TRAVELERS

Travelers Task Force on Climate-related Financial Disclosures Report 2025

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Contents

Severe weather events over the last few decades have underscored the unpredictability of climate trends. For example, the frequency and/or severity of hurricane, tornado, hail and wildfire events in the United States have been more volatile during this time period. The insurance industry has experienced increased catastrophe losses due to a number of potential factors, including, in addition to weather/climate variability, aging infrastructure, more people living in, and moving to, high-risk areas, population growth in areas with weaker enforcement of building codes, urban expansion, an increase in the number of amenities included in, and the average size of, a home and higher inflation, including as a result of post-event demand surge. We believe that changing climate conditions have also likely added to the frequency and severity of natural disasters and created additional uncertainty as to future trends and exposures. Climate studies by government agencies, academic institutions, catastrophe modeling organizations and other groups indicate that an increase in the frequency and/or intensity of hurricanes, hail and severe convective storms, heavy precipitation events and associated river, urban and flash flooding, sea level rise, droughts, heat waves and wildfires has occurred, and can be expected into the future. As an insurance company with property and casualty operations, The Travelers Companies, Inc. (together with its consolidated subsidiaries, Travelers, or the Company) is committed to understanding the short-, mid- and long-term implications of these trends on its business, its customers and the communities in which it does business. Additionally, in furtherance of managing our carbon footprint, we are committed to becoming carbon neutral across our owned operations by 2030.[1]

Climate is core to our business. Accordingly, 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 their climate-related risks.

Moreover, Travelers is committed to a long-term sustainable approach to protecting the environment. We look for cost-effective ways to minimize our operational impact on the environment, which can also reduce our operating expenses, without compromising on our promise to customers and employees. Through our broad range of services, programs and public policies, we take a thoughtful approach to both being an environmentally responsible company and meeting our overall business objectives.

In light of the importance of climate to our business, this report discusses our comprehensive approach to managing changing climate conditions consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).[2] Before turning to that discussion, it is critical to note that as important as climate is to our business, our analyses indicate that other factors, such as demographic changes in high-risk areas, are expected to have a meaningfully greater impact on the domestic property casualty insurance industry than changing climate conditions, as discussed in further detail below.

[1] Refers to Scope 1 and Scope 2 GHG emissions from owned operations. Owned operations do not include real estate holdings for investment purposes.

[2] The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact (or potential impact) of that information. For additional information regarding Travelers, please see our current and periodic reports with the Securities and Exchange Commission, including our **Annual Report on Form 10-K** and Quarterly Reports on Form 10-Q.

Background

The Current Energy Supply Landscape

Our approach to managing changing climate conditions cannot be considered or understood without an appreciation of the larger context within which it exists – that is, the current state of play with respect to energy in the United States.

Today, conventional energy continues to constitute a significant majority of the overall energy mix in the United States. According to the U.S. Energy Information Administration, in 2025, approximately 58% of the U.S. energy generated at utility-scale electricity generation facilities came from fossil fuels, while 24% was generated from renewable energy sources.[1] Many experts, including the International Renewable Energy Agency (IRENA) and the World Energy Council, believe that a substantial change in the energy mix will come primarily from the ongoing and promising research and development investments of incumbent energy producers, disruption by new entrants into the industry, the deployment of scientific innovations, and relevant and effective government action. The International Energy Agency's 2021 report titled "Net Zero by 2050: A Roadmap for the Global Energy Sector" also notes the need for continued investment in existing sources of oil production in its Net-Zero Emissions by 2050 Scenario (NZE). In the meantime, we believe it is critical to continue to support the energy industry as it works to migrate to renewable energy sources and/or develop other innovative solutions designed to assist in the energy transition. Especially in light of the fact that energy companies are particularly well-placed to develop and deploy technologies critical to the achievement of net-zero emissions, we believe that, through the provision of insurance coverage, the insurance industry has an important role to play in facilitating the energy industry's transition.

Additionally – and importantly – we believe that failure to support the energy industry with insurance coverage will not result in a decrease in demand for fossil fuels. Rather, it will only result in other entities, such as private firms, offering insurance to satisfy the existing demand for fossil fuels and/or in fossil fuel companies self-insuring their operations.

While fossil fuels likely will remain a key source of our country's energy for the foreseeable future, renewable energy has been expanding and will only continue to develop and become more accessible and affordable. We are hopeful that the drive for innovation cultivated by the free markets will play a key role in solving the climate problem. Through our **Global Renewable Energy Practice**, we are prepared to continue to support renewable energy companies in the United States and internationally as they continue to develop and scale up their businesses. In addition, we are helping to support the energy transition through our billions of dollars in investments in "green bonds," which help fund renewable energy and other environmentally sustainable projects.

Components of the Energy Sector

The energy sector is one of many industries to which Travelers offers its insurance products and services. In order to evaluate the insurance support that Travelers provides to the energy sector, it is first important to understand the various aspects of the energy sector value chain, as reflected in the following graphic.

[1] U.S. Energy Information Administration, April 2026 Monthly Energy Review, Table 7.2a, Electricity Net Generation: Total (All Sectors).

UPSTREAM

Includes firms that extract naturally occurring mineral solids, liquid minerals, crude petroleum, gases, quarrying, well operations, beneficiating or other preparation. Also considers oil & gas pipeline construction and machinery manufacturing.

Includes firms that generate, transmit and/or distribute electric power. They may operate generation facilities that produce electric energy, operate transmission systems that convey the electricity or operate distribution systems that convey electric power to the final consumer.

MIDSTREAM

Includes firms that use transmission pipelines to transport products such as crude oil, natural gas, refined petroleum products and slurry. Industries are identified based on the products transported. Also considers petroleum bulk stations and wholesalers.

DOWNSTREAM

Includes firms primarily engaged in refining crude petroleum into refined petroleum. Petroleum refining involves one or more of the following activities: fractionation, straight distillation of crude oil and cracking. Also considers gasoline stations and fuel dealers.

Figure 1.

In addition, we consider the energy industry to be divided among three market segments, as reflected in the following graphic:

Fossil Fuels (by type)

This market includes firms that:

- Extract, generate, distribute, refine or sell mineral solids, liquid minerals, crude petroleum, gases, quarrying, well operations, beneficiating or other preparation.
- Construct oil and gas lines, mains, refineries and storage tanks.
- Manufacture oil and gas field machinery and equipment.

Renewables (by type)

This market includes firms that:

- Operate renewable energy powered electric power generation facilities.
- Operate renewable electric power transmission systems, controlling the transmission of electricity and/or distributing electricity.

Due to industry classification limitations, this market only includes firms that are specific to renewable energy generation, and does not include firms specializing in energy storage, battery manufacturing, etc.

Support Activities

This market includes firms that:

- Provide support services for the mining and quarrying of minerals and for the extraction of oil and gas.
- Perform exploration (except geophysical surveying and mapping) for minerals, taking core samples, making geological observations at prospective sites, excavating slush pits and cellars, and such oil and gas operations as spudding in, drilling in, redrilling, directional drilling and well surveying; running, cutting and pulling casings, tubes and rods; cementing and shooting wells; perforating well casings; acidizing and chemically treating wells; cleaning out, bailing and swabbing wells; and operating oil and gas field gathering lines.

Due to industry classification limitations, this market does not include firms that provide support specifically to the renewable energy segment.

Figure 2.

With all of this in mind, our climate strategy, discussed in further detail below, is designed to mitigate climate risk in our underwriting and investment portfolios, while supporting societal progress and economic prosperity for all and doing our part to assist in the transition to a lower carbon economy. It is against this background that we share how we manage climate risk on both sides of our balance sheet and identify and avail ourselves of climate-related opportunities in the energy market.

Governance

Board Oversight

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 Board Risk Committee assists the full Board in overseeing the operational activities of the Company and the identification and review of risks that could have a material impact on Travelers, including risks related to changing climate conditions. The Board Risk Committee meets on a quarterly basis with the Chief Risk Officer, Enterprise 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 related 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. Among other things, these discussions focus 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. These discussions inform, among other things, the Company's financial plan, risk appetite and underwriting approach. The Board Risk Committee, in turn, reports to the full Board with regard to its discussions.

While the Board Risk Committee oversees the implementation, execution and performance of Travelers' ERM program and reviews the strategies, processes and controls pertaining to Travelers' insurance operations, the Board has allocated and delegated risk oversight responsibility to various committees of the Board. Accordingly, all committees of the Board share responsibility for the oversight of strategic objectives, risk management and the sustainability of our business.

Senior Management

In addition to the Board Risk Committee, our management-level enterprise, segment and business resiliency 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 Enterprise 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 energy, the environment and changing climate conditions. These committees include the Enterprise Risk Committee, the Property Catastrophe Management Committee, the Sustainability Committee and the Casualty Emerging Risk Committee, among others. As described in further detail under **Risk Management**, these committees and groups, including the ERM Group, coordinate and support climate-related initiatives and strategies across Travelers and are venues to share information and leverage expertise.

Our Chief Sustainability Officer leads Travelers' environmental, social and governance (ESG) efforts across the organization, chairs the Company's multidisciplinary Sustainability Committee and is a member of the Company's Disclosure Committee. Our Chief Sustainability Officer also works with our ERM department to ensure that identification and assessment of ESG risks are appropriately integrated into our ERM program.

The diagram below illustrates the comprehensive approach we take to overseeing and managing risk, including climate-related risk.

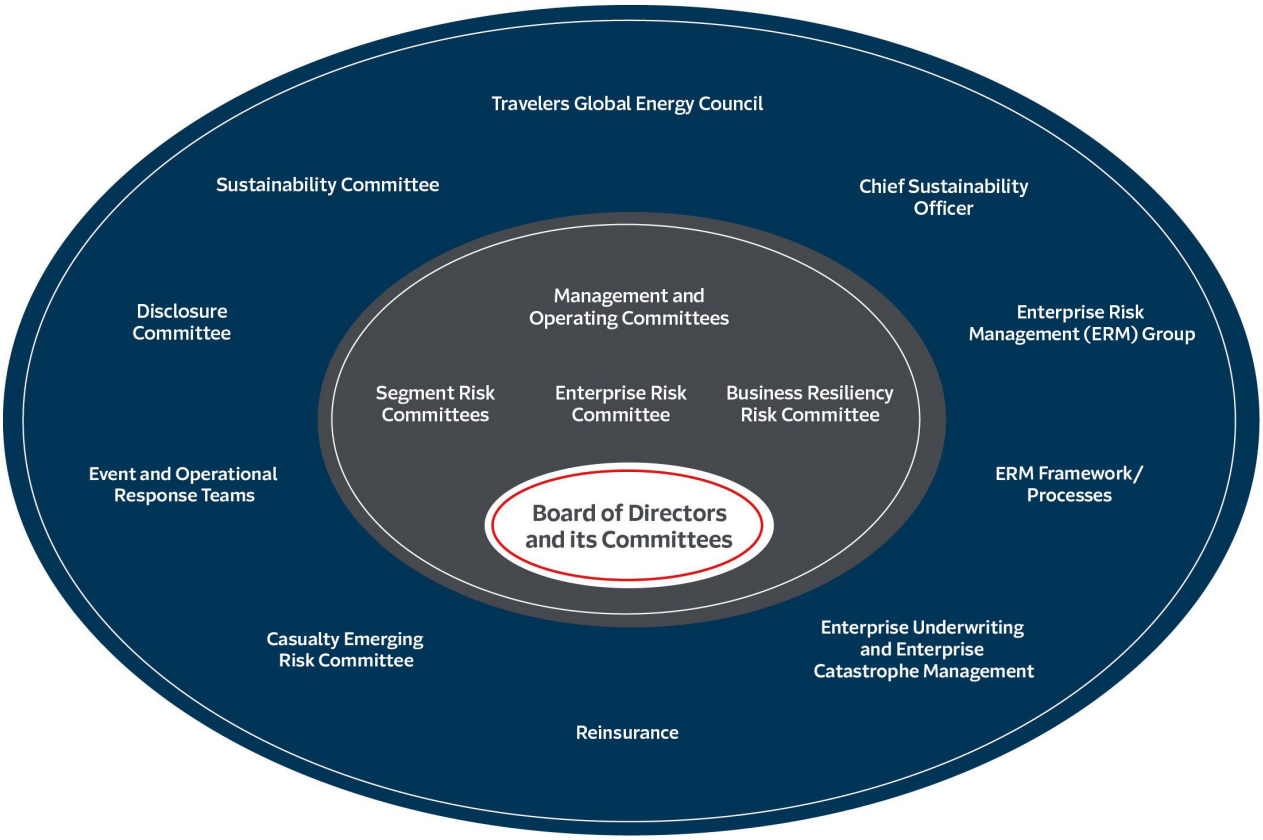


Figure 3.

Strategy

Identified Climate-Related Risks and Opportunities

Travelers considers climate risks and opportunities across a range of time horizons.

Time horizon	Considerations	Climate risks (transition or physical)	Climate opportunities
Short-term: 1–3 years	• Aligns with the average length of a Travelers policy and the timeframe for which we perform detailed business plans.	• Legislation, regulation and litigation (transition)	• Potential customer interest in Travelers products or services related to "green" building, LEED certification or similar designations • Potential customer interest in Travelers products or services related to energy-efficient, renewable and/or clean technology
Medium-term: 3–5 years	• Aligns with our development and execution of business strategies that impact directional planning and market-related adjustments based on ongoing or changing conditions.	• Changing emissions-reporting obligations (transition)	• Development of new products or services for renewable energy businesses through research and development and innovation • Potential customer interest in Travelers products or services related to automobile and property insurance
Long-term: 5–50 years	• Aligns with longer-term change (e.g., climate-related risk, energy consumption / energy sources) that present risks and opportunities that extend beyond the short- and medium-term.	• Changes in frequency and severity of catastrophe losses and uncertainty surrounding weather volatility and climate-related risk (physical)	• Mitigation of risks over time for customers who utilize our Risk Control assessment and consulting services

Figure 4.

Climate Risks

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. Catastrophes can be caused by various natural events, including, among others, hurricanes, tornadoes and other windstorms, earthquakes, hail, wildfires, severe winter weather, floods, tsunamis, volcanic eruptions, solar flares and other naturally occurring events.

The following are examples of specific climate-related risks Travelers has identified for each time horizon. The inclusion of these examples should not be construed as a characterization regarding the probability, materiality or financial impact (or potential impact) of these risks. For a discussion of risks that Travelers has determined could be material, please see our "Risk Factors" disclosure in **Annual Report on Form 10-K**.

1. Legislation, regulation and litigation (short-term transition)

Increased regulation adopted in response to potential changes in climate conditions may impact the Company and its customers. For example, states from time to time have passed legislation, and regulators have taken action, that have the effect of limiting the ability of insurers to manage catastrophe risk, such as legislation restricting insurers from reducing exposures or withdrawing from catastrophe-prone areas, or mandating that insurers participate in residual markets involving catastrophe-prone areas. Participation in residual market mechanisms has resulted in, and may in the future result in, significant losses or assessments to insurers, including Travelers, and in certain states, those losses or assessments may not be commensurate with Travelers' direct catastrophe risk exposure in those states.

Increased insurance regulation in response to disasters or catastrophes may also include imposing moratoriums on policy cancellation or nonrenewal for nonpayment of premium; establishing further claim handling requirements or procedures; imposing additional claim data reporting requirements; establishing mediation programs for resolution of disputed claims; modifying adjuster licensing procedures for independent and public adjusters; and mandating discounts when risk mitigation practices may not be effective. Travelers' exposure to catastrophes both by peril and by geographic region is monitored on a regular basis. When appropriate, this exposure analysis can lead to changes in the underwriting strategy for a given peril/location.

Travelers also may establish new or additional procedures and processes and may need to adjust staffing levels or its use of contracted services to help ensure that it remains compliant with additional regulatory standards imposed on insurers in the event of a future disaster or catastrophe. The cost of managing compliance with additional regulatory standards could vary and would be impacted by the number and types of additional standards imposed on insurers, including following a future disaster or catastrophe. In addition, following catastrophes, there have been, and may in the future be, legislative and administrative initiatives and court decisions that seek to: (i) expand insurance coverage for catastrophe claims beyond the original intent of the policies, (ii) prevent the application of deductibles included in the policies or (iii) limit the exercise of certain rights available to insurers under the policies. Costs associated with these risks vary depending on the specific action taken and are often hard to predict, but they could be significant.

In addition, climate-related regulation could increase our customers' costs of doing business. For example, insureds faced with carbon management regulatory requirements may have less available capital for investment in loss prevention and safety features, which may, over time, increase loss exposures. Increased regulation may also result in reduced economic activity, which would decrease the amount of insurable assets and businesses, and increase claim costs, to the extent such regulations require that damaged homes or businesses be rebuilt according to more expensive specifications.

Furthermore, from time to time, third parties sue our policyholders, alleging that they caused or contributed to losses associated with changing climate conditions. In the event any such policyholders were found to be responsible, it could result in them seeking recovery under policies issued by Travelers.

2. Changing emissions-reporting obligations (medium-term transition)

Continued uncertainty amid legal challenges over the future of the U.S. Environmental Protection Agency (EPA) regulations regarding air and water may give rise to more environmental regulation at the state level. This, in turn, may result in differing sets of air and water quality standards in each state, which could make insurance risk more difficult to underwrite and price, particularly as air and water travel beyond state boundaries. For example, certain legal actions filed in 2024 challenging new rules issued by the EPA tightening greenhouse gas (GHG) emission standards for fossil-fuel-fired electric generating units remain pending in U.S. Federal Court as a result of a new proposed rule the EPA announced in June 2025 to repeal all GHG emissions standards for fossil-fuel-fired power plants. The comment period for the proposed rule closed on August 7, 2025. The EPA has not finalized the proposed rule yet. Depending on the final outcome of this latest proposed rulemaking, the EPA's actions could potentially: (i) impact states' abilities to enact environmental regulation at the state level regarding power plant GHG emissions; (ii) impact the demand for renewable energy at the state level; or (iii) disrupt the current balance between federal and state regulatory authority to regulate GHG emissions in ways not yet understood. Additionally, ongoing efforts at the federal level to roll back or eliminate many policies and funding initiatives relating to climate and renewable energy could impact the demand for Travelers insurance products and services related to renewable energy in the United States.

3. Changes in frequency and severity of catastrophe losses and uncertainty surrounding weather volatility and climate-related risk (long-term physical)

Travelers is subject to catastrophe exposures in each of the geographies where it writes business and to varying peak catastrophe perils in different countries and regions.

Severe weather events over the last few decades have underscored the unpredictability of climate trends. For example, the frequency and/or severity of hurricane, tornado, hail and wildfire events in the United States have been more volatile during this time period. The insurance industry has experienced increased catastrophe losses due to a number of potential factors, including, in addition to weather/climate variability, aging infrastructure, more people living in, and moving to, high-risk areas, population growth in areas with weaker enforcement of building codes, urban expansion, an increase in the number of amenities included in, and the average size of, a home and higher inflation, including as a result of post-event demand surge. We believe that changing climate conditions have also likely added to the frequency and severity of natural disasters and created additional uncertainty as to future trends and exposures. Climate studies by government agencies, academic institutions, catastrophe modeling organizations and other groups indicate that an increase in the frequency and/or intensity of hurricanes, hail and severe convective storms, heavy precipitation events and associated river, urban and flash flooding, sea level rise, droughts, heat waves and wildfires has occurred and can be expected into the future.

Moreover, the Company's catastrophe models may be less reliable due to the increased unpredictability in frequency and severity of severe weather events, emerging trends in climate conditions and regulatory responses to catastrophe events not being appropriately reflected in the models and other factors. Also, as discussed in our **Annual Report on Form 10-K**, we could experience more than one severe catastrophe event in any given period.

Climate Opportunities

The following are examples of specific climate-related opportunities Travelers has identified for each time horizon. The inclusion of these examples should not be construed as a characterization regarding materiality or financial impact (or potential impact) of these opportunities.

1. Potential customer interest in Travelers products or services related to "green" building, LEED certification or similar designations (short-term)

State and local regulatory requirements drive renovation work that could lead to increased construction activity, potentially creating opportunities to grow our book of business in impacted states such as the 2025 Top 10 States for LEED: Massachusetts, Illinois, Colorado, New York, Virginia, Washington, California, Maryland, Nevada and Georgia. Travelers consults with industry advocates for better building standards that are designed to increase the survivability of commercial and residential structures.

Travelers' specialized Construction casualty and surety teams, which also have expertise in "green" construction, provide highly skilled underwriting; customized INDUSTRYEdge® products for specific industries (such as our ***INDUSTRYEdge® for Electrical Contractors*** and ***INDUSTRYEdge® for General Contractors***); and tailored programs and services to help reduce contractors' cost of risk, including risk associated with "green" construction products. *INDUSTRYEdge* is our fully integrated business risk solution that combines underwriting, risk control and claim services tailored to a range of different industries and businesses, helping customers to mitigate their risks and reduce costs arising out of losses. A complete list of our *INDUSTRYEdge* product solutions for the construction industry is available on our **website**.

2. Potential customer interest in Travelers products or services related to energy-efficient, renewable and/or clean technology (short-term)

Environmental legislation and regulation on the federal, state and local levels, such as those pertaining to solar energy or other sustainable building-related requirements or incentives, could lead to an increase in demand for Travelers products that respond to customer needs resulting from such regulation.

For example, certain recent federal legislation has continued to drive momentum in the renewable energy sector. Targeted incentives and funding mechanisms, including federal grants, credit programs and tax incentives for businesses and consumers, have catalyzed growth in clean energy projects and manufacturing initiatives nationwide. These incentives and funding provisions have supported residential energy efficiency improvements, commercial building energy efficiency deductions and broader clean technology investments across residential, commercial and industrial sectors. This expansion of renewable energy infrastructure and energy-efficient building improvements has created increased demand for specialized insurance solutions.

The continued growth in the renewable energy and clean technology industry segments, driven by federal legislation momentum, positions Travelers to capture increased sales of specialized insurance and surety products that address renewable energy-associated risks (e.g., Travelers SolarPak®) and could result in a potential increase in related net written premiums.

3. Development of new products or services for renewable energy businesses through R&D and innovation (medium-term)

Between 2024 and 2025, Renewable Portfolio Standards (RPS) tightened across six states, with New Mexico increasing requirements to 40%, New Jersey mandating 35% from Class I renewable sources, Vermont increasing requirements to 63%,

Maine establishing a pathway to 90% by 2040, Nevada eliminating energy efficiency measures from RPS compliance and Oregon extending requirements to small electric utilities at 5% of electricity sales. These tightened standards may drive substantial growth in renewable energy infrastructure development, in turn creating increased demand for construction insurance and operational coverage. These policy shifts present opportunities for Travelers to develop innovative insurance products tailored to these evolving markets, including specialized risk models for solar, wind and battery storage projects, tiered product offerings for utilities of varying sizes and solutions tied to renewable energy output and renewable energy-related compliance risks.

Our dedicated Global Renewable Energy Practice, which provides solutions for renewable energy businesses, enables Travelers to evaluate and pursue the opportunities presented by the expanding renewable energy industry, as discussed in further detail under **Capturing Climate Opportunities and Supporting the Growth of Renewable Energy Businesses**.

4. Potential customer interest in Travelers products or services related to automobile and property insurance (medium-term)

Auto emissions regulations throughout the United States may lead to increased demand, production and availability of hybrid and electric vehicles (EVs), which could help increase sales of Travelers automobile insurance products for these vehicle types. As illustrated below, based on information from the U.S. Department of Energy's Alternative Fuels Data Center, 16 states and the District of Columbia have adopted California's standards for zero emission vehicles (ZEVs). ZEVs include battery EVs, plug-in hybrid electric vehicles and fuel cell electric vehicles.

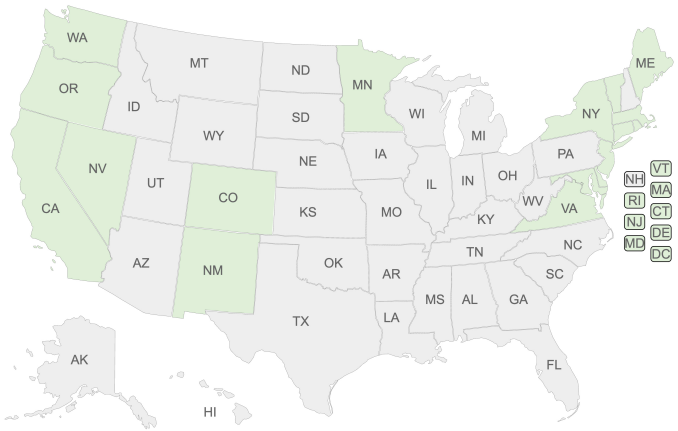


Figure 5. U.S. Department of Energy, Alternative Fuels Data Center. "Adoption of California's Clean Vehicle Standards by State." Accessed April 7, 2026. https://afdc.energy.gov/laws/california-standards.

5. Mitigation of risks over time for customers who utilize our Risk Control services (long-term)

Travelers Risk Control employs a network of safety and loss prevention professionals who provide assessment and consulting services to our customers and our Business Insurance domestic and international operations. Our network of more than 650 Risk Control professionals and our self-service website for Business Insurance customers provide a comprehensive framework and numerous planning resources, including individualized planning, to help businesses of all types plan for natural disasters, with a focus on safety and preserving business operations. Climate trends, which manifest over long periods of time, provide a long-term opportunity for the Travelers Risk Control department to offer and develop guidance and resources 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 severe 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 can provide guidance about associated risks to our customers who have incorporated "green" products or systems to help 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 Standards, the UL Solutions Fire Council, the Fire Protection Research Foundation's Property Insurance Research Group, the Organization of Scientific Area Committees for Forensic Science 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.

Impact of Climate-Related Risks and Opportunities on Travelers' Business and Strategy

Changing climate conditions are expected to evolve over decades, and we believe Travelers is well positioned to respond to these trends. 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.

Our approach includes underwriting and pricing to manage transition and physical risks, as well as monitoring "green" trends and offering products and tailoring pricing to respond to climate-related opportunities. We also incorporate climate considerations into our investment decisions. Other aspects of our comprehensive climate strategy include advocating for and supporting community resiliency; mitigation and disaster preparedness efforts; and reducing the environmental impact of our own operations, including through our emissions reduction goals.

Moreover, and importantly, because most of our policies renew annually, we are able to respond to these changes over time through adjustments to our underwriting strategy, product pricing and related policy terms and conditions, as appropriate.

Travelers' comprehensive climate strategy is summarized below.

Comprehensive Climate Strategy

Our climate strategy centers on making sound business decisions and engaging in public policy advocacy to help proactively address climate risk while also mitigating the impact of changing climate conditions.

Proactively Addressing Changing Climate Conditions → **Resilience**

Supporting the Transition to a Lower-Carbon Economy

- ✓ Our dedicated Global Renewable Energy Practice provides solutions for businesses across the renewables spectrum, including onshore and offshore wind, solar and biopower operations
- ✓ Offer products and services designed to incentivize environmentally responsible behavior
- ✓ Advocacy
  - ✓ More efficient use of existing energy sources
  - ✓ Development of green energy sources
- ✓ Committed to become carbon neutral across our owned operations by 2030[1]

Mitigating Exposure to Climate Risks

- ✓ Use multiple methods, including proprietary and third-party modeling processes and geospatial analysis, to evaluate our climate-related risks and make underwriting, pricing and reinsurance decisions
- ✓ Consider new insurance products and services that could be useful to our customers for addressing climate-related risks

Incorporating Climate Considerations into our Investment Processes

- ✓ Investment Policy requires consideration of relevant ESG factors in the investment process
- ✓ Internally developed ESG scores are assigned to all issuers in fixed income portfolio
- ✓ Climate risk is considered when assessing credit risk of bond investments
- ✓ Portfolio's focus on fixed income investments enables significant funding for projects that will result in environmental improvements
- ✓ Helping to support the energy transition through $3.5 billion in "green bonds"

Building Resilient Communities & Public Policy Advocacy

- ✓ Partner with nonprofits and other organizations around the country, including the Insurance Institute for Business & Home Safety (IBHS), the BuildStrong Coalition, Habitat for Humanity®, Smart Home America and SBP
- ✓ Promote stronger industry standards and building communities that can better withstand current and future weather-related risks

Education & Awareness

- ✓ The Travelers Institute, the public policy division of Travelers, leads our effort to raise awareness about changing climate conditions. Initiatives include:
  - ✓ Development of research papers such as the Travelers Coastal Wind Zone Plan, a comprehensive, private-market approach to insuring the Gulf and Atlantic coasts
  - ✓ Various events and campaigns to raise awareness about coastal challenges and disaster preparedness

[1] Refers to Scope 1 and Scope 2 GHG emissions from owned operations. Owned operations do not include real estate holdings for investment purposes.

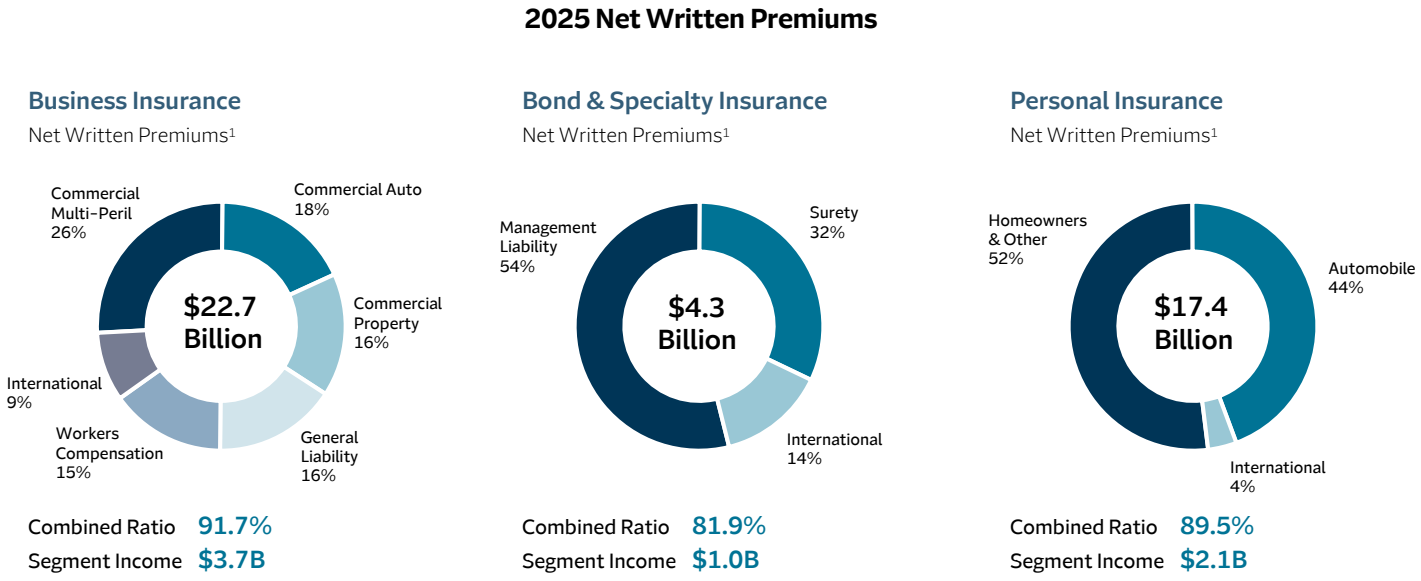
Figure 6.

Underwriting Portfolio Overview

To better understand the Company's exposure to climate risk, we believe it is important to first have a view of the composition of our underwriting portfolio. (See **Travelers Underwriting Exposure to the Energy Sector** for additional details on our energy sector-specific underwriting.)

In 2025, our net written premiums exceeded $44 billion. 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 size and type.

Our 2025 premiums were generated through more than 10 million policies issued to more than 6 million individual and commercial customers. With respect to our commercial business, we offer insurance products and services to a broad array of sectors across the economy. **Individuals and small and midsized businesses comprise more than 95% of our customers.**



[1] On May 27, 2025, Travelers signed a definitive agreement to sell the personal insurance business and the majority of the commercial insurance business of Travelers Canada to Definity Financial Corporation. On January 2, 2026, the transaction closed. Travelers retained its Canadian surety business.

Figure 7.

Climate Scenario Analysis with Respect to Physical Risk

Travelers is proud to be a leader in its industry in conducting scenario analysis with respect to identifying the incremental climate impact on physical risk, above typical weather conditions. This analysis has provided the Company with additional visibility into the potential impacts of climate on our business.

Weather perils are each unique and thus, customized scenario analysis must be performed on a peril-by-peril basis. Hurricane wind is a significant driver of risk-based capital requirements, making it a good initial candidate for scenario analysis. Within the last five years, we retained a leading catastrophe modeling firm to evaluate the effects of changing climate conditions on the U.S. hurricane peril for two future emission scenarios and for several time horizons (i.e., 2030, 2050 and 2100). This analysis included the Company's in-force portfolio as well as an industry view. A March 2021 paper ("Most Plausible 2005-2040 Emissions Scenarios Project Less Than 2.5 Degrees C of Warming by 2100" by Pielke et al.) compared emission scenarios against the last 15 years of historical data and concluded that scenarios aligned with +2°C and +3°C are the most likely outcomes.[1] For our analysis, we chose emission scenarios Representative Concentration Pathway (RCP) 4.5 (< 2.5°C by 2100) and RCP 6.0 (< 3.0°C by 2100), consistent with the latest data, including the aforementioned research findings.

Scenario analysis requires considerable time, scientific expertise and prioritization of peril attributes. In particular, scientific expertise is required to evaluate the multitude of potential hurricane characteristics (e.g., frequency, intensity, size, track, speed, inland decay) and identify those most relevant and important to identifying the incremental climate impact on the insurance industry. After conducting considerable data analysis and scientific literature review, including guidance from the 2020 World Meteorological Organization (WMO) task team report on Tropical Cyclones and Climate Change, we incorporated in our analysis the combined effect of hurricane frequency by intensity category, size and track changes. These storm characteristics were selected both because they have the potential to be impactful to Travelers and because there is considerable scientific literature to support a consensus and range of uncertainty, which are essential for scenario analysis. Confidence in the direction and magnitude of change, as well as confidence in the uncertainty around the consensus mean, are critical to drawing meaningful conclusions from the analysis.

Figure 8 demonstrates the incremental climate impacts on the range of potential average annual loss (AAL) and 100-year return period for the two emission scenarios (RCP 4.5 and RCP 6.0) at three snapshots in time. The results suggest high confidence with respect to the direction of change (increase) but high uncertainty regarding the magnitude of change.

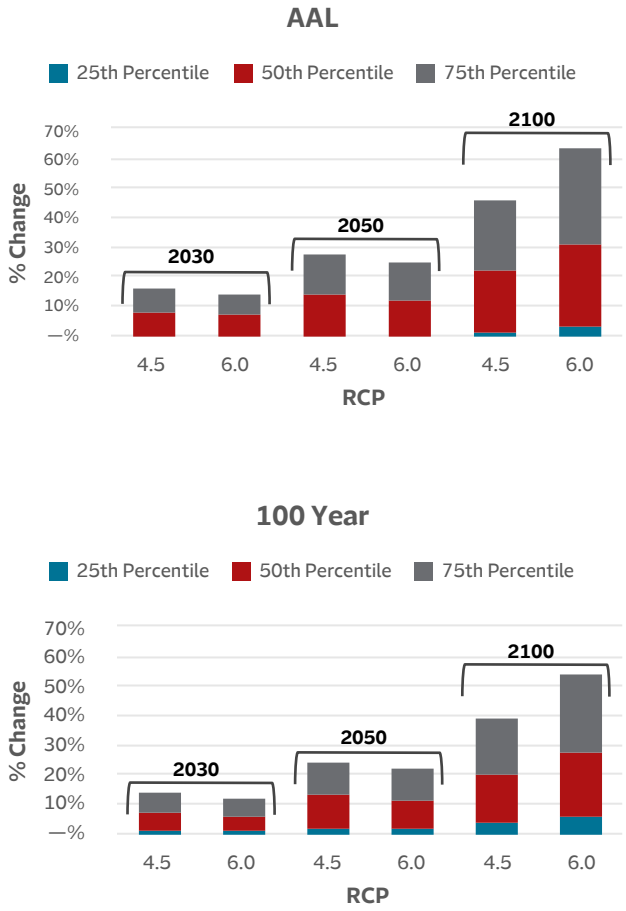


Figure 8. U.S. hurricane scenario analysis results (AAL and 100-year return period) for the Travelers in-force portfolio using 2Q '20 vintage exposure (Source: Risk Management Solutions; contracted analysis)

In 2024, Travelers completed a wildfire climate review of the Western United States that evaluated scientific literature and third-party catastrophe models. The scientific consensus indicates that changing climate conditions have increased wildfire risk over time. Our independent trend analysis identified an increasing trend in climate variables relevant to wildfire risk, which Travelers has taken into account in its underwriting and pricing decisions.

[1] Pielke, Roger, Jr, et al. "Most Plausible 2005-2040 Emissions Scenarios Project Less Than 2.5 Degrees C of Warming by 2100." SocArXiv, 22 Mar. 2021. Web.

Based on these analyses, given our company's risk profile, our underwriting strategy and the fact that changing climate conditions will occur over decades, we do not expect the climate impacts with respect to the hurricane or wildfire perils to have a material impact to our AAL, return period loss estimates, planning or strategy. While we anticipate hurricane and wildfire risk to be manageable over time, these analyses provide insight into the range of potential future risk.

Forward-looking climate information, statements and/or projections are inherently uncertain. The assumptions on the magnitude of climate impact on physical risk carry significant degrees of uncertainty due to a multitude of factors, including, but not limited to, peril, region, understanding of climate science and Earth system dynamics, climate model projections, time horizon, greenhouse gas emission scenarios, national emission pledges and targets, population growth, technology and innovation, and mitigation and resiliency efforts, including adaptation and regulatory changes.

We plan to continue to invest in climate research, adding resources and capabilities to further support climate analytical studies, and engaging with catastrophe modeling firms to evaluate existing, or develop additional, climate-conditioned evaluation tools.

Impact of Non-Weather Trends on the Risks We Write

While we are taking a thoughtful and comprehensive approach to evaluating climate risk in our underwriting decisions, we also remain mindful of non-weather-related trends that have a significant impact on the risks we write. These trends are likely to have a significantly greater impact on catastrophe risk aggregation over the short-, medium- and long-term time horizons than physical risk changes. Risk factors that may increase catastrophe risk over time include aging infrastructure, population growth in high-risk areas (see Figure 9) or in areas with weaker enforcement of building codes, urban expansion, an increase in the average size of a home (an increase of more than 40% since the 1970s), increased inflation and post-event demand surge. Conversely, factors that may decrease catastrophe risk over time include increased adoption of building code standards and climate change adaptation (e.g., sea walls, levees, urban sewer capacity).

Figure 9 demonstrates the significant population growth since 1990 in states at a high risk for hurricanes, wildfires and tornado/hail. Some of these high-risk states are experiencing population growth well above the regional average. These demographic changes have resulted, for example, in larger populations located in coastal areas that historically have been subject to severe storms and related storm surge, thus expanding our potential for losses from hurricanes. Over time, our view of wildfire risk has expanded. In addition, we have developed the quantification in line with our underwriting zones.

The risks associated with changing climate conditions will be with us for the foreseeable future. While we can't predict what the next weather-related catastrophe will be or where it will occur, we believe that the steps we take to ensure that our portfolio of risk properly contemplates the potential for loss position us to continue to deliver industry-leading returns in the face of changing climate conditions.

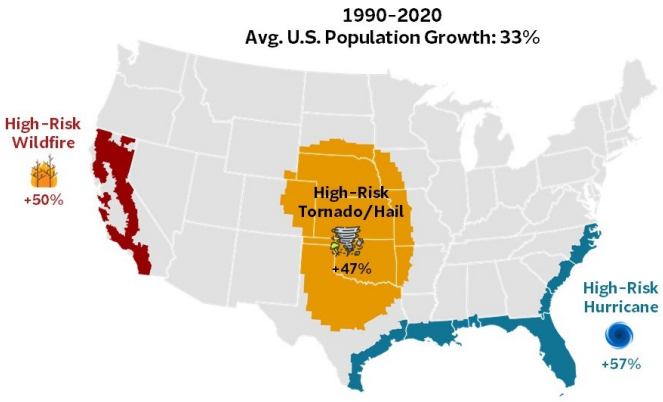


Figure 9. 1990–2020 population growth in high-risk areas for hurricane, wildfire and tornado/hail. (Source: U.S. Census Bureau)

Capturing Climate Opportunities and Supporting the Growth of Renewable Energy Businesses

As renewable energy businesses continue to innovate and expand, Travelers is playing a critical role in supporting the transition over time to a lower-carbon economy, both in the United States and internationally – specifically, through our insurance products and services designed for these innovative companies. Travelers has been in the renewable energy space for more than 30 years and is positioned to benefit from the increased economic activity in this space by insuring more renewable energy projects globally.

Travelers offers a range of tailored insurance solutions that cover the entire lifespan of renewable energy businesses that invest in, develop, operate and maintain commercial and utility-scale operations – from research and development and manufacturing to permanent operations, as well as onshore and offshore wind, solar, battery energy storage and biopower operations. Our Global Renewable Energy Practice is designed to facilitate innovation and the growth of renewable energy businesses and support the energy transition. 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 energy industries based in the United States. We also have wind, solar and energy storage projects that meet our risk/reward calculus across many geographies written through Travelers Lloyd's Syndicate 5000.

We continue to pursue the renewable energy sector, such as by providing coverages globally for commercial and residential solar installations and onshore and offshore wind farms, including U.S. offshore wind farm projects along the Eastern Seaboard. Since we first began collecting separate data for our Global Renewable Energy Practice in 2018, the business has grown at a compound annual growth rate of 18%, with revenue up more than 200%. We also offer specialized coverage, as well as discounts where permissible, to incentivize environmentally responsible behavior – specifically, to encourage adoption of FORTIFIED Home™ construction and green buildings.

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 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.

In addition, as discussed in further detail below, we are helping to support the energy transition through our billions of dollars of investments in "green bonds."

Incorporating Climate Considerations Into Our Investment Processes

The primary purpose of our investment portfolio is to enable us to fulfill our promise to our customers and fund the payment of future claims; accordingly, we employ a thoughtful investment philosophy that is focused on appropriate risk-adjusted returns. We approach the impact of climate on our portfolio the way we would approach any other investment risk. As a related matter, insurance companies are subject to significant regulatory investment requirements that place limitations on the types of investments insurers may make, as well as limitations on concentrations of credit and equity risk. These requirements have the primary objective of ensuring that insurers have sufficient liquidity to pay claims as they are presented. As a result, insurers do not have the flexibility that other segments of the financial sector may have with regard to investments and, thus, property casualty insurers tend to have large fixed-income portfolios.

To better understand our investment portfolio's exposure to climate risk, we believe it is important to first have a view of the composition of the portfolio. The following tables provide a breakdown of our investment portfolio, dollars in millions, as of December 31, 2025.

Fixed Income Portfolio	Rating		%
Corporates[1]	A2	$41,054	39%
Municipal	Aaa/Aa1	31,378	30%
Mortgage-Backed Securities	Aa1	13,232	13%
Short-Term Securities	A1/P1	5,716	6%
U.S. Government	Aa1	3,857	4%
Foreign Governments	Aa1	312	—%
Fixed Income Classified as Held for Sale	Aa2	3,243	3%
Total Fixed Income	**Aa2**	**$98,792**	**95%**

% Fixed Maturities by Rating[2]	
Aaa	28.3%
Aa	36.5%
A	21.8%
Baa	12.3%
Total Investment Grade	**98.9%**
Below Investment Grade	**1.1%**

Non-Fixed Income Portfolio		%
Private Equity Funds	$2,749	3%
Real Estate & Real Estate Partnerships	1,732	2%
Equity Securities	618	—%
Hedge Funds & Other	534	—%
Non-Fixed Income Classified as Held for Sale	104	—%
Total Non-Fixed Income	**$5,737**	**5%**

[1] Includes $1.316 billion of Commercial Mortgage-Backed Securities with an Aaa/Aa1 rating and $495 million of Asset-Backed Securities with an Aa2 rating.

[2] 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 issues or the insurer in the case of securities enhanced by third-party insurance for the payment of principal and interest in the event of issuer default. Below investment grade assets refer to securities rated "Ba" or below.

Figure 10.

At Travelers, as of December 31, 2025, 95% of our $104.5 billion[1] investment portfolio was invested in highly rated, fixed income securities, with a weighted average maturity of approximately 6.5 years. We believe that climate trends, which manifest over many decades, are already reflected in the credit ratings and price of those investments. The relatively short average maturity and high liquidity of our fixed income investment portfolio allow us to continually adjust our portfolio as trends evolve over time.

[1] Includes $3.347 billion of invested assets classified as held for sale as of December 31, 2025.

Our portfolio management has a history of carefully managing risk (with default losses in our fixed income portfolio well below those of the overall market), including risks related to changing climate conditions. Importantly, from a fixed income perspective, the equity layer of the borrower's capital structure absorbs the impact of financial risks, including climate risks, before the debt layer of the capital structure is affected. The high credit quality of our fixed income holdings further reduces the potential negative financial impact of climate risks. Specifically, the weighted average credit quality of the Company's fixed maturity portfolio was "Aa2" as of December 31, 2025. The weighted average credit quality of the Company's fixed maturity profile, excluding U.S. Treasury securities, was "Aa3" as of December 31, 2025.

Managing the Impact of GHG Emissions on Our Investment Portfolio

Travelers recognizes the importance of responsible investing. We approach ESG risks the same way we approach any other investment risk, and we have incorporated relevant ESG factors into our investment analysis process for many years. Working within the regulatory framework mentioned earlier, Travelers has established an Investment Policy, approved by the Board of Directors, that reflects a long-term approach to sustainable value creation and requires that Travelers consider ESG factors in the investment process to the extent relevant. We have assigned internally developed ESG scores to all issuers in our fixed income portfolio. Explicitly incorporating ESG factors into our fundamental credit analysis process has resulted in a higher level of awareness and focus on these factors. In certain circumstances, this has led to the exclusion of potential investments and the sale of certain 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.

With respect to our significant municipal bond portfolio, which exceeded $31 billion as of December 31, 2025, we incorporate the impact of changing climate conditions on a given city, state or region as part of our credit analysis.

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 to such catastrophes. 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.

A governmental response to climate risk might involve new regulations that could result in stranded assets – i.e., assets that have suffered from an unanticipated or premature loss of value. Evaluating risks to asset values is an integral part of our fundamental credit analysis process, as well. For example, for issuers in the electric utilities industry, our credit analysis pays close attention to these issuers' goals and timelines for reducing carbon emissions by lowering the carbon intensity of their generating assets. As it pertains to investments to support our insurance operations, consistent with this credit-based approach to investing, we also have a **policy** indicating that: (i) we will not make new investments in companies receiving more than 30% of their revenues from thermal coal mining or electric utilities generating more than 30% of their electricity from coal, and (ii) we will not make new investments in companies holding more than 30% of their reserves in oil sands – in each case, to the extent consistent with applicable law and Travelers' fiduciary duties. Our policy also notes that Travelers will phase out publicly traded investments in companies that exceed the thresholds above as such investments mature.

Given our long-standing risk-return approach to investing, it is not surprising that our legacy holdings (i.e., those purchased prior to the adoption of our Coal/Oil Sands Policy) that exceed the policy limits are *de minimis*.

As of December 31, 2025, our fixed maturity investments in the mining industry totaled $288 million (or 0.28% of our overall portfolio), with none of the issuers generating more than 20% of their revenues from coal mining.

Similarly, as of December 31, 2025, our Oil & Gas bond holdings totaled $713 million (or 0.68% of our overall portfolio), and none of these investments are in companies holding more than 20% of their reserves in oil sands.

With respect to our bond holdings in Electric Utilities, as of December 31, 2025, only $139 million (or 0.13% of our overall portfolio) generate more than 30% of their electricity from coal and are above the policy limit. Our credit analysis pays close attention to these issuers' goals and timelines for reducing carbon emissions by lowering the carbon intensity of their generating assets. We also own $476 million of environmental bonds in this industry, as reported by Bloomberg.

Our investments provide the necessary funding to these utilities as they continue to reduce their emissions and transition toward a lower-carbon economy.

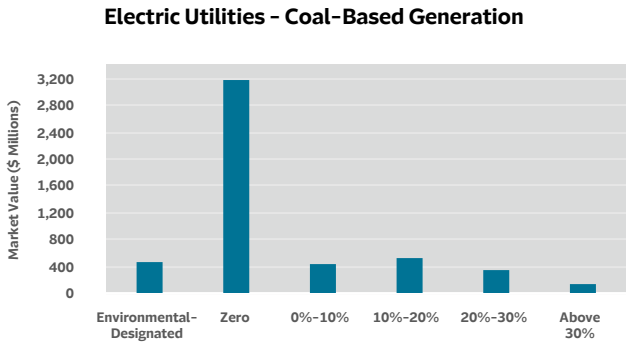


Figure 11.

Climate Scenario Analysis with Respect to Our Investment Portfolio

Within the last five years, we engaged a third-party vendor to perform a climate risk analysis of Travelers' investment portfolio. This analysis combined climate stress tests with stochastic modeling of possible future economic outcomes to help us better understand the possible impacts of various scenarios on our investment portfolio.

These scenarios, put forth by the Bank of England in its PRA Exploratory Exercise from 2019 (BoE 2019), include a short-term disorderly transition to a lower carbon economy, a long-term orderly transition to a lower carbon economy and a long-term increase in global temperatures by 4°C due to a failed climate policy. The climate stress tests use different return assumptions for various asset sectors and carbon intensive industries and consider both transition risk and physical risk at multiple time horizons based on parameters specified in the BoE 2019. The assumptions on the magnitude of climate impact on asset prices embedded into these stress tests carry significant degrees of uncertainty due to many factors, such as data quality, incomplete understanding of physical risks and emerging regulatory approaches. In addition, there is a high degree of uncertainty regarding the potential effects of changing climate conditions on financial markets and asset prices. All of these uncertainties increase as the scenarios extend further into the future. Additionally, it is important to note that, as mentioned above, our portfolio durations are significantly shorter than the BoE 2019 scenarios; accordingly, to the extent needed, we believe we would have ample opportunity to reallocate our investments over time.

Keeping the significant uncertainties associated with climate stress testing in mind, the results of our analysis provide some indication of how climate risk could impact our portfolio, including by assessing how climate risk affects different sectors and providing a relative comparison across portfolios, sectors and risk categories. Based on this climate risk analysis, we do not believe that changing climate conditions pose a significant risk to our investment portfolio, and we believe that we are well positioned on an absolute basis and as compared to our large U.S. property casualty insurance industry peers.

Additional high-level results from this climate risk analysis include the following:

- The incremental portfolio downside risk under each of the three climate scenarios considered is significantly smaller in magnitude than the downside risk from various economic conditions alone (e.g., inflation, interest rates, recessions).
- The effects of a long-term orderly transition to a lower carbon economy over the next 30 years should not have a meaningful impact on the portfolio value over the next five years.
- The risk to the portfolio of a failed climate policy scenario is insignificant over the next 5-10 years, as the physical risks from climate change become significant only over much longer time horizons.
- While, in the short term, a disorderly transition to a lower carbon economy has a greater impact on our portfolio's value than the other two climate scenarios modeled, the estimated 1-in-100 downside impact from this scenario is not a significant risk to our portfolio.
- The downside impact of these climate scenarios on Travelers' portfolio is smaller than for a portfolio with an asset allocation representing the average portfolio composition of 11 large U.S. P&C insurers invested in securities with climate exposures similar to market benchmarks. In other words, based on this analysis, Travelers is less exposed to climate risk in its investment portfolio than the average large U.S. P&C insurer. This is primarily due to Travelers' investment portfolio having lower allocation to equities, which the BoE 2019 assumes to suffer greater negative climate impacts than fixed income securities, and our corporate bond portfolio's higher average credit rating (higher rated, financially stronger issuers are assumed to suffer smaller losses than lower-rated issuers).

Supporting Environmental Improvements Through Our Investments

In addition to achieving appropriate risk-adjusted returns, our investments enable many environmental improvements. As of December 31, 2025, 32% of our fixed income portfolio is invested in municipal bonds, which some market participants consider the original ESG bonds. Our portfolio's focus on fixed income investments enables us to provide significant funding for many projects that will result in environmental and other societal improvements as we responsibly transition to a lower carbon economy. For example, as of December 31, 2025, we have $4.9 billion (notional amount) invested in municipal bonds that

support water and sewer projects, which help mitigate pollution, provide safe drinking water, promote conservation and, in many cases, respond to changing climate conditions. While we do not have formal targets for investing in "green" bonds – securities whose proceeds fund a variety of environmental projects – our "green" bond holdings have grown significantly over the last several years, as depicted in the graph below. As of December 31, 2025, we own $3.5 billion (notional amount) of "green," "sustainability" and "sustainability-linked" bonds (as classified by Bloomberg).

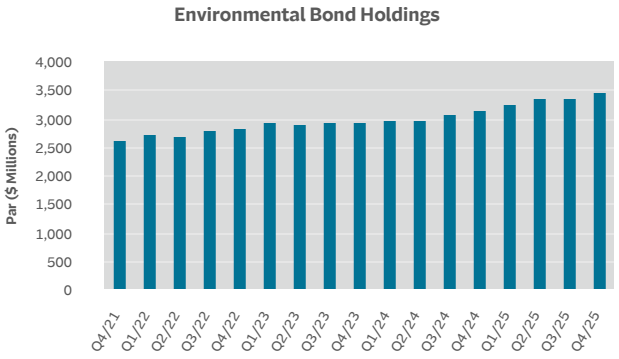


Figure 12.

Engagement with Portfolio Companies

In conjunction with our measuring and reporting journey, which is discussed in detail in the **Metrics & Targets** section of this report, we engage with companies in our corporate bond portfolio regarding their GHG emissions. We are currently focused on the top 25 companies that represent more than 50% of the emissions attributed to our corporate securities (as discussed in further detail in the **Measuring GHG Emissions Associated with Our Investment Portfolio** section of this report).

Through the engagement process, we gain a better understanding of the climate risk associated with the companies in our investment portfolio. As part of our engagement process, we also communicate the importance of, and our support for, the responsible reduction in GHG emissions. It is important to note that, as bondholders, we do not have voting rights with respect to the debtor companies.

Other Aspects of Travelers' Climate Strategy

In addition to accounting for climate risk in our underwriting and pricing decisions, as discussed in detail in the Risk Management section of this report, and providing products and product features that capture climate-related opportunities, our climate strategy includes the following components.

Advocating for Community Resiliency

Beyond the products and services we offer our customers and the thoughtful approach we take with respect to both our underwriting and investments, we are helping our communities become more resilient. Resiliency has a critical role to play in protecting our communities from the devastating effects of natural disasters. According to a 2019 National Institute of Building Sciences study, for every $1 invested in mitigation, the United States can save $6 in future disaster costs. For this reason, we continually endeavor to enhance public awareness about the need for effective adaptation strategies to reduce losses related to natural disasters and support and participate in research, advocacy and education. We also partner with nonprofit organizations around the country, including IBHS, the BuildStrong Coalition, Habitat for Humanity®, Smart Home America and SBP to promote stronger building codes, develop initiatives aimed at building communities that can better withstand changing weather patterns, and 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 influenced changes to existing building code standards and best practices to mitigate potential losses. A recent example of IBHS's important work includes the organization's Wildfire Prepared Home program, launched in 2021. Similar to the FORTIFIED program for wind, this program provides homeowners with a pathway to receive a three-year designation recognizing their efforts to reduce wildfire risk.

In 2025, IBHS released a report on California's Palisades and Eaton fires confirming that structure density and fuel connections between buildings drive fire spread in urban areas. The study validated that Wildfire Prepared Home™ standards enhance building resiliency during severe fire conditions. Robust building codes remain an important and cost-effective risk reduction tool.

In 2024, IBHS introduced a wildfire prepared neighborhood framework, which aims to provide specific metrics and data requirements for communities to achieve and maintain resilience against wildfire. This framework includes, for example, specific requirements about building density within the community and wildfire preparedness of individual buildings. This framework, which has now evolved into the Wildfire Prepared Neighborhood standard, provides neighborhoods and communities with a pathway to reduce wildfire risk.

In 2023, IBHS released a report evaluating the performance of Florida's building code during Hurricane Ian. Key takeaways were that newer construction performed very well and was much less likely than older construction to experience damage, especially in the areas that experienced the highest wind speeds. These results should serve as a lesson to other states that building codes are a very important and cost-effective risk mitigation tool to reduce the impacts of weather and climate-related risks. Through our research partnership with IBHS, we have gained a better understanding of severe wind, hail and fire impacts on building engineering standards and have incorporated these insights into our underwriting and pricing methodologies.

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 from the devastation of natural disasters and reduce loss costs.

National mitigation and resiliency efforts benefited from the enactment of the Disaster Recovery Reform Act in 2018. Long a priority for Travelers and the BuildStrong Coalition, this legislation provides states and localities with dedicated pre- and post-disaster funding opportunities that will continue to save lives and help communities reduce the future costs of natural disasters by helping homeowners fortify their homes using IBHS proven technologies. Federal and state funding for resiliency efforts is essential. According to the 2019 National Institute of Building Sciences study referenced above, for every $1 spent on adopting building codes, the United States can save $11 in future disaster costs.

To help build stronger, more resilient communities, we also joined forces with Habitat for Humanity® as well as 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.

In 2019, Travelers launched a FORTIFIED building pilot program with SBP, a nonprofit organization that works to shrink the time between disaster and recovery. With assistance from SBP and other organizations, including Travelers, more than 71,000 FORTIFIED homes have been built in the United States over the last five years to help communities rebuild after devastating natural disasters.

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.

Thought Leadership on Disaster Preparedness and Renewable Energy

Travelers is helping to proactively address risks such as hurricanes, wildfires and other disasters through the Travelers Institute, the public policy division of Travelers. The Travelers Institute gathers community members and professionals, including independent insurance agents and brokers, to explore the science of these issues and the latest research on prevention and mitigation. For example, a three-part webinar series from the Travelers Institute took viewers on live, exclusive tours of Travelers' 200,000-square-foot Claim University facility. The behind-the-scenes webinars showcased the immersive learning labs of Claim University, featured the technology and coordination of the National Catastrophe Center, and highlighted the scientific approach to claim at the Risk Control Lab. Viewers saw firsthand the advanced capabilities that allow Travelers to monitor weather, risk and exposure in real time, and how our industry-leading AI and machine-learning tools help us assess damage and assist customers quickly. Viewers also learned that Travelers Claim professionals, rather than third-party adjusters, handle catastrophe claims, and took a virtual tour of a Travelers "CAT Van," a mobile claim office that is deployed in the event of a catastrophe. In another webinar, experts from Travelers had an in-depth discussion on how the property insurance market has evolved following large catastrophic events and highlighted ways agents can help customers implement proactive approaches to better defend their home from wind, hail and fire.

Improving Our Eco-Efficient Operations

At Travelers, we 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, communities and employees.

Our Chief Administrative Officer, a member of the Company's Management and Operating Committees, oversees the Corporate Services team. This team regularly monitors and analyzes our operations and facilities to identify ways for us to operate more efficiently, reduce our environmental impact and lower our operating expenses. We evaluate projects based on their expected financial impact; our efforts to reduce our energy consumption and waste not only reduce our environmental impact but also lower our operating expenses.

Some of the key elements of our process include periodic review 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; minimizing and recycling as much waste as possible; and evaluating how to be more efficient in space utilization, which has led to an open workspace environment that is designed to increase operational efficiency and decrease our need for office space, further minimizing our impact on the environment. We describe our efforts with respect to reducing our greenhouse gas emissions, responsible water use and waste disposal, and paper usage, in turn, below.

Greenhouse Gas Emissions

Reducing our carbon footprint is one important aspect of our climate strategy. As discussed in further detail in the **Metrics & Targets** section below, we have reduced our carbon footprint significantly since 2011, and have made a commitment to become carbon neutral across our owned operations by 2030.[1] In recent years, we have implemented various emissions reduction initiatives, including:

- **Lighting.** We have renovated our Travelers-owned Hartford area offices and Norcross and Omaha data centers to upgrade our lights to LED. We continue to explore LED lighting upgrades to other owned facilities.
- **Technology Equipment Upgrades.** On a regular basis, we upgrade software and equipment in our data centers to help maximize energy efficiency.
- **Building Fabric Maintenance Program.** We have a comprehensive preventive maintenance and repair program (which includes a focus on windows and roof systems) designed to ensure building integrity and reduce energy loss.
- **Cloud Migration.** We have an Enterprise initiative to utilize software as a service (SaaS) and cloud-based solutions that will reduce our dependence on our data centers, which will reduce our carbon footprint over time.
- **Efficient Fleet Vehicles.** We regularly evaluate our fleet options and plan to continue to transition our fleet to more environmentally efficient vehicles over time.
- **Solar Array.** In 2025, we installed a solar array system at our Claim University campus in Windsor, Connecticut, which we believe will largely offset our energy consumption at that site.

Results from these initiatives have been impactful. For example, our open workspace environment, which we began to implement in 2016, increases operational efficiency and decreases our need for office space. We expect that upon completion of our office renovation project, we will reduce our real estate portfolio by approximately 50%.

Additionally, many of our efforts in recent years to enhance our claim service also reduce our emissions intensity. For instance:

- We have implemented virtual claim tools, which allow customers to share photos and videos when filing a claim, eliminating the need for an on-site inspection. 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 on-site inspection by a Travelers Claim professional. Leveraging our state-of-the-art digital capabilities can speed claim payments and also reduce miles driven by our claim fleet.
- Deploying drones to inspect roof damage improves the customer experience and eliminates safety hazards, while reducing emissions associated with roof inspections, as drone use reduces the need for ladder assist vendors to travel to the affected property.

Water and Waste

As with energy usage and GHG emissions, we see 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.
- Install auto-shutoffs on most faucets.
- Provide water bottle filling stations in the majority of workspaces to reduce the use and disposal of single-use water bottles.
- Maintain bottle and can recycling programs at owned locations.
- Compost food waste from kitchens in the Hartford campus.
- Use 100% biodegradable/compostable utensils and food containers in our Hartford campus.

We monitor waste at our owned facilities, including single stream recycling, municipal solid waste and construction/demolition waste. We also monitor water and sewer use, including general water use for restrooms, kitchens and landscape-related irrigation.

[1] Refers to Scope 1 and Scope 2 GHG emissions from owned operations. Owned operations do not include real estate holdings for investment purposes.

With these tracking capabilities, we are able to trend waste/water consumption over time and quantify impacts of building improvements as they relate to creating more environmentally sustainable workplaces.

Paper Usage

Travelers has implemented a variety of business initiatives to reduce our paper usage. In 2019, Travelers started partnering with **American Forests**, one of the oldest conservation groups in the United States, to fund the planting or conservation of one tree for each Personal Insurance billing account converted to paperless billing.

As of 2025, we have funded the planting or conservation of more than 7 million trees across 19 U.S. states and Canada through our partnership with American Forests. Our current commitment is to fund the planting or conservation of up to 10 million trees by 2030. In addition to restoring natural landscapes, providing habitat for wildlife and naturally capturing carbon emissions, this effort has helped us minimize our environmental impact and carbon footprint. Beyond this campaign's environmental impacts of planting trees, paperless billing provides an added level of convenience for customers by allowing for easy access and retrieval of billing documents, while helping us save millions of dollars in paper and postage costs.

Additional details on these aspects of our strategy can be found in the **Climate Strategy**, **Eco-Efficient Operations** and **Public Policy** sections of our sustainability website.

Risk Management

Processes Used to Determine, Assess and Manage Climate-Related Risks and Opportunities

Travelers employs a long-term financial strategy to manage risk/reward over time. We continually measure results to understand the performance of our products and businesses and apply our collaborative understanding of risk to adjust our current view of risk/reward, as appropriate. Through our ERM framework, we actively evaluate the risk/reward relationships on both an individual and a portfolio basis. This evaluation impacts the risks we decide to insure and the appropriate rates to charge. The Enterprise Underwriting department is one of the key internal risk management functions at Travelers. Enterprise Underwriting defines and manages Travelers' corporate underwriting risk appetite and controls to ensure consistency across the enterprise. Enterprise Underwriting also defines and manages the related underwriting authority standards and thresholds, and each business operates within the defined authority standards.

Risk management for changing climate conditions is addressed within our business model and ERM framework. As part of our ERM process, business and corporate groups work to identify and assess climate-related risks, both physical and transition risk. We regularly review emerging issues, including changing climate conditions, to consider potential changes to our risk models and their use, as well as to help assess the need to adjust underwriting, pricing or reinsurance strategies, coverage terms and conditions or to develop new products or otherwise explore climate-related opportunities. We evaluate event exposures using catastrophe models, as discussed under Strategy above, and report aggregate exposure and strategies regularly to management and the Risk Committee of the Board. For more details on how we incorporate climate-related risk into our reinsurance portfolios, see **Mitigation of Climate Risks and Integration Into Overall Risk Management**.

Our integrated, iterative and collaborative ERM process includes evaluating risk and reward, setting underwriting and operational strategies, and monitoring the results of our efforts. As part of our process, we consider various external environments and influences, including the economy, insurance marketplace, and views of regulators, the investment community and rating agencies.

Several management groups and business-level risk committees, including the Enterprise Risk Management Group, Enterprise Underwriting, the Catastrophe Risk Management group, Facilities & Operations Management, the Sustainability Committee, the Enterprise Risk Committee, the Property Catastrophe Management Committee and the Casualty Emerging Risk Committee, coordinate and support climate-related initiatives and strategies across Travelers and are venues to share information and leverage expertise.

For a more complete discussion of our ERM framework, please see our **Annual Report on Form 10-K** for the fiscal year ended December 31, 2025.

Process Used to Determine Climate-Related Risks

Using actionable science to make informed business decisions is a pillar of Travelers' catastrophe risk management philosophy. Given our long-standing focus on changing climate conditions, our Catastrophe Risk Management group, which assesses catastrophe risk and manages the development of our strategic catastrophe efforts, includes experts in data science, geophysics and meteorology, including climate and flood science, wind and

structural engineering. We have also established dedicated teams for each catastrophe peril, with the goal of developing industry-leading scientific and underwriting expertise. We have incorporated our 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 approach 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.

We use various analyses and methods, including proprietary and third-party modeling processes and geospatial analysis, to evaluate our climate-related risks and make underwriting, pricing and reinsurance decisions designed to manage the Company's exposure to catastrophe events. In addition to catastrophe modeling and analysis, we also model and analyze the Company's exposure to other extreme events. We also utilize proprietary and third-party modeling processes to evaluate capital adequacy. In addition, we consider historical loss experience, recent events, underwriting practices, market share analyses, external scientific analysis and various other factors, including non-modeled losses, to refine our proprietary view of catastrophe risk. These analytical techniques are an integral component of our ERM process and further support our long-term financial strategies and objectives.

We actively monitor and evaluate changes in third-party models and, when necessary, calibrate the catastrophe risk model estimates delivered via our proprietary modeling processes. Importantly, in addition, our underwriting appetite evolves as the environment evolves, and we may modify our view of risk or our underwriting appetite, as appropriate.

Finally, as discussed under **Underwriting and Pricing Decisions**, in addition to factoring in catastrophe models and historical experience, we are able to respond quickly to changing conditions since most of our policies renew annually. This gives us the flexibility to adjust our underwriting and pricing strategies and related policy terms and conditions, as appropriate.

Separately, as discussed in both the **Governance** and **Risk Management** sections of this report, business-level risk committees play an active role in developing and executing our ERM strategy. The Segment Risk Committees are involved in identifying climate-related underwriting risks and climate-related opportunities in our book of business in collaboration with our ERM function in the United States, Canada and the United Kingdom, including the Catastrophe Risk Management and Enterprise Underwriting groups; our business underwriting groups across the Company; our Risk Control function; and the Investment, Legal and Regulatory functional areas.

These groups and committees stay current on climate-related and environmental risks, including through industry publications and external conferences, and actively monitor 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.

These groups and committees are also updated from time to time by 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. These publications include:

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

When a potential risk is identified, these groups and committees engage in a comprehensive review to evaluate the risk. This process involves the relevant internal stakeholder groups and, as appropriate, may be elevated pursuant to our ERM framework for discussion with senior management and the Board of Directors.

Process Used to Determine Climate-Related Opportunities

Travelers Global Energy Council is a multidisciplinary group established to help ensure that Travelers utilizes a proactive, holistic and consistent approach to how the Company positions itself in various energy markets in the United States and internationally. The Council collaborates with various groups and committees, including the Segment Risk Committees, on:

- Identifying potential new products and assessing their feasibility.
- Exploring potential new markets.
- Monitoring the impact of climate and "green" trends on current product offerings.
- Sharing ideas and exploring possibilities to avail ourselves of additional climate-related opportunities.

When we identify a potential opportunity, we conduct a comprehensive evaluation of the viability of the opportunity, as well as the risks associated with the opportunity. This process involves experts from the relevant disciplines across the organization, including industry experts and our Risk Control professionals. After a determination is made that a product is viable and within our risk appetite, further vetting is conducted through our ERM process prior to product development and/or launch.

Mitigation of Climate Risks and Integration Into Overall Risk Management

Underwriting and Pricing Decisions

As a property casualty insurance company, we are in the business of insuring risk. More specifically, Travelers is a risk/return-focused company, and we regularly evaluate our underwriting standards to ensure we are earning an appropriate return for the risks we are underwriting. Our risk appetite is dependent on our ability to understand the property and casualty risks that we underwrite. We try to avoid exposures that cannot be evaluated or have unacceptable levels of uncertainty. This approach helps ensure our ability to fulfill our contractual obligations to our customers and fund the payment of future claims, some of which manifest over years and decades. Accordingly, we employ a thoughtful and collaborative underwriting philosophy that is focused on using risk-based factors to carefully select risks and charge premium commensurate with that risk. **Importantly, we evaluate risks related to changing climate conditions consistent with how we approach all other underwriting risks.** 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.

For example, given our risk/return requirements, our direct exposure to thermal coal and oil sands is *de minimis*; simply put, these businesses are not attractive to us from a risk/return standpoint. Consistent with our risk/return approach to underwriting, we have a **policy** that indicates that we will not (i) provide insurance for the construction and operations of any new coal-fired plants, (ii) underwrite new risks for companies that generate more than 30% of their revenues from thermal coal mining, (iii) underwrite new risks for companies that generate more than 30% of their energy production from coal, or (iv) underwrite new risks for companies that hold more than 30% of their reserves in oil sands. Travelers also committed to phasing out existing underwriting relationships that exceed the thresholds above by 2030.

Understanding climate-related effects on weather perils is part of our fundamental evaluation process in connection with the underwriting and pricing of risks related to many of our products. We use proprietary, industry-specific supplemental questionnaires to help us identify specific risk characteristics and other relevant factors, including changing climate conditions and other environmental factors, which we incorporate into our underwriting process.

Pricing of Travelers property and casualty insurance products is generally developed based upon a number of factors, including an estimation of expected losses; the expenses associated with producing, issuing and servicing business and managing claims; the time value of money related to the expected loss and expense cash flows; and a reasonable profit margin that considers, among other factors, the capital needed to support the Company's business. Travelers has a disciplined approach to underwriting and risk management that emphasizes product returns and profitable growth over the long term rather than premium volume or market share.

As discussed in detail throughout this report, we can and do take steps to ensure that our portfolio of risk properly contemplates the potential for loss and that we continue to maintain the right balance of risk and reward. We will continue to underwrite risks to the extent we believe we can earn an appropriate risk-adjusted return, and we will reduce our exposure to, or exit altogether, markets and geographies when, upon careful evaluation, we don't believe that appropriate risk-adjusted returns are achievable. We manage the performance of our business over time, and that approach is foundational to our underwriting philosophy and core to how we manage our catastrophe exposure. We believe we are well positioned to continue to deliver industry-leading returns in the face of changing climate conditions.

Catastrophe Modeling

Core to our strategy is the incorporation of weather and climate variability into our underwriting and pricing decisions. Our catastrophe modeling, as described in the **Process Used to Determine Climate-Related Risks** section above, is critical to this effort.

It is important to note that there are no industry-standard methodologies or assumptions for projecting catastrophe exposure. Accordingly, catastrophe estimates provided by different insurers may not be comparable.

Based on the proprietary and third-party models utilized by the Company, the table below sets forth, as of December 31, 2025, the probabilities that estimated losses, comprising claims and allocated claim adjustment expenses (but excluding unallocated claim adjustment expenses), from a single event occurring in a one-year timeframe will equal or exceed the indicated loss amounts (expressed in dollars, net of tax, and as a percentage of the Company's common equity). For example, on the basis described below the table, the Company estimates that there is a 1% chance that the Company's loss from a single U.S. hurricane in a one-year timeframe would equal or exceed $1.7 billion, or 5% of the Company's common equity at December 31, 2025.

	dollars (in billions)		Percentage of common equity[1]	
Likelihood of exceedance[2]	**Single U.S. hurricane**	**Single U.S. earthquake**	**Single U.S. hurricane**	**Single U.S. earthquake**
2.0% (1-in-50)	$1.5	$0.6	4%	2%
1.0% (1-in-100)	$1.7	$0.8	5%	2%
0.4% (1-in-250)	$3.4	$1.3	10%	4%
0.1% (1-in-1,000)	$9.2	$2.3	27%	7%

[1] The percentage of common equity is calculated by dividing (a) indicated loss amounts in dollars by (b) total common equity excluding net unrealized investment gains and losses, net of taxes, included in shareholders' equity. Net unrealized investment gains and losses can be significantly impacted by both discretionary and other economic factors and are not necessarily indicative of operating trends. Accordingly, the Company's management uses the percentage of common equity calculated on this basis as a metric to evaluate the potential impact of a single hurricane or single earthquake on the Company's financial position for purposes of making underwriting and reinsurance decisions.

[2] An event that has, for example, a 2% likelihood of exceedance is sometimes described as a ''1-in-50 year event.'' As noted above, however, the probabilities in the table represent the likelihood of losses from a single event equaling or exceeding the indicated threshold loss amount in a one-year timeframe, not over a multi-year timeframe. Also, because the probabilities relate to a single event, the probabilities do not address the likelihood of more than one event occurring in a particular period, and, therefore, the amounts do not address potential aggregate catastrophe losses occurring in a one-year timeframe.

Figure 13.

The loss amounts included in the table above are based on the Company's in-force portfolio of direct exposures and do not include assumed business. Additionally, the amounts are as of December 31, 2025, reflect the reinsurance program in place at January 1, 2026, are net of reinsurance, after-tax, and exclude unallocated claim adjustment expenses, which historically have been less than 10% of loss estimates. For further information regarding the Company's reinsurance, see "Item 1 – Business – Reinsurance" in our **Annual Report on Form 10-K** for the fiscal year ended December 31, 2025. The amounts for hurricanes reflect U.S. exposures and include property exposures, property residual market exposures and an adjustment for certain non-property exposures. The hurricane loss amounts are based on the Company's catastrophe risk model estimates and include losses from the hurricane hazards of wind and storm surge. The amounts for earthquakes reflect U.S. property and workers compensation exposures. These loss amounts include the effects of exposure growth, inflation and modeling updates based on recent trends and scientific analysis. The Company does not believe that the inclusion of hurricane or earthquake losses arising from other geographical areas or other exposures would materially change the estimated loss amounts.

Catastrophe modeling relies upon inputs based on experience, science, engineering and history. These inputs reflect a significant amount of judgment and are subject to changes, which may result in volatility in the modeled output. Catastrophe modeling output may also fail to account for risks that are outside the range of normal probability or are otherwise unforeseeable. Catastrophe modeling assumptions include, among others, the portion of purchased reinsurance that is collectible after a catastrophic event, which may prove to be materially incorrect. Consequently, catastrophe modeling estimates are subject to significant uncertainty. In the table above, the uncertainty associated with the estimated threshold loss amounts increases significantly as the likelihood of exceedance decreases. In other words, in the case of a relatively more remote event (e.g., 1-in-1,000), the estimated threshold loss amount is relatively less reliable. Actual losses from an event could materially exceed the indicated threshold loss amount. In addition, more than one such event could occur in any period.

Moreover, Travelers is exposed to the risk of material losses from other than property and workers compensation coverages arising out of hurricanes and earthquakes, and it is exposed to catastrophe losses from perils other than hurricanes and earthquakes, such as tornadoes and other windstorms, hail, wildfires, severe winter weather, floods, tsunamis, volcanic eruptions, solar flares and other naturally occurring events, as well as acts of terrorism and cyber events.

In addition, compared to models for hurricanes, models for earthquakes are less reliable due to there being a more limited number of significant historical events to analyze, while models for tornadoes, hail storms, wildfires and winter storms are newer and may be less reliable due to the highly random geographic nature and size of these events. Accordingly, these models may be less accurate in predicting risks and estimating losses. Further, changes in climate conditions could cause our underlying modeling data to be less predictive, thus limiting our ability to effectively evaluate and manage catastrophe risk. In addition, models for some events are either in early stages of development and, therefore, not widely adopted, or are not yet available.

For more information about the Company's exposure to catastrophe losses, see our **Annual Report on Form 10-K** for the fiscal year ended December 31, 2025, under "Item 1A – Risk Factors – High levels of catastrophe losses, including as a result of factors such as increased concentrations of insured exposures in catastrophe-prone areas and changing climate conditions, could materially and adversely affect our results of operations, our financial position and/or liquidity, and could adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance" and "Item 1A – Risk Factors – We may be adversely affected if our pricing and capital models provide materially different indications than actual results."

External Studies

In addition to catastrophe modeling, we evaluate the findings contained in governmental reports, such as the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6; 2021) and the U.S. Fifth National Climate Assessment Report (NCA5; 2023), as well as other external scientific studies related to climate to assess potential impacts on our underwriting and pricing decisions. For example, we have evaluated the extent to which phases of the Atlantic 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.

Climate studies by government agencies, academic institutions, catastrophe modeling organizations and other groups indicate that an increase in the frequency and/or intensity of hurricanes, hail and severe convective storms, heavy precipitation events and associated river, urban and flash flooding, sea level rise, droughts, heat waves and wildfires has occurred, and can be expected into the future. We actively monitor and evaluate changes in the state-of-the-science as it relates to how changing climate conditions are impacting or may impact weather perils.

Catastrophe Experience

Our catastrophe underwriting also incorporates lessons learned from recent events, including the Marshall Fire (Colorado) in 2021, Hurricane Ian (Florida) in 2022, Hurricane Idalia (Florida) in 2023, Hurricane Helene (Georgia) in 2024 and the Palisades and Eaton fires (California) in 2025, as well as past events, such as Hurricane Katrina (2005), Storm Sandy (2012), Hurricane Harvey (2017) and California's Tubbs Fire (2017) and Camp Fire (2018). These lessons 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 Commercial Property flood underwriting, which factors in building footprints compared to 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.

As it relates to the California wildfires in particular, we now view events such as those of the past decade as being less remote than we thought previously. As a consequence of that, as well as the longer-term trend in catastrophe losses, for certain perils we have weighted our more recent experience somewhat more heavily than we otherwise would have in modeling catastrophe losses going forward.

Additional Factors Limiting Our Exposure to Climate-Related Risks

In addition to factoring in catastrophe models, external studies and historical experience, we are able to mitigate our exposure to climate-related risks including through the following:

- **Annual Policies.** 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.
- **Reinsurance.** 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.

  We conduct an ongoing review of our risk and catastrophe coverages and, from time to time, make changes to our reinsurance program as we deem appropriate. For example, Travelers utilizes a corporate catastrophe excess-of-loss reinsurance treaty with unaffiliated reinsurers to manage its exposure to losses resulting from catastrophes and to protect its capital. In addition to the coverage provided under this treaty, Travelers also utilizes a reinsurance agreement entered into in connection with catastrophe bonds to protect against certain weather-related losses in the Northeastern United States and a Northeast property catastrophe excess-of-loss reinsurance treaty to protect against losses resulting from weather-related catastrophes in the Northeastern United States. For further discussion of our reinsurance program, see our **Annual Report on Form 10-K**.
- **Product Diversity.** 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 size and type. Travelers is a leading U.S. commercial insurance writer with a top-five position in five major product lines, including a number one position in commercial multi-peril.[1] Our Business Insurance segment accounts for approximately half of our net written premiums and includes product lines that are less susceptible to climate-related risks, such as workers compensation and general liability. Likewise, our Bond & Specialty Insurance segment offers primarily fidelity, surety, cyber, management liability and professional liability products. In 2025, approximately two-thirds of domestic premiums were from liability lines (e.g., workers compensation, management liability, general liability, auto insurance), whereas approximately one-third of domestic premiums came from property lines (e.g., homeowners and commercial property). See the **Business Strategy & Competitive Advantages** section of our sustainability website to learn more about our product breadth and specialization.

For a discussion regarding the management of climate risk associated with our investment portfolio, see the section titled **Incorporating Climate Considerations Into Our Investment Processes** under the Strategy pillar, above.

[1] 2025 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 © 2026, S&P Global Market Intelligence. Used with permission.

Metrics & Targets

We measure a variety of climate-related metrics that inform our climate and overall business strategies. We also set GHG targets to monitor our operational eco-efficiencies.

Catastrophe Losses

On an annual basis, we monitor changes in catastrophe model output on our book of business, changes in the state-of-the-science and weather and non-weather loss trends as part of the natural catastrophe planning process by business unit and by peril.

(dollars in millions)	2025	2024	2023
Catastrophe Losses (pre-tax)	$3,690	$3,335	$2,991
Catastrophe Losses (after-tax)	$2,915	$2,632	$2,361
Earned Premiums Ceded (Reinsurance Premiums)[1]	($3,238)	($3,137)	($2,649)
Reinsurance Recoverable[2]	$7,886	$8,000	$8,143

[1] For total company, including related to catastrophes.

[2] Net of allowance for estimated uncollectible reinsurance of $129 million, $119 million and $118 million at December 31, 2025, 2024 and 2023, respectively.

Figure 14.

The Company defines a "catastrophe" as a severe loss event:

- that is designated, or reasonably expected by the Company to be designated, a catastrophe, by one or more industry recognized organizations that track and report on insured losses resulting from catastrophic events, such as Property Claim Services (PCS) for events in the United States and Canada; and
- for which the Company's estimates of its ultimate losses before reinsurance and taxes exceed a pre-established dollar threshold.

The Company's threshold for disclosing catastrophes is primarily determined at the reportable segment level. If a threshold for one segment or a combination thereof is exceeded and the other segments have losses from the same event, losses from the event are identified as catastrophe losses in the segment results and for the consolidated results of the Company. Additionally, an aggregate threshold is applied for International business across all reportable segments. The threshold for 2025 ranged from approximately $20 million to $30 million of losses before reinsurance and taxes.

The table on the following page presents the amount of losses recorded by the Company for significant catastrophes that occurred in 2025, 2024 and 2023, the amount of net unfavorable (favorable) prior year reserve development recognized in 2025 and 2024 for catastrophes that occurred in 2024 and 2023, and the estimate of ultimate losses for those catastrophes at December 31, 2025, 2024 and 2023. For purposes of the table, a significant catastrophe is an event for which the Company estimates its ultimate losses will be $100 million or more after reinsurance and before taxes.

(in millions, pre-tax and net of reinsurance)	Losses incurred / unfavorable (favorable) prior year reserve development for the year ended December 31,			Estimated ultimate losses as of December 31,		
Topic	**2025**	**2024**	**2023**	**2025**	**2024**	**2023**
2023 PCS Serial Number:						
25 — Severe wind and hail storms	(5)	(6)	153	142	147	153
32 — Severe wind and hail storms	(6)	(5)	140	129	135	140
33 — Severe wind and hail storms	(2)	(10)	199	187	189	199
35 — Severe wind and hail storms	11	—	140	151	140	140
38 — Severe wind and hail storms	3	3	110	116	113	110
42 — Severe wind and hail storms	—	4	133	137	137	133
48 — Severe wind and hail storms	3	(6)	150	147	144	150
49 — Severe wind and hail storms	(6)	2	133	129	135	133
51 — Severe wind and hail storms	8	(34)	265	239	231	265
63 — Severe wind and hail storms	—	5	125	130	130	125
75 — Severe wind and hail storms	(2)	(17)	190	171	173	190
2024 PCS Serial Number:						
26 — Severe wind and hail storms	(10)	261	n/a	251	261	n/a
39 — Severe wind and hail storms	(7)	250	n/a	243	250	n/a
42 — Severe wind and hail storms	(12)	161	n/a	149	161	n/a
44 — Severe wind and hail storms	(1)	171	n/a	170	171	n/a
45 — Severe wind and hail storms	15	159	n/a	174	159	n/a
46 — Severe wind and hail storms	9	182	n/a	191	182	n/a
61 — Severe wind and hail storms	(17)	144	n/a	127	144	n/a
77 — Hurricane Helene	(68)	733	n/a	665	733	n/a
2025 PCS Serial Number:						
11 — California wildfire - Palisades fire	1,344	n/a	n/a	1,344	n/a	n/a
12 — California wildfire - Eaton fire	377	n/a	n/a	377	n/a	n/a
24 — Severe wind and hail storms	337	n/a	n/a	337	n/a	n/a
29 — Severe wind and hail storms	137	n/a	n/a	137	n/a	n/a
37 — Severe wind and hail storms	227	n/a	n/a	227	n/a	n/a
39 — Severe wind and hail storms	101	n/a	n/a	101	n/a	n/a
43 — Severe wind and hail storms	97	n/a	n/a	97	n/a	n/a
45 — Severe wind and hail storms	107	n/a	n/a	107	n/a	n/a

n/a: not applicable

Figure 15.

Greenhouse Gas (GHG) Emissions

Travelers' Owned Operations

As an insurer, most of our Scope 1 and 2 GHG emissions result from office activity and mobile combustion (e.g., company vehicles). While we strive to reduce our emissions, our primary climate-related risks and opportunities relate to our property insurance business and claim service.

Travelers set a goal to reduce the Company's absolute Scope 1 and 2 emissions by 40% by 2020, based on a 2011 base year. By year-end 2020, we exceeded our goal, and as of year-end 2025, we reduced the Company's absolute Scope 1 and 2 emissions by 54%. In April 2021, we announced our commitment to become carbon neutral across our owned operations by 2030.[1] We plan to accomplish this goal by continuing to implement projects that result in absolute physical reductions of GHG emissions, continuing efforts to reduce energy consumption, increasing the percentage of renewable energy sources and transitioning to more efficient vehicles. Once cost-effective efforts have been implemented, we will obtain certified offsets. The table below outlines our Scope 1, 2 and certain of our Scope 3 (business travel only) emissions data for the most recent three years, which has been **verified by an independent third party**. In addition, we include data for 2011 since it serves as the base year for the Company's initial GHG emissions reduction goal.

We use The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard to calculate our Scope 1 and 2 GHG emissions; we use The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard to calculate our Scope 3 GHG emissions.

Metric	2025	2024	2023	2011
Scope 1 GHG Emissions (metric tons CO_2e)[1]	19,121	19,069	19,586	37,436
Emissions from Mobile Combustion (metric tons CO_2e)	18,064	18,064	18,555	36,574
Emissions from Office Activity (metric tons CO_2e)	1,057	1,005	1,031	862
Scope 2 GHG Emissions (metric tons CO_2e)[1, 2]	19,430	18,938	19,049	47,167
Total Scope 1 and Scope 2 GHG Emissions (metric tons CO_2e)[1]	38,551	38,007	38,635	84,603
Total Scope 1 and Scope 2 GHG Emissions per Revenue (metric tons CO_2e per million USD)[1, 2]	0.79	0.82	0.93	3.32
Total Scope 1 and Scope 2 GHG Emissions per Employee (metric tons CO_2e per person)[1, 2]	1.15	1.12	1.16	2.77
Scope 3 Emissions from Business Travel (metric tons CO_2e)[3]	15,334	20,210	17,129	Not Tracked
Percentage of Electricity from Renewable Sources	27%	29%	24%	Not Tracked
Percentage of Total Energy from Renewable Sources	8%	8%	7%	Not Tracked

[1] Scope 1 and Scope 2 GHG emissions from owned operations. Owned operations do not include real estate holdings for investment purposes.

[2] Location-based method.

[3] Includes business air travel and rental cars.

Figure 16.

Measuring GHG Emissions Associated with Our Investment Portfolio

Currently, GHG emissions data for the substantial majority of segments of our investment portfolio (e.g., municipal bonds, foreign local and regional governments, mortgage bonds, ABS & CMBS and private equity, hedge funds and other investments) is unavailable, and where it is available, the data quality remains inconsistent. Accordingly, at this time, we cannot accurately calculate the total emissions of our overall investment portfolio. Nonetheless, as discussed in detail above, we believe that we have incorporated the relevant risks into our investment analysis. In addition, we have attempted to quantify GHG emissions of securities within our corporate securities portfolio (corporate bonds and public equity) and our sovereign bond portfolio, the only portfolio segments where reported GHG emissions data is available. These portfolio segments represent approximately 47% of our overall investments. As additional emissions data becomes available over time, we expect that the total GHG emissions that we will be able to report will increase.

Data

Corporate Securities Portfolio

As of December 31, 2025, approximately 42% of our investment portfolio was invested in corporate securities. Approximately 83% of companies in our corporate securities portfolio (by market value) voluntarily report Scope 1 (direct) and Scope 2 (indirect; e.g., purchased electricity) emissions. We have excluded Scope 3 emissions due to the low number of companies that make such emissions data available. Since annual GHG emissions data is reported by most companies with a substantial lag after their fiscal year-end, when calculating GHG emissions-related metrics for our year-end corporate securities portfolio, we use companies' most recently reported GHG emissions data available at that time. For companies that do not report GHG emissions data, we use estimates from Bloomberg's proprietary GHG emissions estimates model, which uses companies' reported data to build an estimation model for non-reporting companies (about 16% of our corporate securities portfolio by market value). We exclude holdings where no emissions information is available (about 1% of corporate securities). To calculate an estimate of financed GHG emissions for our corporate securities portfolio as of December 31, 2025, we used company-reported emissions data for fiscal year 2024, as well as Bloomberg's estimates for that year.

Sovereign Portfolio

As of December 31, 2025, less than 5% of our investment portfolio was invested in sovereign holdings. More than 99% of our sovereign investment portfolio consists of government debt issued by the United States, Canada and the United Kingdom. We use production-based, territorial GHG emissions information reported by these governments to report on the GHG emissions associated with our sovereign investment portfolio. This method estimates all emissions produced within a country, regardless of whether the final product is exported or consumed elsewhere. To provide a more comprehensive estimate of a country's emissions, we include land-use emissions that account for activities which remove or contribute to carbon dioxide in the atmosphere. Land-use emissions are significantly more difficult to estimate than emissions from a power plant, for example. Analogous to our corporate securities portfolio, due to the delay in the availability of the data from the respective governments, the emissions data we are reporting is lagged by one year from the portfolio holdings date. Additionally, U.S. sovereign emissions metrics for 2025 cannot be reported at this time, as the U.S. EPA has not yet published GHG emissions inventory beyond fiscal year 2023, which serves as the basis for these calculations.

Methodology

The shortcomings with respect to the data described above are exacerbated by significant challenges in determining how to attribute companies' GHG emissions to owned investments. In making such a determination, it is important to distinguish between an accounting-based approach and a risk-based approach. For corporations, the accounting-based approach commonly attributes an investee company's GHG emissions to the investor based on the investor's total investment (debt and equity investment) divided by a measure of the investee company's enterprise value. While this approach might seem straightforward, it does not differentiate between the relative riskiness of potential transition costs associated with a company's GHG emissions borne by debt versus equity holders. As discussed above, we manage our investment portfolio with a focus on risk-adjusted returns. Accordingly, we utilize a risk-based framework in which we attribute an issuer's total reported GHG emissions between debt and equity based on the issuer's weighted average probability of default (taking into account the issuer's average rating and maturity).

We believe this approach more appropriately captures the transition risk that matters to our shareholders and policyholders, and it also reflects differences related to asset allocation and credit quality within an investment portfolio. Specifically, for companies with a low default probability, most of the risk related to GHG emissions rests with equity holders. Conversely, for companies with a high default probability, the risk related to GHG emissions impacts bond holders to a greater degree than for companies with a low default probability.

We track several related metrics for our corporate securities portfolio. First, we calculate absolute Scope 1 and Scope 2 GHG emissions, as described above. Second, we compute the portfolio's carbon footprint, and to account for the fluctuating size of our portfolio, we normalize the total Scope 1 and Scope 2 emissions by the amount invested. Third, while absolute GHG emissions – appropriately normalized and attributed – provide some useful information, we also track GHG emissions per unit of revenue. This metric is important for evaluating a corporation's GHG emissions, as it captures the intensity of a company's GHG emissions and allows for a comparison across companies of varying sizes. We then calculate a weighted average carbon intensity (WACI), multiplying each investee company's carbon intensity by its weight in our portfolio.

Notably, as discussed in more detail elsewhere in this report, our investments in "green," "sustainability" and "sustainability-linked" bonds provide significant funding for many projects that will result in environmental improvements, which are critical to support a transition to a lower carbon economy. Accordingly, we exclude environmental-designated bonds when calculating GHG emissions exposure to an issuer (such bonds represented about 3% of our corporate securities at year-end 2025).

For sovereigns, several accounting-based approaches for attributing emissions to owned investments have been proposed. We use a method that scales owned investments by gross domestic product (GDP) adjusted for purchasing power parity (PPP). As for corporate securities, we also calculate emissions using the risk-based attribution approach that takes into account each sovereign's default probability across the maturity range of our holdings.

Sovereign emissions include emissions produced by companies operating within a country's territory. To avoid double-counting, we report emissions attributable to our corporate and sovereign portfolios separately. Also, the different attribution factors used for the accounting-based approaches (enterprise value weighted vs GDP-weighted) make it unsuitable to simply combine emissions across these portfolio segments.

Results

Corporate Securities Portfolio

The table below provides information on Scope 1 and Scope 2 emissions attributable to our corporate securities portfolio, which represented 34.6% of our total investment portfolio at year-end 2025. The table includes 2019 as a base year, as well as the three most recent years for comparison. We provide metrics calculated using both the accounting-based and risk-based attribution methods described above. In addition, we provide results by sector for the sectors that represent the substantial majority of our corporate securities portfolio's GHG emissions.

Our corporate securities portfolio is almost entirely composed of fixed maturity investments (approximately 99%), with public common and preferred equity representing the remainder. Most of this portfolio's emissions were Scope 1 (direct). Total Scope 1 and Scope 2 emissions declined from 3.23 million metric tons of CO_2 equivalent (tCO_2e) in 2019 to 2.35 million tCO_2e in 2025 (as measured using the enterprise-value weighted emissions attribution approach) – a reduction of approximately 27%. To account for variations in investment amounts we also calculate the carbon footprint of our corporate securities portfolio, which represents emissions per $1 million invested. This statistic also showed a reduction of approximately 48% from 2019 to 2025 (from 126 to 65 tCO_2e/$1 million).

Calculating emissions metrics using the risk-weighted approach yields much smaller values. For example, the 2025 risk-weighted carbon footprint was only 3.3 tCO_2e/$1 million. Note also how this methodology results in much larger carbon footprints for the public equity segment compared to the corporate debt portfolio, reflecting – in our view, appropriately – the greater risk of a company's GHG emissions borne by equity holders. Lastly, the weighted average carbon intensity of our corporate securities portfolio also declined approximately 37% during this period (from 413 tCO_2e/$1 million of revenue in 2019 to 261 tCO_2e/$1 million of revenue in 2025).

				Enterprise-Value Weighted				Risk Weighted		
	Year[1]	Market Value[2,3] ($mm)	Market Value (% Investments)	Scope 1 (mm tCO_2e)	Scope 2 (mm tCO_2e)	Scope 1 + 2 (mm tCO_2e)	Carbon Footprint (tCO_2e/1mm)[4]	Scope 1 + 2 (mm tCO_2e)	Carbon Footprint (tCO_2e/1mm)[4]	WACI (tCO_2e/1mm)[5]
By Asset Class										
Corporate Debt[6]	2025	35,792	34.2%	1.98	0.35	2.33	**65**	0.086	**2.4**	**262**
	2024	30,837	32.7%	1.61	0.27	1.88	**61**	0.066	**2.1**	**238**
	2023	28,035	31.6%	1.68	0.28	1.96	**70**	0.067	**2.4**	**253**
	2019	25,479	32.7%	2.68	0.51	3.19	**125**	0.121	**4.7**	**410**
Public Equity[7]	2025	462	0.4%	0.02	0.00	0.02	**48**	0.036	**77.4**	**196**
	2024	424	0.5%	0.02	0.00	0.02	**48**	0.035	**81.9**	**167**
	2023	391	0.4%	0.01	0.01	0.02	**46**	0.029	**75.2**	**164**
	2019	216	0.3%	0.04	0.00	0.04	**207**	0.124	**573.5**	**741**
Corporate Securities	2025	36,254	34.6%	2.00	0.35	2.35	**65**	0.122	**3.3**	**261**
	2024	31,261	33.2%	1.63	0.27	1.90	**61**	0.101	**3.2**	**237**
	2023	28,426	32.0%	1.69	0.29	1.98	**69**	0.096	**3.4**	**252**
	2019	25,695	33.0%	2.72	0.51	3.23	**126**	0.245	**9.5**	**413**
TOTAL INVESTMENTS[8]	2025	104,529								
	2024	94,223								
	2023	88,810								
	2019	77,884								
Selected Corporate Sectors										
Chemicals	2025	888	0.8%	0.13	0.04	0.17	**192**	0.006	**7.0**	**489**
	2024	776	0.8%	0.11	0.04	0.15	**200**	0.007	**9.4**	**528**
	2023	761	0.9%	0.12	0.05	0.17	**228**	0.010	**12.6**	**547**
	2019	811	1.0%	0.16	0.07	0.23	**282**	0.013	**15.6**	**643**
Home & Building Products	2025	1,251	1.2%	0.30	0.03	0.33	**265**	0.020	**15.8**	**720**
	2024	839	0.9%	0.13	0.01	0.14	**162**	0.010	**12.1**	**573**
	2023	639	0.7%	0.13	0.01	0.14	**221**	0.008	**13.1**	**659**
	2019	550	0.7%	0.18	0.02	0.20	**357**	0.013	**23.4**	**804**
Metals & Mining	2025	357	0.3%	0.05	0.03	0.08	**203**	0.006	**18.0**	**365**
	2024	171	0.2%	0.01	0.01	0.02	**157**	0.003	**19.4**	**295**
	2023	149	0.2%	0.02	0.01	0.03	**174**	0.003	**18.3**	**283**
	2019	165	0.2%	0.03	0.02	0.05	**287**	0.003	**18.0**	**451**
Oil & Gas	2025	655	0.6%	0.10	0.01	0.11	**172**	0.020	**30.3**	**281**
	2024	567	0.6%	0.09	0.01	0.10	**177**	0.016	**28.3**	**257**
	2023	630	0.7%	0.10	0.01	0.11	**181**	0.016	**24.6**	**236**
	2019	1,275	1.6%	0.29	0.03	0.32	**254**	0.021	**16.2**	**401**
Pipelines	2025	835	0.8%	0.12	0.04	0.16	**192**	0.008	**9.9**	**886**
	2024	526	0.6%	0.08	0.03	0.11	**218**	0.003	**6.5**	**843**
	2023	484	0.5%	0.08	0.03	0.11	**228**	0.004	**7.4**	**736**
	2019	553	0.7%	0.09	0.03	0.12	**222**	0.008	**14.6**	**756**
Regulated Utilities	2025	4,211	4.0%	1.12	0.07	1.19	**282**	0.030	**7.1**	**1,460**
	2024	3,548	3.8%	1.03	0.05	1.08	**305**	0.026	**7.4**	**1,413**
	2023	3,460	3.9%	1.05	0.04	1.09	**313**	0.028	**8.0**	**1,430**
	2019	3,181	4.1%	1.72	0.13	1.85	**583**	0.153	**48.1**	**2,379**
Transportation & Shipping	2025	1,109	1.1%	0.07	0.00	0.07	**62**	0.003	**2.9**	**293**
	2024	942	1.0%	0.05	0.00	0.05	**60**	0.003	**3.4**	**296**
	2023	897	1.0%	0.05	0.00	0.05	**63**	0.003	**3.6**	**280**
	2019	954	1.2%	0.09	0.01	0.10	**102**	0.006	**6.6**	**345**

[1] Holdings as of year-end. Emissions, enterprise value and default-probability data as of the preceding fiscal year (e.g., we use FY 2024 emissions data for 12/31/2025 holdings). Emissions and fundamental data reflect information available from Bloomberg in January 2026.

[2] Holdings exclude Corporate Securities where emissions, enterprise value or revenue data was unavailable.

[3] Excludes Corporate Securities identified as green, sustainable or sustainability-linked by Bloomberg.

[4] Scope 1 and Scope 2 emissions per $1 million invested.

[5] Market value weighted average Scope 1 and Scope 2 emissions per $1 million company revenue.

[6] Excludes foreign sub-sovereigns, CMBS, ABS, supranationals and other.

[7] Excludes equity mutual funds, where historical emissions data was unavailable.

[8] Includes $3.347 billion of invested assets classified as held for sale as of December 31, 2025.

Figure 17.

Similar to the overall trends in our corporate securities portfolio, we observed declines in Scope 1 and Scope 2 GHG emissions and carbon footprint from 2019 to 2025 across the highlighted portfolio sectors. Within our corporate securities portfolio, regulated utilities (predominantly electric) represent the sector with the largest Scope 1 and Scope 2 GHG emissions. Our credit analysis for issuers in this sector evaluates both the issuers' current electricity generation portfolio and, importantly, future plans for reducing their carbon intensity. Given the regulated nature of these entities, these plans largely reflect the regulators' judgment with regard to balancing the dual objectives of transitioning toward green power while maintaining the availability, reliability and affordability of power in their service territories. Accordingly, although electric utilities are a carbon intensive sector, they are also an indispensable player in the over-time and responsible transition to a lower carbon economy. Our investment in these issuers provides them with the necessary funding to develop "green" and/or low-carbon electricity generating capacity. In addition – and importantly – regulated utilities have an attractive credit profile (as they provide an essential service with regulatory approval of investment return).

Sovereign Portfolio

Figure 18 provides information on emissions attributable to our sovereign bond portfolio, which represented approximately 6.2% of our total investment portfolio at year-end 2024. The table includes 2019 as a base year, as well as the three most recent years in which the U.S. EPA has published updated GHG emissions inventory data. We provide the relevant metrics calculated using both the accounting-based and risk-based attribution methods. In addition, we provide results by country for the United States, Canada and the United Kingdom, which together represent approximately 90% of our sovereign portfolio at year-end 2024. We also update historical emissions data with the most recently revised figures for the given years.

Total emissions increased from 0.77 million metric tons of CO_2 equivalent (tCO_2e) in 2019 to approximately 1.15 million tCO_2e in 2024 (as measured using the GDP-weighted attribution approach), due to the market weight of sovereigns in our portfolio more than doubling. To account for variations in investment amounts, we calculate the carbon footprint of our sovereign portfolio, which represents emissions per $1 million invested. This calculation reveals an emissions reduction of approximately 29% from 2019 to 2024 (from 278 to 197 tCO_2e/$1 million).

Calculating emissions metrics using the risk-weighted approach yields significantly smaller values. For example, the 2024 risk-weighted carbon footprint was only 0.002 tCO_2e/$1 million, primarily because the probability of default for the highly rated sovereign bonds of the United States and Canada, as well as for shorter maturity U.K. bonds, was zero.

				GDP Weighted		Risk Weighted[7]	
	Year[1]	Market Value[2,3] ($mm)	Market Value (% Investments)	Production Emissions[4] (mm tCO_2e)	Carbon Footprint[5] (tCO_2e/ $1mm)	Production Emissions[4] (mm tCO_2e)	Carbon Footprint[5] (tCO_2e/ $1mm)
Total	2024[6]	5,811	6.2%	1.15	197	0.00001	0.002
	2023	6,739	7.6%	1.48	220	0.00002	0.003
	2022	5,805	7.2%	1.44	247	0.00003	0.006
	2019	2,774	3.6%	0.77	278	0.00007	0.025
U.S.	2024[6]	5,570	5.9%	1.10	197	0.00000	0.000
	2023	6,368	7.2%	1.40	221	0.00000	0.000
	2022	5,438	6.8%	1.35	248	0.00000	0.000
	2019	2,095	2.7%	0.59	280	0.00000	0.000
Canada	2024	145	0.2%	0.04	279	0.00000	0.000
	2023	186	0.2%	0.06	318	0.00000	0.000
	2022	190	0.2%	0.07	345	0.00000	0.000
	2019	324	0.4%	0.13	410	0.00000	0.000
U.K.	2024	96	0.1%	0.01	100	0.00001	0.136
	2023	185	0.2%	0.02	105	0.00002	0.108
	2022	177	0.2%	0.02	131	0.00003	0.188
	2019	355	0.5%	0.05	145	0.00007	0.192

[1] Holdings as of year-end. GDP and emissions data as of the preceding fiscal year (e.g., we use FY 2023 emissions data for 12/31/2024 holdings).

[2] Excludes bonds from government corporations such as Canada Housing Trust, Export Development Canada and Ginnie Mae.

[3] Excludes our *de minimis* holdings in other countries.

[4] Emissions attributed to the portfolio using the weighting scheme identified. Emissions from country-reported data.

[5] Attributed emissions per $1mm invested.

[6] The U.S. EPA did not update its FY 2023 GHG emissions inventory by April 15, 2025. An environmental advocacy group later obtained the documents through a Freedom of Information Act request. Our FY 2024 numbers are based on this data.

[7] Risk-weighted emissions use a country's credit rating at the time (i.e., the 2024 year uses the U.S. credit rating from 12/31/2024, before the Moody's downgrade in May 2025).

Figure 18.

Important Limitations Associated with the Data

As noted above, we have attempted to quantify the GHG emissions associated with our corporate securities and sovereign portfolios. However, there are some important limitations associated with the data:

- GHG emissions data for our corporate securities portfolio reported herein is based on third-party information that is reported voluntarily and is unaudited. In addition, for companies that do not report GHG emissions data, we use estimates from Bloomberg's proprietary GHG emissions estimates model (which uses companies' reported data to build an estimation model for non-reporting companies). Accordingly, we are unable to confirm or verify the accuracy, completeness or reliability of the emissions information included in this report. In addition, given that there are no

universally agreed upon methodologies, it is likely that the GHG emissions data was calculated by different companies using different methodologies.

- GHG emissions data is reported by individual entities with a significant time lag. We are therefore required to use GHG estimates from a prior fiscal year when calculating current portfolio metrics. In addition, reported GHG emissions data is inherently backward looking and does not capture how an entity's emissions might change going forward. Additionally, U.S. sovereign emissions metrics for 2025 cannot be reported at this time, as the U.S. EPA has not yet published GHG emissions inventory data beyond fiscal year 2023, which serves as the basis for these calculations.
- Combining Scope 1 and Scope 2 emissions data results in some double-counting of the same emissions. For example, Scope 1 emissions for electric utilities in our portfolio are also counted as Scope 2 emissions for other portfolio holdings that use the electricity generated by these utilities.
- There is further double-counting when considering emissions from both the sovereign and corporate segments in our investment portfolio. Emissions produced by all corporations within a country's territory are counted as part of the sovereign emissions of that country. If those companies are also held in our corporate securities portfolio, their emissions would be counted there as well.
- The choice of attribution method used to calculate portfolio emissions (accounting-based versus risk-based) also has a significant impact on the magnitude of the overall reported emissions. We believe that using accounting-based metrics significantly overstates the transition risk that GHG emissions pose to our investment portfolio.
- Year-over-year comparisons of portfolio emissions can be impacted by market volatility. This effect can be especially pronounced for the accounting-based metric that weighs a company's emissions by its enterprise value, which is sensitive to the Company's equity market value.
- Absolute GHG emissions reflect overall economic activity. In 2020, for example, global GHG emissions declined due to lower economic activity during the COVID-19 pandemic. Accordingly, portfolio metrics calculated using emissions data from 2020 may be anomalously low compared to other years and not reflective of changes in companies' carbon efficiency.

We expect to continue to track available metrics for GHG emissions related to our investments portfolio and enhance our disclosures over time. Further, we will continue to incorporate relevant ESG factors into our investment analysis and guide our investments with a thoughtful approach focused on risk-adjusted returns.

Understanding the GHG Emissions in our Underwriting Portfolio

Challenges with Measuring the GHG Emissions Associated with Our Underwriting Portfolio

GHG emissions data for the vast majority of our underwriting portfolio (e.g., personal auto, personal homes, small and midsized businesses) is simply unavailable and, where it is available, the data quality remains uneven and unreliable. With respect to larger companies, out of the roughly 3,500 public U.S. companies in the Vanguard Total Stock Market Index, slightly less than 1,100 report their GHG emissions. While some of these companies are Travelers customers, they represent **approximately 0.004% of our total customers**. The annual premiums associated with these companies is $170 million, which represents 0.4% of our total domestic direct written premiums. Bloomberg has estimated the GHG emissions for approximately 2,300 additional public companies in the Index, some of which are Travelers customers. The annual premiums associated with these additional companies is **$178 million.** In total, companies that have self-reported their GHG emissions or with respect to which Bloomberg estimated GHG emissions represent, in the aggregate, **$348 million in annual domestic premium, or 0.8% of our total domestic direct written premiums.**

Given the insignificant percentage of Travelers' total premium that this represents, coupled with the fact that the companies that disclose this data are not representative of our typical customer base of individual and small and midsized businesses, **this data does not serve as a credible basis to calculate the GHG emissions related to our underwriting portfolio.**

The data shortcomings described above are exacerbated by significant challenges in determining how to allocate companies' GHG emissions among the many lines of insurance coverage an individual or company may purchase. Many commercial insurance customers purchase multiple lines of coverage, including, for example, general liability, commercial auto, workers compensation, umbrella, professional liability, cyber and employment practices liability coverages. Even small businesses may purchase multiple lines of coverage. Middle market customers often purchase more lines, and these lines of coverage may be purchased from several different insurance companies. Further complicating this, larger customers often purchase the same line of coverage from multiple carriers in order to assemble the desired total limits for that coverage.

In both of these situations, it is unclear to what extent a commercial customer's GHG emissions should be attributable to each of its many insurers. Further complicating the allocation challenge is that primary insurance carriers often reinsure a

portion of their underwriting portfolio, and there is no established or credible methodology to allocate the GHG emissions among the primary insurance carriers and the reinsurers.

For all of these reasons, at this time, we cannot accurately calculate the total emissions of our overall underwriting portfolio. Notwithstanding the challenges discussed in detail above, we believe that we have incorporated the relevant risks into our underwriting process. Additionally, we will continue to stay abreast of developments with respect to the availability and accuracy of the information relating to the GHG emissions of our underwriting portfolio and expect to enhance our disclosures as more relevant and accurate information becomes available.

In the meantime, the following provides an alternative view to understanding the GHG emissions associated with our underwriting portfolio.

Travelers Underwriting Exposure to the Energy Sector

At year-end 2025, energy industry-related insurance premiums accounted for 1.4% of Travelers domestic direct written premium (and of that amount, only 14% related to firms directly involved with fossil fuel extraction). As illustrated in the graph below, the percentage of Travelers premiums generated from the energy sector has meaningfully decreased since 2019.

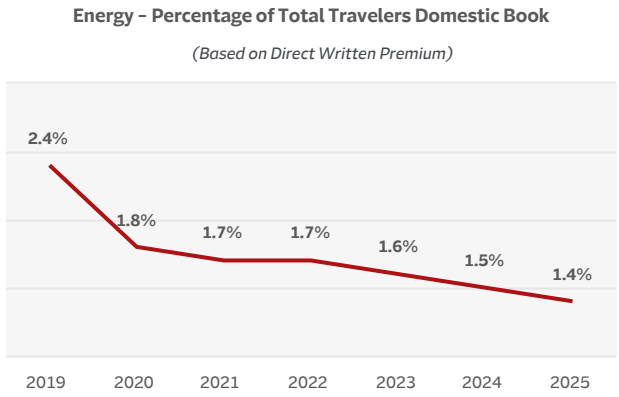


Figure 19.

Based on 2024 ISO MarketStance data and Travelers independent analysis, we estimate our share of the 2024 U.S. energy insurance market to be approximately 2%. While ISO MarketStance is the best available source to evaluate market share at industry-level granularity, we believe that it may not adequately capture the entire U.S. energy market, given that many large energy companies do not purchase traditional insurance risk transfer products.

Our energy premiums are further subdivided according to the value chain construct and market segments illustrated in the section titled **Components of the Energy Sector** above, as well as by insurance line. Of the 1.4% of Travelers domestic direct written premiums, the largest segment relates to "Support Activities," and the two biggest coverage lines are auto and umbrella.

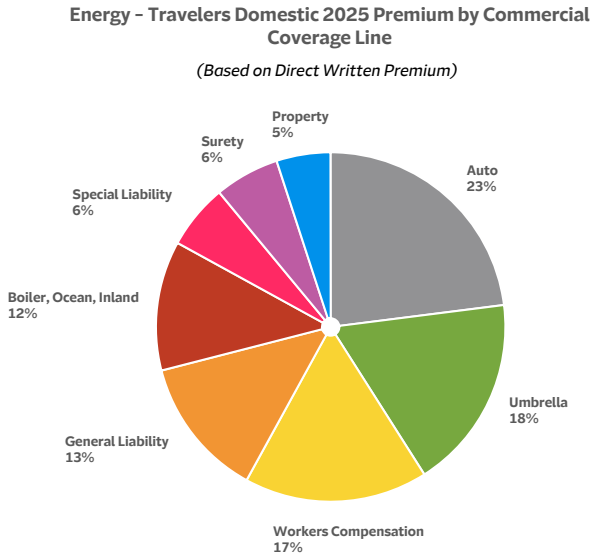


Figure 20.

Oil & Gas

The largest share of our energy-related premium is written in our Oil & Gas business unit. Support Activities account for the largest customer segment within our Oil & Gas business unit, representing approximately 63% of the premium. This customer segment is primarily composed of small and midsized contractors, such as plumbers, pipefitters, electricians and welders, with average annual revenues of less than $10 million and fewer than 25 employees.

Providing insurance solutions for this segment of the market is also critically important to our company's relationships with our agent and broker partners, as they rely on Travelers' breadth of products to meet the needs of their diverse customer bases. Importantly, all of our top 50 Oil & Gas distribution partners sell other Travelers insurance products and services. Accordingly, failure to offer insurance solutions for one sector of the economy could significantly impair our distribution relationships and our ability to compete in the market with respect to a variety of insurance lines.

As depicted below, premiums from our Oil & Gas business unit currently represent 0.8% of our domestic direct written premiums and have meaningfully decreased since 2019. As the economy continues to evolve and as Travelers continues to support the transition to a lower carbon economy over time, it is likely that these trends will continue.

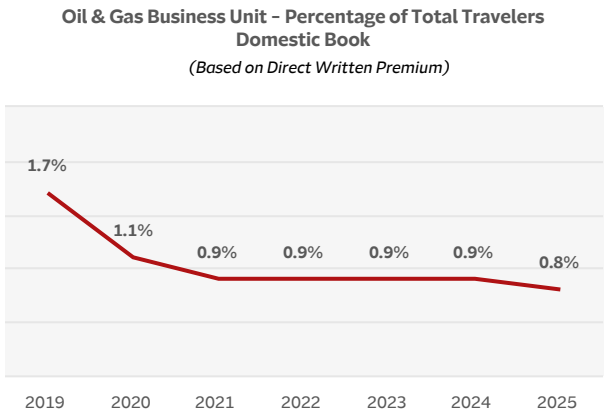


Figure 21.

Renewable Energy

As noted above, Travelers provides products, services and risk expertise to support the development of renewable energy sources and the energy transition. This includes a range of tailored insurance solutions that cover the entire lifespan of renewable energy businesses that invest in, develop, operate, and maintain commercial and utility-scale operations – from research and development and manufacturing to permanent operations, as well as onshore and offshore wind, solar, battery energy storage and biopower operations. Our Global Renewable Energy Practice is designed to facilitate innovation and the growth of renewable energy businesses and support the energy transition. 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. Many renewable energy projects are large and complex underwriting risks, requiring significant technical expertise and detailed underwriting to ensure they meet our underwriting standards and are priced commensurate with the risks they present. In light of our deep expertise in this area, Travelers is able to deploy underwriting capacity to support important renewable energy projects, including the first commercial offshore wind project in the United States and the first utility-scale offshore wind projects in the United States, among others.

As illustrated in Figure 22, our Global Renewable Energy Practice has grown significantly since 2018, when we first began collecting separate data for this segment of the energy industry.

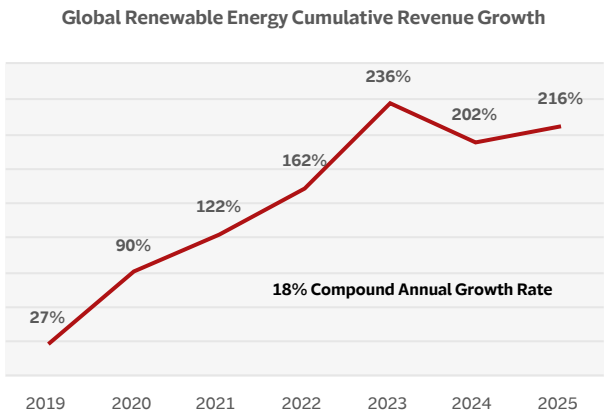


Figure 22.

We expect our renewable energy book of business to continue to grow over time and will continue to monitor the progress of this business.

Travelers Underwriting Exposure to Carbon Intensive Sectors

We have tracked our premiums over time with respect to Coal, Utilities, Other Fossil Fuels and Transportation.[1] At year-end 2025, the total combined annual domestic premium from these industries was only approximately 4.7% of our total domestic premium – representing a 32% reduction of our domestic book composition since 2019. As the economy continues to evolve and as Travelers continues to support the transition to a lower carbon economy over time, we expect these trends to continue.

[1] In previous years, we reported our exposure to carbon intensive sectors based on the S&P Global Issuer Survey's classification, which classified Coal, Utilities, Other Fossil Fuels and Transportation as the most carbon intensive sectors. In the 2025 S&P Global Issuer Survey, S&P changed its classification system. To keep our disclosure consistent and comparable with our prior reports, we continue to track our underwriting exposure based on S&P's historical classification of the most carbon intensive sectors, with those being Coal, Utilities, Other Fossil Fuels and Transportation.

The charts below illustrate the percentage of our domestic premiums associated with each of the carbon intensive sectors, as well as the breakdown of this premium by insurance line.

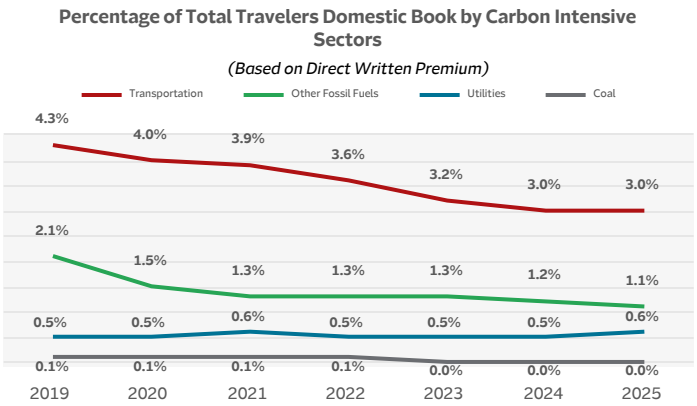


Figure 23.

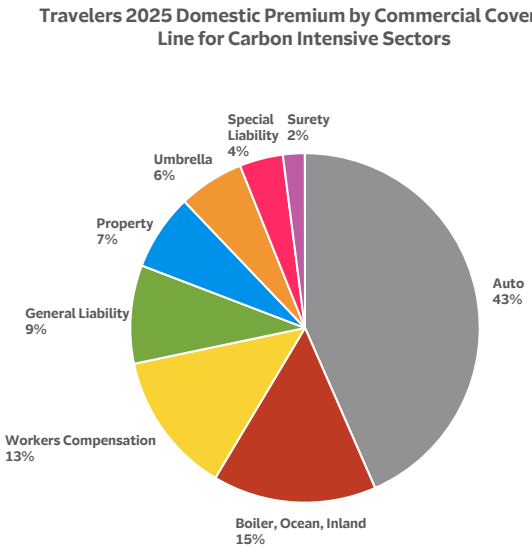


Figure 24.

Travelers Underwriting Exposure to Hybrid and Electric Vehicles

In our Personal Insurance business, we track the increase of hybrid and EVs in our underwriting portfolio. While these vehicles represent a small percentage of total insured vehicles, we continue to see a notable increase in the total units insured, and the percentage that those vehicles represent among total personal vehicles in our underwriting portfolio. As depicted in Figure 26, the percentage of hybrid and electric personal vehicles in our underwriting portfolio has more than tripled since 2019, and we expect our hybrid and electric personal vehicle book of business to continue to grow.

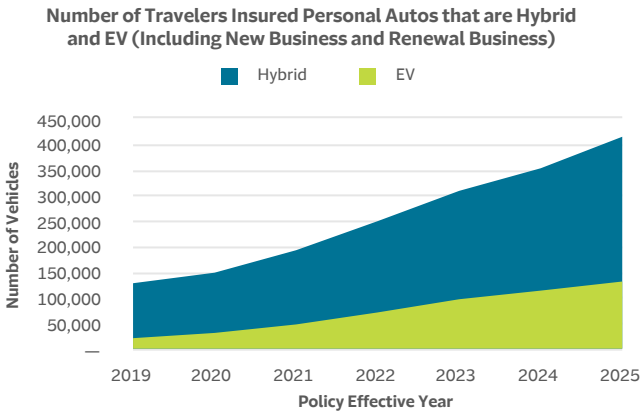


Figure 25.

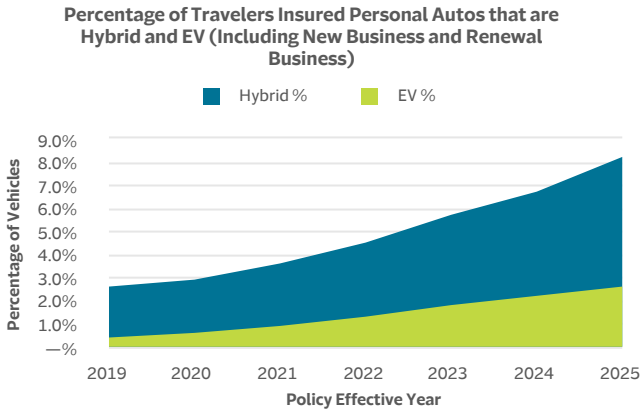


Figure 26.

Conclusion

We believe Travelers is well positioned to support the transition to a lower carbon economy over time. We strive to take into account relevant factors, including environmental factors, in both our underwriting and investment processes, and we will adjust our strategies and practices, as appropriate, as the energy market and governmental policies continue to evolve. Through our Global Renewable Energy Practice and our other products and services, we will also continue to support our clients across the energy sector, assisting them in their innovation and the transition to a cleaner environment. As the alternative energy market evolves in the years ahead, with new technologies and regulatory policies, there will be even more opportunity for our economy and companies like ours to evolve with it.

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Important Legal Information

This report 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," "ensures" and 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 and operational initiatives to improve growth, profitability and competitiveness; our new product offerings; our innovation agenda, including executing on that agenda with respect to artificial intelligence; our investment portfolio, including our investment analysis and approach; our risk management, including climate-related strategies, 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 with respect to our scenario analyses, those factors described under "Climate Scenario Analysis with Respect to Physical Risk" and "Climate Scenario Analysis with Respect to Our Investment Portfolio" in this report.

This report 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 in this report highlights our performance and initiatives in fiscal year 2025.

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For additional information about Travelers, please see our filings 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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