

The Travelers Sustainability Report 2023 presents a comprehensive overview of the company's commitment to sustainability, community engagement, and financial performance. Travelers emphasizes its integrated approach to creating sustained value through risk management, community support, and employee engagement, encapsulated in the "Travelers Promise." The company operates as a leading provider of commercial, personal, and specialty insurance products, supported by a workforce of over 30,000 and partnerships with more than 15,000 independent agents and brokers. In 2023, Travelers reported revenues of approximately \$41.4 billion and a net income of \$3.0 billion, reflecting a 5% increase from the previous year.

Travelers' business strategy focuses on delivering superior returns on equity, leveraging competitive advantages such as talent, data analytics, technology, and financial strength. The company has consistently outperformed industry averages in return on equity, returning approximately \$28 billion in excess capital to shareholders and growing dividends per share at an average annual rate of 7%. The report highlights the importance of a granular underwriting approach to effectively manage risk and profitability across its various business segments.

The investment philosophy prioritizes risk-adjusted returns and credit quality, integrating environmental, social, and governance (ESG) factors into investment processes. Travelers holds \$2.9 billion in fixed income securities categorized as "green," "sustainability," and "sustainability-linked" bonds, alongside investments in low-income housing tax credits. The company employs a negative screening process to exclude investments in sectors like thermal coal mining and oil sands, aligning with its policy to mitigate ESG risks.

Travelers' claims services are critical to its operations, with a commitment to high-quality service and advanced technology for efficient claims handling. The company utilizes innovative tools such as drones and predictive models to enhance operational efficiency. Additionally, a comprehensive Risk Control department offers expertise in safety and risk management, while the Enterprise Risk

Management (ERM) framework focuses on identifying, assessing, and managing risks aligned with corporate goals.

The report also emphasizes the company's commitment to community engagement, with significant contributions to local initiatives and support for educational opportunities. Travelers has invested over \$230 million in community development over the past decade, with programs aimed at fostering academic success and supporting small businesses. In 2023, employees volunteered approximately 485 hours with BestPrep and contributed to the construction of over 130 FORTIFIED homes, promoting resilience against disasters.

Travelers prioritizes diversity and inclusion, with women constituting approximately 54% and people of color about 27% of the U.S. workforce. The Board of Directors oversees diversity initiatives, and training programs are mandatory for all employees to promote respectful workplace interactions. The report highlights various initiatives aimed at enhancing public discourse on diversity and inclusion, including the Diversity Speaks speaker series.

In terms of environmental sustainability, Travelers has committed to reducing its greenhouse gas emissions, achieving a 54% reduction in Scope 1 and 2 emissions since 2011, with a goal of becoming carbon neutral by 2030. The company has implemented various strategies to minimize its environmental impact, including energy-efficient practices and waste reduction.

Travelers' financial performance reflects a strong growth trajectory, with net written premiums reaching \$40.2 billion in 2023, a 14% increase from the previous year. The company reported core income of \$3.1 billion and a core return on equity of 11.5%. Travelers has maintained a consistent long-term financial strategy aimed at delivering shareholder value through superior returns on equity, achieving a return of 13.6% in 2023.

Overall, the report underscores Travelers' commitment to sustainability, ethical practices, and responsible business operations, integrating financial performance with responsibilities to customers, communities, and employees. The company actively engages in public policy discussions relevant to the insurance sector and emphasizes the importance of transparency and responsible political engagement. Through various initiatives, Travelers demonstrates its dedication to fostering community resilience, supporting education, and enhancing safety in the face of climate change.