

Paying Our Employees Equitably

At Travelers, our greatest asset is our people. We recognize that building for the future also requires that we maintain our talent advantage. In that regard, diversity and inclusion is a business imperative for us. Our efforts are aimed at attracting and retaining the best talent from the broadest possible pool of talent. Diverse experiences and viewpoints yield greater insights and better outcomes, raising the bar on individual and team performance. Our diverse and inclusive workforce today will be an important factor in our success tomorrow.

Our compensation processes and controls are designed to help ensure that we compensate our employees equitably and free from bias. Paying our employees equitably is the foundation of our merit-based culture. Our long-standing pay-for-performance philosophy differentiates awards based on individual and company performance, regardless of gender, race or any other protected classification. A summary of our key processes in the U.S. is as follows.

Centralized compensation practices and oversight

Travelers' Corporate Human Resources includes a centralized compensation function responsible for the oversight of all enterprise compensation programs and practices, including ensuring that across the enterprise job descriptions are accurate, roles and responsibilities are clearly defined, and salary structures are consistently applied. As part of the process to ensure that our employees are compensated equitably, we regularly obtain market compensation survey data from nationally-recognized consultants. Based in part on that data, each Travelers job is assigned a market range, which provides a consistent framework through which to plan and execute individual compensation decisions, considering each individual's skills, qualifications, responsibilities, performance and experience, among other relevant factors. Multiple levels of review and approval are required for every compensation decision.

External applicant compensation history is not considered

Travelers does not request current or historical compensation information from external applicants for employment.

Annual guidance/training

Enterprise guidance and training is provided annually to managers and Human Resources professionals to ensure that they are executing Travelers' compensation practices in an equitable manner across the organization. Specialized training is also provided to help ensure that only legitimate factors are considered in making employment decisions, including compensation decisions.

Annual review process

With the assistance of independent, outside experts, Travelers annually reviews its compensation practices to help ensure equitable pay across the enterprise. If a question is identified, it is addressed and a proactive monitoring process is put in place, as appropriate.

Board oversight

As part of its oversight of the Company's compensation programs, the Compensation Committee of Travelers' Board of Directors, which is advised by an independent compensation consultant, provides oversight for our pay-for-performance philosophy. The Compensation Committee meets with senior management on a regular basis to discuss Travelers' practices designed to help ensure equitable pay across the organization.

Processes to address employee concerns

Travelers has an Open Door Policy that allows employees to freely discuss employment concerns with any manager or executive of the company, without fear of retaliation. Importantly, we provide our employees with multiple channels through which to report workplace concerns, including Human Resources, Employee Relations, Compliance and Travelers' Ethics Helpline, which is published on the home page of our intranet and allows for 24/7 reporting on a confidential and anonymous basis. Each such concern is investigated by trained professionals and, where appropriate, escalated internally.

In addition, Travelers has an impartial Internal Dispute Resolution Policy that allows employees to seek review of employment-related issues, concerns, actions and decisions, including those relating to compensation.

Based in part on the processes described above, we are confident that we pay all of our employees equitably, regardless of gender, race or any other protected classification.