalization and Roadway Safety](#)
- *Travelers Institute* Webinar: [An Inside Look at IntelliDrive®, Travelers' Telematics Program to Encourage Safer Driving Behaviors](#)
- ["3 Seconds Behind the Wheel,"](#) public television documentary
- [A Conversation Starter on Reducing Distracted Driving Risk](#)
- [Travelers Risk Index](#) on distracted driving
- [Unfinished Stories honoring victims of distracted driving](#)



SMALL BUSINESS—BIG OPPORTUNITY®

Small Business Advocacy

In 2021, Travelers Executive Vice President and President of Small Commercial Eric Nordquist and Tom Sullivan from the U.S. Chamber of Commerce joined the Travelers Institute® Wednesdays with Woodward® webinar series to discuss how small businesses can stay ahead in today's uncertain environment. View the webinar replay [here](#). The *Travelers Institute* also partnered with the Small Business & Entrepreneurship Council and its President Karen Kerrigan for a webinar about the state of small businesses in America.

Given the importance of small businesses to the national economy, especially as a driver for creating and sustaining jobs, the *Travelers Institute* believes public policies should encourage entrepreneurship. [Small Business—Big Opportunity®](#), the *Travelers Institute's* small business advocacy project, helps promote small business success by convening business owners across the country with industry experts to explore solutions to everyday business challenges, such as business continuity planning, access to capital and cybersecurity. The *Travelers Institute* has collaborated with recognized small business advocates such as the U.S. Small Business Administration, the Federal Reserve Bank, the Small Business & Entrepreneurship Council and the National Association of Women Business Owners, as well as community banks and angel investors.

RELATED RESOURCES

- *Travelers Institute* Webinar: [60 Minutes in the Middle Market: Opportunities in a Changing Marketplace](#)
- *Travelers Institute* Webinar: [Insuring the Rebuilding of America: What's in the \\$1.2 Trillion Infrastructure Law? What Will It Mean for the U.S. Economy?](#)
- *Travelers Institute* Webinar: [Small Business in America: Where do we go from here?](#)
- *Travelers Institute* Webinar: [Protecting Your Most Valuable Asset: Employee Safety During COVID-19](#)
- *Travelers Institute* Webinar: [Liability Issues for Businesses in the Time of COVID-19](#)
- *Travelers Institute* Webinar: [PATH to Reopening Your Business](#)
- *Travelers Institute* Webinar: [Leading Through Crisis: A Conversation with Team Rubicon Co-Founder & CEO Jake Wood](#)

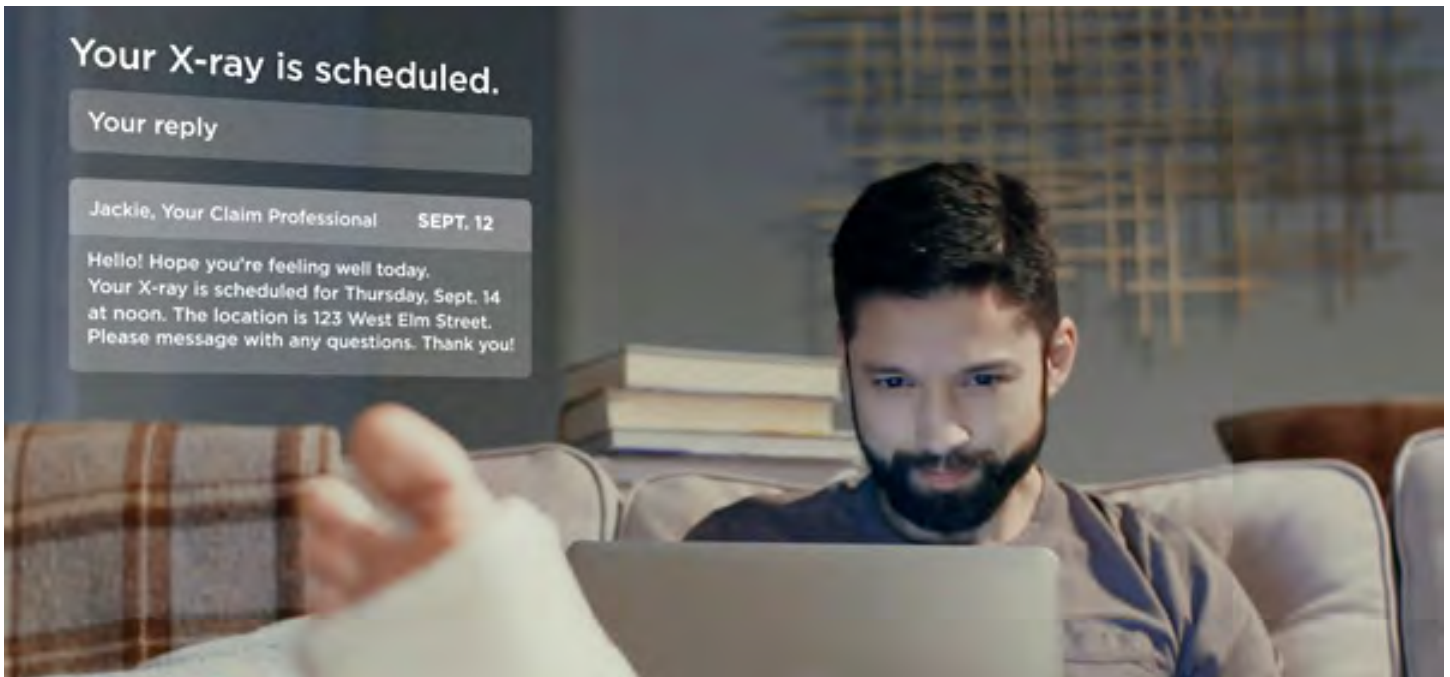


TRAVELERS MEDICAL ADVANTAGE

ConciergeCLAIM[®] Nurse: Helping Injured Employees Return to Work

When an employee is injured at work, navigating the claim process can be challenging. The employee can get discouraged and disengage from the workforce, which can have a negative impact on both the morale of the individual employee and the employer. A one-on-one connection between a nurse and the injured employee, pioneered by the [Travelers ConciergeCLAIM[®]](#) Nurse program, helps injured employees access quality health care, stay engaged in the workforce and return to work as soon as medically appropriate. Placing nurse case managers in local health care clinics across the country allows us to offer this service to our customers. When the Travelers *ConciergeCLAIM* Nurse program is used, overall claim costs are reduced, on average, by 14%, with 10% fewer days out of work (Travelers Claim Data—Notice of Loss Years 2014-2019, normalized by nature of injury).

This program can also pair a Spanish-speaking injured employee with a Spanish-speaking nurse, helping to build trust and improve outcomes. When we provide Spanish-language workers compensation Claim and medical professionals, we see a reduction in lost time and claim, legal and medical expenses, with improved medical and return-to-work outcomes. For example, in our Southern California Claim Center, workers compensation claims handled by culturally and linguistically aligned Claim professionals through our [Cultural Advantage](#) program saw a 5% reduction in total claim payout, a 20% lower rate of attorney involvement and a 22% improvement in return to work within 30 days (Travelers Claim Data—Accident Years 2014-2021, evaluated at 12 months).



TRAVELERS MEDICAL ADVANTAGE®

MyTravelers: Secure and Convenient Access from Anywhere

Responding to the evolving needs of our customers and their injured employees, we have made numerous investments in our workers compensation claim handling model, *TravComp*®. In 2018, we introduced our self-service workers compensation claim portal, *MyTravelers*® for Injured Employees, and there have been more than 4 million *MyTravelers* user sessions since then. Through this innovative platform, injured employees are empowered to engage in their return-to-work journey and interact with us digitally throughout the claim process to help accelerate their recovery. In-portal claim notifications, messaging with Claim and medical professionals, two-way document sharing and tailored digital content help ensure we get the right claim information in the hands of injured employees quickly. Injured employees can also elect to receive electronic payments through either PayPal or Zelle®, which reduces reliance on paper checks. *TravComp* provides a better experience for the injured employees, a better outcome for our customers and a more efficient result for Travelers.

In addition, opioids continue to have a profound impact on our society, and our customers and their injured employees are not immune to their effects. By combining the power of our people, analytics and technology, we can proactively address this issue and identify injured employees who are at risk for developing chronic pain, a condition that can lead to opioid dependency. Since 2015, [Travelers Early Severity Predictor](#)® has helped forecast which injured employees are at higher risk of developing chronic pain, allowing interventions before opioid dependency can take hold.



ENVIRONMENTAL INITIATIVES IN EUROPE

The Travelers Europe Forest Takes Shape

Within our European operations, we partner with onHand, a “tech for good” organization that matches volunteers with opportunities in their local communities, such as providing companionship to isolated individuals and mentoring disadvantaged youth. As part of our partnership with onHand, we have recently committed to plant one tree in the “Travelers Europe forest” for each Travelers employee who completes their first volunteering activity. To make an impact from the outset, onHand and Travelers Europe started the forest by seeding two trees for every Europe employee.

The “Travelers Europe forest” spans more than just Europe. We support global farming communities and wildlife in regions severely impacted by deforestation, such as Mozambique and Nicaragua. That said, parts of the UK also benefit from our initiative. For example, we sow native saplings in Scotland to boost reforestation and natural regeneration.

Leading the way with onHand volunteering efforts is Matthew Wilson, CEO and President of Travelers Europe. In 2021, he joined a number of colleagues to help clear streets surrounding the Travelers office in the City of London, as depicted in the photo above.