2023 Climate Finance Proposals

Virtual Press Briefing on Shareholder Proposals on Proxy at U.S. Banks and Insurance Companies

April 20, 2023
Disclosure

• This webinar is a public forum to facilitate the open exchange of information.

• Each investor presenting materials speaks for his/her organization and does not represent any other investors, nor ICCR.

• ICCR does not provide investment or voting recommendations.
<table>
<thead>
<tr>
<th>AGENDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome &amp; opening remarks -- Christina Herman (ICCR)</td>
</tr>
<tr>
<td>Bank Proposal: Transition Planning (filed at JPM, WFC, BAC, GS, MS) -- Danielle Fugere, As You Sow</td>
</tr>
<tr>
<td>Bank Proposal: Absolute GHG Targets (filed at JPM, BAC, GS) -- Michael Garland, NYC Comptroller's Office</td>
</tr>
<tr>
<td>Bank Proposal: Fossil Fuel Expansion Phase-Out Policy (filed at JPM, WFC, BAC, C, GS, MS) -- Paul Rissman, Sierra Club Foundation</td>
</tr>
<tr>
<td>Bank Proposal: Climate Lobbying (filed at WFC) -- Natalie Wasek, Seventh Generation Interfaith</td>
</tr>
<tr>
<td>Insurance Proposal: Insured Emissions Reductions (filed at CB, BRK) -- Danielle Fugere, As You Sow</td>
</tr>
<tr>
<td>Insurance Proposal: Fossil Fuel Underwriting (filed at CB, HIG, TRV) -- Andrea Ranger, Green Century</td>
</tr>
<tr>
<td>Insurance Proposal: FPIC and Indigenous Rights (filed at CB) -- Mary Beth Gallagher, Domini</td>
</tr>
<tr>
<td>Q&amp;A and discussion</td>
</tr>
</tbody>
</table>
Bank Proposal: Transition Planning

Filed at JPM, WFC, BAC, GS, MS

Danielle Fugere, As You Sow
The physical and financial risks posed by climate change to long-term investors are systemic, portfolio-wide, unhedgeable, and undiversifiable.*

**Federal Reserve**: The financial impacts . . . from the economic effects of climate change and the transition to a lower carbon economy pose an emerging risk to the safety and soundness of financial institutions and the financial stability of the United States.**

* Majority Action
**Federal Reserve (date) Principles for Climate-Related Financial Risk Management for Large Financial Institutions
Growing Bank Related Climate Risk

Increasing potential for:

• Financial risks
  • stranded assets on bank balance sheets
  • Client destabilization
  • Higher capital requirements from regulatory bodies

• Regulatory risks
  • Increased potential for climate regulation
  • Penalties from the OCC, ECB or banking regulators in other countries
  • Missed opportunity

• Competitive risks and missed opportunities
Climate Transition Plan

A vital tool that demonstrates to capital markets and stakeholders that an organization is committed to aligning with the 1.5°C global goal, and that its business model will remain relevant and profitable in a net-zero carbon economy.
Major Elements of a Climate Transition Plan

Key Elements of Accountability

- A Timebound
- Forward Looking
- Pathway
- With Milestones
Components of A Climate Transition Plan

- Stand-alone Plan
- Categories of Emissions Reductions & anticipated reductions
- Description of Actions (Sectoral and Firm-wide)
- Customer Related:
  - Internal Processes, Controls, Guidelines
  - Expected Milestones
- Expected Timelines
- Annual Reporting on Progress and Changes
RESOLVED: Shareholders request that Goldman Sachs issue a report disclosing a transition plan that describes how it intends to align its financing activities with its 2030 sectoral greenhouse gas emissions reduction targets, including the specific measures and policies necessary to achieve its targets, the reductions to be achieved by such measures and policies, and timelines for implementation and associated emission reductions.

Banks Do Not Have a Climate Transition Plan

- Each bank has generalized descriptions of certain climate related activities, located across a range of documents and reports

- No bank has a plan with accountability as to: actions, milestones, expected reductions to be achieved, on what timelines, subject to annual adjustments
Bank Proposal: Absolute GHG Targets

Filed at JPM, BAC, GS

Michael Garland - NYC Comptroller's Office
Bank Proposal: Absolute GHG Targets
Michael Garland, New York City Office of the Comptroller

Resolved

• Shareholders request Bank of America / JPMorgan Chase / Goldman Sachs issue a report within a year, at reasonable expense and excluding confidential information, that discloses 2030 absolute greenhouse gas emissions reduction targets covering its lending and underwriting activities for two high emitting sectors: Oil and Gas and Power Generation*. These targets should be aligned with a science-based net zero pathway and in addition to any emission intensity targets for these sectors that the Company has or will set.

*Resolution filed with Bank of America states "energy sector" and not Oil and Gas and Power Generation
Bank Proposal: Time-bound Phase-out of New Fossil Fuel Exploration and Development
Filed at GS, JPM, MS, WFC, BAC, C

Paul Rissman, Sierra Club Foundation
Phase-Out of New Fossil Fuel Exploration & Development Resolution filed with Bank of America, CITI, Goldman Sachs, J.P. Morgan Chase, Morgan Stanley and Wells Fargo:

**RESOLVED:** Shareholders request that the Board of Directors adopt a policy for a time-bound phase-out of [Company’s] lending and underwriting to projects and companies engaging in new fossil fuel exploration and development.

**Supporting Statement:** This proposal is intended, in the discretion of board and management, to enable support for [Company’s] energy clients’ low-carbon transition.
Banks Will Provide More Than One Third of Fossil Finance This Year

**Q: Where are producers planning to secure capital in 2023?**

<table>
<thead>
<tr>
<th>Source</th>
<th>Percent Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operations</td>
<td>26%</td>
</tr>
<tr>
<td>From Banks</td>
<td>21%</td>
</tr>
<tr>
<td>From Alternative Capital Providers</td>
<td>8%</td>
</tr>
<tr>
<td>From Capital Markets</td>
<td>9%</td>
</tr>
<tr>
<td>From Capital Markets</td>
<td>6%</td>
</tr>
<tr>
<td>From Private Equity firms</td>
<td>10%</td>
</tr>
<tr>
<td>Joint Ventures with PE firms</td>
<td>5%</td>
</tr>
<tr>
<td>Monetization Transactions</td>
<td>7%</td>
</tr>
</tbody>
</table>

Notes: Respondents could select more than one option, 338 total responses.
Sources: IEF, Haynes Boone Borrowing Base Redeterminations Survey (Fall 2022)
The Big Six Banks Are NZBA Signatories

The Commitment Statement is a pre-requisite for joining the Net-Zero Banking Alliance, and is signed by a bank’s CEO. All banks that have signed the commitment will:

- Transition the operational and attributable GHG emissions from their lending and investment portfolios to align with pathways to net-zero by 2050 or sooner.
But the Banks Keep Financing Fossil Fuel Expanders

NZBA member financing of the largest fossil fuel expanders (loans and underwriting from date of joining NZBA to August 2022)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Date joined NZBA</th>
<th>Financing for coal developers (US$ mn)</th>
<th>Coal developer policy</th>
<th>Financing for O&amp;G developers (US$ mn)</th>
<th>Oil &amp; Gas developer policy</th>
<th>Total financing for fossil fuel expansion (US$ mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citigroup</td>
<td>04/21</td>
<td>4,801</td>
<td></td>
<td>27,106</td>
<td></td>
<td>30,509</td>
</tr>
<tr>
<td>Bank of America</td>
<td>04/21</td>
<td>751</td>
<td></td>
<td>22,124</td>
<td></td>
<td>22,874</td>
</tr>
<tr>
<td>JPMorgan Chase</td>
<td>10/21</td>
<td>1,369</td>
<td></td>
<td>15,438</td>
<td></td>
<td>16,807</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>04/21</td>
<td>225</td>
<td></td>
<td>11,292</td>
<td></td>
<td>11,417</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>10/21</td>
<td>5*</td>
<td></td>
<td>5,870</td>
<td></td>
<td>5,870</td>
</tr>
</tbody>
</table>

*No transactions were identified in our research.
Rationale for supporting the Phase-Out of New Fossil Fuel E&D Resolution

1. Banks and their asset management arms are being sanctioned and investigated for widespread greenwashing. Can we really trust the banks when the banks say, “trust us?”

2. U.S. banks are lagging their global peers

3. Global campaigns (GFANZ, Race to Zero) created to incentivize decarbonization are being weakened (by the banks)

4. Extremist politicians want to force banks out of the NZBA and weaken their decarbonization commitments

5. Another year has passed, emissions have risen, and little to no action has been taken. In fact, J.P. Morgan Chase announced that their emissions intensity rose in 2022.
And the Regulators Are Skeptical!

“G-SIBs [Global Systemically Important Banks] are also mitigating their climate impact by restricting financing to certain activities that are associated with high emissions. To date, most of these financing restrictions appear symbolic, seemingly to avoid reputational damage...”

Rationale for supporting the Phase-Out of New Fossil Fuel E&D Resolution

Our resolution has been made less prescriptive:

a) calls for policy for a phase-out of financing instead of a policy to end financing of new fossil fuel expansion
Rationale for supporting the Phase-Out of New Fossil Fuel E&D Resolution

Our resolution has been made less prescriptive:

b) provides carve-out for financing companies making a credible transition:

“Best practices for banks to achieve net zero involve financing of companies reducing scopes 1-3 absolute emissions and allocating capital in line with science-based, independently verified short, medium and long-term decarbonization targets. Organizations like the Science Based Targets initiative and Transition Pathway Initiative can provide independent verification of decarbonization targets....This proposal is intended, in the discretion of board and management, to enable support for [bank’s] energy clients’ low-carbon transition.”
Goldman Sachs

Financing to fossil fuel expanders since joining NZBA, 10/21 to 8/22: $5.7 Billion.

From the Risk Factors section of the 2022 10-K: "If we are unable to achieve our objectives relating to climate change or our response to climate change is perceived to be ineffective, insufficient or otherwise inappropriate, our business, reputation and efforts to recruit and retain employees may suffer."

From the Goldman Sachs Opposition Statement: “We do not believe in placing limits on financing to producers because, among other things, we do not believe it will result in either reduction in emissions from, or demand for, fossil fuels...the Intergovernmental Panel on Climate Change and others do not assume a complete phase out of fossil fuels by 2050...Given our significant investment in decarbonization and transition finance capabilities, we believe our shareholders, clients and communities are better served by our engagement, not our divestment.”
J.P. Morgan Chase

Financing to fossil fuel expanders since joining NZBA, 10/21 to 8/22: $16.8 Billion.

From the Risk Factors section of the 2022 10-K: “Social and environmental activists have been increasingly targeting JPMorgan Chase and other financial services firms with public criticism concerning their business practices, including business relationships with clients that are engaged in certain sensitive industries, such as companies:
• whose products are or are perceived to be harmful to human health, or
• whose activities negatively affect or are perceived to negatively affect the environment, workers’ rights or communities.

These and other types of activist criticism and actions directed at JPMorgan Chase could potentially engender dissatisfaction among clients, customers, investors and employees with how JPMorgan Chase addresses ESG concerns in its business activities.” (JPM's 2022 10-K, p.30)
Morgan Stanley

Financing to fossil fuel expanders since joining NZBA, 4/21 to 8/22: $11.4 Billion.

From the Risk Factors section of the 2022 10-K: "our reputation and client relationships may be adversely impacted as a result of our practices related to climate change, including our involvement, or our clients’ involvement, in certain industries, projects, or initiatives associated with causing, or potentially slowing solutions to, climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change.”
Financing to fossil fuel expanders since joining NZBA, 10/21 to 8/22: $5.9 Billion

From the Risk Factors section of the 2022 10-K: “...our reputation may be damaged as a result of our response to climate change or our strategy for the transition to a low carbon economy, including if we are unable or perceived to be unable to achieve our objectives or if our response is disliked, disfavored, or perceived to be ineffective or insufficient.”

From the Wells Fargo Opposition Statement: “[T]he policy suggested by the proponents – that we adopt a time-based [sic] phase out of lending and underwriting activities that contribute to new fossil fuel development – runs counter to our efforts to partner with Oil & Gas sector clients in the energy industry’s transformation....adoption of a time-bound phase out of lending to companies involved in oil and gas exploration would effectively preclude Wells Fargo from offering financing to the Oil & Gas sector by an arbitrary end date.”
Bank of America

Financing to fossil fuel expanders since joining NZBA, 10/21 to 8/22: $22.9 Billion

From the Risk Factors section of the 2022 10-K: “Our climate change strategies, policies, and disclosures, our ability to achieve our climate-related goals, targets and commitments, and/or the environmental or climate impacts attributable to our products, transactions or services will likely result in heightened legal and compliance risk and could result in reputational harm as a result of negative public sentiment, regulatory scrutiny, litigation and reduced investor and stakeholder confidence.”
Financing to fossil fuel expanders since joining NZBA, 10/21 to 8/22: $30.5 Billion

From the Risk Factors section of the 2022 10-K: “...if Citi’s response to climate change is perceived to be ineffective or insufficient or Citi is unable to achieve its objectives or commitments relating to climate change, its businesses, reputation, attractiveness to certain investors and efforts to recruit and retain employees may suffer.”
Bank Proposal: Paris-aligned Climate Lobbying

Filed at WFC

Natalie Wasek, Seventh Generation Interfaith
Banks are failing to align policy strategies and lobbying activities with NZ commitments, support for Paris, and client NZ transitions

- **Policy influence** is one of biggest tools banks have to address climate impacts
  - **Trade Association misalignment** on climate change and climate disclosure is an issue for most banks
  - without robust, supportive public policies, climate goals cannot be accomplished
- **Transition and Systemic Risks** are very high for this sector
  - Poor governance, transparency around climate lobbying influence activities and lack of policy strategy increase risk exposure, including for clients;
  - Effective climate policies are critical to reducing such risk exposures,
  - Greenwashing risks increasing significantly in banking sector in recent years
- Risk management & compliance processes lacking on lobbying and policy alignment with NZ goals
- Many North American Banks engaged on this issue
  - 3 proposals in 2022, all withdrawn;
  - 9 dialogues and 2 filings in 2023;
  - Wells Fargo only one going to a vote
RESOLVED: Shareholders of Wells Fargo and Company request that the Board of Directors analyze and report to shareholders annually (at reasonable cost, omitting confidential and proprietary information) on whether and how it is aligning its lobbying and policy influence activities and positions, both direct and indirect through trade associations, coalitions, alliances, and other organizations, with its public commitment to achieve net zero emissions by 2050, including the activities and positions analyzed, the criteria used to assess alignment, and involvement of stakeholders, if any, in the analytical process.

Gaps:

- WFC current disclosures do not include:
  
  - any alignment analysis of direct nor indirect climate advocacy activities nor positions
  
  - whether or how stakeholders are consulted in this process or assessment
  
  - a comprehensive reporting of its partners, trade associations, and funded policy nonprofits engaged on climate-related issues
  
  - definitions nor a framework for assessing alignment or misalignments regarding climate advocacy positions.

- Wells Fargo engages in public policy advocacy that is misaligned with its climate goals for itself and its clients, and with the Paris Agreement’s goals including: US Chamber of Commerce, CA Chamber of Commerce, Business Roundtable, State Financial Officers Foundation.

Company Rationale:

- WFC recently improved process disclosures on political engagement, but none addresses the analysis requested or the connection to climate

- WFC committed to advocate for policies that enable client transitions to net zero emissions but has not disclosed positions or activities on these issues
Insurance Proposal: Measure, Disclose & Reduce GHG Emissions Associated with Underwriting

Filed at BRK, CB, TRV

Danielle Fugere, As You Sow
Insurance Company Proposals

Measure, Disclose, Set 1.5ºC Aligned Greenhouse Gas Targets

Companies Engaged:

- TRAVELERS
- BERKSHIRE HATHAWAY INC.
- CHUBB
Prior Year Votes – Insurance Companies

Proposals seeking report on if and how Company Will Measure, Disclose and Reduce GHG Emissions in Alignment of Paris Agreement’s 1.5 Degree goal

➢ Chubb – 72.2%
➢ Travelers – 55.8%
➢ Berkshire – 45.7% Independent Vote; 25.9% Overall Vote
RESOLVED: Shareholders request that Chubb issue a report, at reasonable cost and omitting proprietary information, disclosing 1.5°C aligned medium and long-term GHG targets for its underwriting, insuring, and investment activities.

SUPPORTING STATEMENT: A general timeline on which Chubb will:
- measure the emissions of its highest emitting business sectors;
- set Paris-aligned 1.5°C targets for its highest emitting business sectors.

Investor rationale
- Fails to measure or disclose emissions associated with its underwriting, insuring, and investing activities; has not set a GHG reduction target for these significant emissions; fails to report progress if any.
- Chubb experienced almost $1.2 billion in catastrophe losses in just the third-quarter of 2022.
- Chubb ranked near bottom of 2022 survey of climate policies of the 30 largest global insurers.
- 30 of Chubb’s global peers have joined the Net Zero Insurance Alliance.
- 2021 - U.S. Senators sent a letter to Chubb in March 2021 asking if its fossil fuels underwriting and investment policies aligned with its sustainability commitments.

Company opposition
- Generally “supports” “global transition to a net zero economy”
- Its approach is not to set “targets” but to “engage and develop best practices.” It has set no goals and fails to report on progress associated with financed and insured emissions.

Chubb also argues that to set targets without having all data from the companies it underwrites would be “setting the cart before the horse.” Chubb can readily obtain emissions data through available reporting and modelling data, esp. for high emitting sectors; NZIA and PCAF assist insurance companies in measuring emissions and goal setting.
RESOLVED: Shareholders request that Travelers issue a report addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement’s 1.5°C goal, requiring net zero emissions.

SUPPORTING STATEMENT: Shareholders recommend the report disclose:
• Whether Travelers will begin measuring and disclosing the emissions associated with the full range of its underwriting, insuring, and investment activities and by when; and
• Whether Travelers will set a Paris aligned, net zero target, for its full range of emissions and on what timeline.

Investor rationale
• Does not measure, disclose, and has not set goals for its underwriting, insuring and investing activities.
• By not disclosing its financed or insured emissions, or stating how it intends to do so, including a relevant timeline for action, investors cannot assess growing climate risk or company progress in reducing its contribution to climate change from its financed and insured emissions.
• Travelers’ is lagging its global peers, scoring at the bottom half in a survey of the 30 largest global insurers; it also lags 30 insurers that have joined the Net Zero Insurance Alliance, which commits companies to net zero emissions from investing and underwriting by 2050.

Company opposition
• The Company states that it believes it has incorporated the relevant risks into its investment analysis; Company’s risk management actions do not adequately address the requested information
• The company also states that it does not currently have the ability to accurately measure, disclose, and reduce the GHG emissions associated with these activities
• Travelers can readily obtain emissions data through client’s reported emissions and/or through data modelling; NZIA and PCAF assist insurance companies in measuring emissions and setting Net Zero goals.
**RESOLVED:** Shareholders request that Berkshire issue a report, at reasonable cost and omitting proprietary information, addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement’s 1.5oC goal, requiring net zero emissions.

**SUPPORTING STATEMENT:** Shareholders recommend the report disclose at board discretion:
- Whether Berkshire will begin measuring and disclosing the emissions associated with the full range of its operations and by when,
- Whether Berkshire will set a Paris aligned, net zero target, and on what timeline.

---

**Investor rationale**

- Does not disclose its financed and insured emissions nor developed and disclosed targets aligned with the Paris 1.5-degree goal.
- Its general risk management actions do not address proposal, so investors cannot assess its contribution to global climate risk.
- Berkshire received a score of zero for its policies on coal, oil and gas, ranking in bottom of survey of climate policies of 30 largest global insurers. Berkshire’s ranking has declined year over year since 2018.
- In 2022, Berkshire reported pre-tax losses of $3.4 billion from Hurricane Ian alone, and an insurance and reinsurance underwriting loss of $962 million, up from a $784 million last year.

**Company opposition**

- Board states it does not believe it is necessary for Berkshire to issue a report measuring, disclosing, and reducing GHG emissions associated with underwriting and investment activities.
- States that the insurance risks associated with climate change are already assessed within the enterprise’s risk management framework and procedures. The framework, however, states no goals and fails to measure or disclose the emissions associated with its underwriting, insuring, and investing activities that contribute to climate change.
Briefing on Shareholder Proposals
The Travelers Companies, Inc. (NYSE: TRV)* and The Hartford Financial Services Group, Inc. (HIG)*
Aligning Underwriting with Global Climate Benchmarks

Green Century Capital Management, Inc.
114 State Street, Suite 200
Boston, MA 02109
www.greencentury.com
Resolved: Shareholders request that the Board of Directors adopt and disclose a policy for the
**time bound phase out** of insurers’ underwriting risks associated with **new** fossil fuel exploration
and development **projects**, aligned with the IPCC’s recommendation to limit global temperature
rise to 1.5 degrees Celsius.

**Supporting Statement:** The board and management, in its discretion, should define the scope,
time frames and parameters of the policy, with an eye toward:

- A well accepted definition that new fossil fuel exploration and development projects include
  exploration for and/or development of oil, gas, and coal resources or reserves beyond those
  fields or mines that have already been permitted;
- The pathways and time frames set forth by the International Energy Agency’s Net Zero by 2050
  scenario or the IPCC’s low/no overshoot scenarios.
The Relationship Between Insurance Companies, Underwriting Fossil Fuel Supplies, and Climate Risk

• Insurance enables capital to flow to fossil fuel expansion - locking in decades of new emissions.
• We see no evidence that new supply would help ease global supply constraints - from discovery to first production convention oil and gas fields take ~5 years to produce. The war is pushing Europe to adopt more energy efficiency and renewables.
• Insurers trade low short-term risks for significant potential risks in the long-term natural catastrophe damage and systemic financial risk.
• While ESG factors have provoked political turmoil, interfering with insurance companies’ rights to determine their risk appetite is contrary to free market principles...
  ─ We see the ESG debate having a chilling effect on public commitments and insurers are using it for cover. Meanwhile the SEC is examining the veracity of ESG claims - particularly problematic for The Hartford and its NZE goal.
CLIMATE-RELATED RISKS

1. **Insured Losses** - Swiss Re reported, “In 2021, insured losses from natural disasters again exceeded the previous 10-year average, *continuing the trend of an annual 5 - 6% rise in losses* seen in recent decades.”

2. **Loss of Insurable Areas** - Changes in demographics paired with climate change-fueled storms and wildfires can mean loss of customers in vulnerable locations.

3. **Reputational Risks** - European insurers and even Chubb have significantly outpaced these firms in the extent of their fossil fuel underwriting exclusions.

4. **Portfolio Risks** - Insured emissions may negatively impact companies held by other asset managers and owners.

5. **Systemic Financial Risks** - U.S. financial institutions including the Federal Reserve, the Treasury Department, and the Commodity Futures Trading Commission have all identified climate change as a significant destabilizing force for the U.S. economy.
COMPETITIVE LANDSCAPE

- **Munich Re, Swiss Re, & Hannover Re** all announced restrictions on new oil and gas development *even after the start of the Ukraine War.*
- **Chubb** will no longer underwrite any risks in conservation areas, is addressing clients’ methane emissions.
- **Generali** will no longer underwrite upstream oil and gas activities.
- **Suncorp** has committed not to directly invest in, finance or underwrite new oil and gas exploration or production by 2025.
- **Zurich** has ruled out underwriting new risks from upstream oil greenfield exploration projects for companies without a meaningful transition plan.
1. **Financial Risk** – Insured emissions contribute to climate change which may drive up insured losses.

2. **Reputational Risk** – Investor and NGO pressure spotlights Travelers and The Hartford. Peers are outpacing them, even Chubb*.

3. **Portfolio Risk** – Insurers are enabling the fossil fuel industry by providing coverage. Climate change impacts all portfolio companies.

4. **Systemic Financial Risk** – Insuring the increased supply of fossil fuels (and increased emissions) may destabilize the U.S. financial system.

**RATIONALE FOR A “YES” VOTE**
IMPORTANT DISCLOSURE INFORMATION

**About The Green Century Funds**

*Green Century Capital Management, Inc. (Green Century) is the investment advisor to the Green Century Funds (The Funds). *

As of December 31, 2022, Chubb Limited comprised 0.00%, 0.55%, and 0.00%; The Hartford Financial Services Group, Inc. comprised 0.00%, 0.15%, and 0.00%; and the Travelers Companies, Inc. comprised 1.56%, 0.26%, and 0.00% of the Green Century Balanced Fund, the Green Century Equity Fund, and the Green Century International Index Fund, respectively. As of the same date, other securities mentioned were not held in the portfolios of any of the Green Century Funds. References to specific securities, which will change due to ongoing management of the Funds, should not be construed as a recommendation by the Funds, their administrator, or their distributor.

You should carefully consider the Fund’s investment objectives, risks, charges, and expenses before investing. To obtain a Prospectus that contains this and other information about the Funds please visit [www.greencentury.com](http://www.greencentury.com), email info@greencentury.com, or call 1-800-934-7336. Please read the Prospectus carefully before investing.

A sustainable investment strategy which incorporates environmental, social and governance criteria may result in lower or higher returns than an investment strategy that does not include such criteria.

This information has been prepared from sources believed reliable. The views expressed are as the date of this writing and are those of the Advisor to the Funds.

The Green Century Funds are distributed by UMB Distribution Services, LLC. 235 W Galena Street, Milwaukee, WI 53212. 3/23

Filed at CH

Mary Beth Gallagher, Domini Impact Investments
Resolved: Shareholders request that the Board of Directors publish a report, describing how human rights risks and impacts are evaluated and incorporated in the underwriting process. The report should be prepared at reasonable cost and omit proprietary information.

Supporting Statement: At company discretion, the proponents recommend the report include:

- The extent to which Free, Prior and Informed Consent, as articulated in the United Nations Declaration on the Rights of Indigenous Peoples, is considered or evaluated in the underwriting process; and
- The company’s stakeholder engagement process, such as participating stakeholders, key recommendations made, and actions taken to address such recommendations.

Proponent & Engagement History

- Engagement history: Sent letter in advance of filing and have held one dialogue since filing
- AGM on May 17th in Zurich
Rationale for Support
Chubb Human Rights Proposal

1. Chubb’s current disclosures on human rights are lacking
   • Does not explain how underwriters consider and evaluate human rights risks in underwriting; does not mention Indigenous Peoples or FPIC
   • No disclosure on what projects they underwrite or customers – makes report on process more essential

2. Chubb may insure projects that present risks and pose negative impacts to human rights, Indigenous Peoples, communities which creates business risk
   • Failure to capture the full picture may result in Chubb mispricing risk, not accurately setting coverage or exclusions
   • Risk of conflicts, project delays, community opposition that results in value reduction

3. Respect for human rights and stakeholder consultation are important parts of underwriting process to gather all relevant data, identify, evaluate and estimate risks
   • Responsibility to respect Free Prior and Informed Consent (FPIC) in business decisions that impact Indigenous Peoples
   • Example: Arctic National Wildlife Refuge – Indigenous Rights, culture, and territories; presents reputational risk. Since 2020, the Gwich’in Steering Committee has been encouraging Chubb not to insure or underwrite oil and gas projects in the Arctic Refuge and has requested meetings. Met recently and seems this informed Arctic National Wildlife Refuge and conservation commitments – to consider conservation areas defined by IUCN in underwriting.

Peer comparison
- Peers incorporate human rights/ESG: AIG, Aviva, AXA, Hannover Re, Munich Re & Zurich
- Many peers go further to include FPIC policies: Allianz, AXIS Capital, & Swiss Re
- Not in UN Principles for Sustainable Insurance - 135 signatories
## Contact Information

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Lead Filer</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Proposal: Transition Planning</td>
<td>Danielle Fugere (As You Sow)</td>
<td><a href="mailto:dfugere@asyousow.org">dfugere@asyousow.org</a></td>
</tr>
<tr>
<td>Insurance Proposal: Measure, Disclose &amp; Reduce</td>
<td>Michael Garland (NYC Comptroller's Office)</td>
<td><a href="mailto:mgarlan@comptroller.nyc.gov">mgarlan@comptroller.nyc.gov</a></td>
</tr>
<tr>
<td>GHG Emissions associated with Underwriting</td>
<td>Paul Rissman (Sierra Club Foundation) - filed at JPM, GS, MS, WF; Kate Monahan (Trillium Asset Management) - filed at BOA; Brianna Harrington (Harrington Investments) - filed at Citi</td>
<td><a href="mailto:paul@rightscolab.org">paul@rightscolab.org</a>; <a href="mailto:Kmonahan@trilliuminvest.com">Kmonahan@trilliuminvest.com</a>; <a href="mailto:Brianna@harringtoninvestments.com">Brianna@harringtoninvestments.com</a></td>
</tr>
<tr>
<td>Bank Proposal: Absolute GHG Targets</td>
<td>Paul Rissman (Sierra Club Foundation) - filed at JPM, GS, MS, WF; Kate Monahan (Trillium Asset Management) - filed at BOA; Brianna Harrington (Harrington Investments) - filed at Citi</td>
<td><a href="mailto:paul@rightscolab.org">paul@rightscolab.org</a>; <a href="mailto:Kmonahan@trilliuminvest.com">Kmonahan@trilliuminvest.com</a>; <a href="mailto:Brianna@harringtoninvestments.com">Brianna@harringtoninvestments.com</a></td>
</tr>
<tr>
<td>Bank Proposal: Time-Bound Phase-Out of New</td>
<td>Paul Rissman (Sierra Club Foundation) - filed at JPM, GS, MS, WF; Kate Monahan (Trillium Asset Management) - filed at BOA; Brianna Harrington (Harrington Investments) - filed at Citi</td>
<td><a href="mailto:paul@rightscolab.org">paul@rightscolab.org</a>; <a href="mailto:Kmonahan@trilliuminvest.com">Kmonahan@trilliuminvest.com</a>; <a href="mailto:Brianna@harringtoninvestments.com">Brianna@harringtoninvestments.com</a></td>
</tr>
<tr>
<td>Fossil Fuel Exploration and Development</td>
<td>Paul Rissman (Sierra Club Foundation) - filed at JPM, GS, MS, WF; Kate Monahan (Trillium Asset Management) - filed at BOA; Brianna Harrington (Harrington Investments) - filed at Citi</td>
<td><a href="mailto:paul@rightscolab.org">paul@rightscolab.org</a>; <a href="mailto:Kmonahan@trilliuminvest.com">Kmonahan@trilliuminvest.com</a>; <a href="mailto:Brianna@harringtoninvestments.com">Brianna@harringtoninvestments.com</a></td>
</tr>
<tr>
<td>Bank Proposal: Paris-aligned Climate Lobbying</td>
<td>Natalie Wasek (Seventh Generation Interfaith)</td>
<td><a href="mailto:natalie@sgicri.org">natalie@sgicri.org</a></td>
</tr>
<tr>
<td>Insurance Proposal: Phase Out Underwriting of</td>
<td>Andrea Ranger (Green Century)</td>
<td><a href="mailto:aranger@greencentury.com">aranger@greencentury.com</a></td>
</tr>
<tr>
<td>New Fossil Fuel Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Proposal: FPIC and Indigenous Rights</td>
<td>Mary Beth Gallagher (Domini)</td>
<td><a href="mailto:mgallagher@domini.com">mgallagher@domini.com</a></td>
</tr>
</tbody>
</table>