

Third-Party Organization Political Spending Proposal

Resolved: The shareholders of The Travelers Companies, Inc. (“Travelers” or “Company”) ask the Company to adopt a policy requiring that, prior to making a donation or expenditure that supports the political activities of any trade association, social welfare organization, or entity established and operated primarily to engage in political activities, Travelers will require that the organization report, at least annually, the organization’s expenditures for political activities, including the amount spent and the recipient, and that each such report be posted on Travelers’ website.

For purposes of this proposal, “political activities” are (i) influencing or attempting to influence the selection, nomination, election, or appointment of any individual to a public office; or (ii) supporting a party, committee, association, fund, or other organization organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures to engage in the activities described in (i). This proposal does not encompass lobbying spending.

Supporting Statement

As long-term Travelers shareholders we support transparency and accountability in corporate electoral spending, including indirect political spending that is the subject of this proposal. Misaligned funding creates reputational risk that can harm shareholder value. Without knowing which candidates and causes its political spending ultimately supports, our Company faces reputational risks when it cannot assure shareholders that its political spending aligns with core values, business objectives, and policy positions.

Additionally, without this information, the board, senior management, and shareholders are unable to fully assess the risks associated with political spending. The risks are especially serious when giving to trade associations, Super PACs, 527 committees, and “social welfare” organizations – groups that routinely contribute to or spend on behalf of candidates and political causes that a company might not otherwise wish to support. The Conference Board’s 2021 “Under a Microscope” report details these risks, discusses how to effectively manage them, and recommends the process suggested in this proposal.

Media coverage amplifies the risk a company’s spending can pose and contributions to third-party groups can also embroil companies in scandal. It is unclear whether Travelers and its board receive sufficient information from these groups to assess (a) the potential risks for the Company and stockholders, and (b) whether the groups’ expenditures align with our Company’s core values, business objectives, and policy positions.

Mandating reports from third-party groups receiving Travelers’ political money would demonstrate our Company’s commitment to robust risk management.

We urge a vote FOR the commonsense risk management measures contained in this proposal.