2020/2021-



Sustainability Report





Letter from Pat Gallagher

While this is only our second Sustainability Report, Gallagher has had a long-standing commitment to sustainability. For more than 90 years, Gallagher has been dedicated to maintaining high standards of ethical behavior. Improving the sustainability of our global operations and supporting the communities where we live and work are increasingly important parts of that commitment.

In 1984, our former Chairman and CEO, and my uncle, Robert E. Gallagher, captured this sentiment and outlined our corporate culture when he wrote The Gallagher Way. Today, it's the cornerstone for the ethical behavior we expect in everything we do. You can find all 25 tenets on page 13 of this document.

In 2013, we became members of the United Nations Global Compact, the voluntary initiative based on CEO commitments to implement universal sustainability principles. Along with other members of the global business community, we've taken concrete steps to support the UN's Sustainable Development Goals and incorporate them into our business. You can read more about the Global Compact at UNglobalcompact.org.

We also practice what we preach. In 2016, we completed a top-to-bottom renovation of our worldwide headquarters in Rolling Meadows, Illinois, which features a cafe with healthy and betterfor-you food options, plus a fitness center for our employees. Through our Gallagher Green initiative, we strive to manage our energy usage and reduce the environmental impact of our global operations.

We're excited to share our efforts and achievements to date, and I'm particularly proud our success is recognized by others. For example, in February 2020, the Ethisphere® Institute named us as one of the World's Most Ethical Companies® for the ninth consecutive year.

When we published our 2018/2019 Corporate Social Responsibility Report, we shared some of our social impact activities and other achievements that support what we call the three Ps: People, Planet and Profit. We wanted to provide more in-depth information about our ongoing sustainability efforts, so we decided to create this report.

At its core, this report isn't about policies and procedures as much as it is about our greatest asset: our people—from our front-line employees all the way up to our Board of Directors. They do the work and make the decisions that drive our reputation and impact our clients, partners and communities. It is my honor to share the great work they are doing.

Sincerely.

J. Patrick Gallagher, Jr.

Chairman, President and CEO

J. That flylu p.

Facts and Figures (as of December 31, 2019)

33K employees

\$7.2B total company revenue

Publicly
traded on New
York Stock
Exchange
under ticker
symbol
AJG

Fortune 500

Market capitalization \$17.8B

Company Overview

Arthur J. Gallagher & Co. and its subsidiaries provide insurance brokerage, consulting, and third-party claims settlement and administration services to both domestic and international entities

Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients. We believe that our major strength is our ability to deliver comprehensively structured insurance and risk management solutions, superior claim outcomes and comprehensive consulting services to our clients.

We do not assume underwriting risk on a net basis, other than with respect to minimum amounts necessary to organize captives, pools, specialized underwriters or risk-retention groups. Capital necessary for events of loss coverages is provided by underwriting enterprises.

We have three reportable segments: Brokerage, Risk Management and Corporate.

 Our Brokerage segment operations provide brokerage and consulting services to companies and entities of all types, including commercial, not-for-profit and public entities, and, to a lesser extent, individuals in the areas of insurance placement, risk of loss management and management of employer-sponsored benefit programs.

- Our Risk Management segment operations provide contract claims settlement; claim administration; loss control services and risk management consulting for commercial, not for-profit, captive and public entities; and various other organizations that choose to self-insure property/ casualty coverages or use a third-party claims management organization rather than the claim services provided by underwriting enterprises.
- Our Corporate segment reports the financial information related to our debt, clean energy investments, external acquisition-related expenses and other corporate costs.

Gallagher has direct operations in 49 countries and, through a network of correspondent brokers and consultants, offers client-service capabilities in more than 150 countries around the world. The company is headquartered in Rolling Meadows, Illinois. We are a publicly traded Delaware corporation. Our common stock is traded on the New York Stock Exchange under the symbol AJG.

We support one another. We believe in one another. We acknowledge and respect the ability of one another.

THE GALLAGHER WAY TENET #2

Company History

The story of Arthur J. Gallagher & Co. is more than 90 years in the making, comparable to few and as unique in strengths as it is rich in history. Since our founding in 1927, we have grown from a one-person insurance agency to one of the world's largest insurance brokers based on revenues, and one of the world's largest property/casualty third-party claims administrators.

1920s THE BEGINNING

Arthur Gallagher founded Arthur J. Gallagher & Co. in Chicago on October 1, 1927. Already a successful insurance agent when he decided to build a business of his own, Art focused on commercial insurance and also pioneered the concept of risk management. Art knew that by understanding his customers and helping them save money by identifying and reducing their risks, he would build strong relationships.

1930s SUCCESS THROUGH PERSISTENCE

The agency continued to expand, and Arthur hired two new producers. The business also continued to focus on loss control. In the late 1930s, Gallagher helped create The Hartford Group's groundbreaking retrospective rating program, which rewarded customers who minimized their losses. Gallagher also wrote Chicago's first large-deductible fire policy for Bowman Dairy Co. Both concepts were considered radical ideas in that era, and Gallagher was at the forefront.

1940s THE NEXT GENERATION

In the early 1940s, the United States entered World War II. All three of Art Gallagher's sons—John, James and Robert—enlisted in the U.S. Navy. At the war's end, his sons all joined the company, setting the stage for the next generation of leaders.

1950s AT THE FOREFRONT

In 1950, Art decided to incorporate the company, giving each of his sons an equity interest. In 1957, Gallagher landed its largest client to date, Chicago's Beatrice Foods Co. This accomplishment cast Gallagher in the limelight, as it bested Beatrice's incumbent insurance broker, then the largest broker in the U.S.

1960s REVOLUTION AND RESPONSIVENESS

In 1962, asked by Beatrice to help self-insure its risks, Gallagher partnered with Sterling Bassett to form a new claims management subsidiary, Gallagher Bassett Services, Inc., to provide claims services to self-insured clients. This changed the landscape of commercial insurance. In 1963, Robert E. Gallagher was named president and CEO of Gallagher, positions he held into the 1990s. The '60s also brought Gallagher's earliest forays into the life insurance and benefits business.

1970s INTERNATIONAL EXPANSION

The '70s were a period of rapid growth. Gallagher established an international presence in 1974 when it co-founded Lloyd's broker, Gallagher, Hinton & Vereker Ltd., in London. Gallagher later purchased the remaining interest. In 1975, Gallagher also opened an office in Bermuda to provide access to many offshore alternative markets. In that same year, Gallagher's employee benefits division wrote Gallagher's first self-funded employee benefits plan. By 1976, Gallagher's revenues had topped \$10 million and by 1978, they had more than doubled to \$25 million.

1980s PROSPERING AS A PUBLIC COMPANY

In 1981, Gallagher, Hinton & Vereker became the first subsidiary of a U.S. broker to be accepted as a Lloyd's broker in its own right. In 1984, Gallagher went public with an initial common stock offering and in 1987, Gallagher was listed on the New York Stock Exchange. Traded under the symbol AJG, industry publications often highlighted Gallagher as one of the fastest-growing brokers. Gallagher also finalized a major step in the evolution of Gallagher Bassett, or GB, during this decade. In 1988, to enable GB to grow and prosper, the decision was made to unbundle and market GB's services to non-Gallagher brokers, allowing them to be purchased on a stand-alone basis.

1990s THE FOURTH-LARGEST BROKER

In 1990, CEO Bob Gallagher was named chairman of the board, and his brother, John, was named vice chairman. John's son, J. Patrick Gallagher, Jr., became president in 1990 and CEO in 1995. In 1997, Gallagher formed a domestic wholesale brokerage division, Risk Placement Services, Inc., to market wholesale services to retail insurance agents and brokers, including Gallagher's. Gallagher also established a presence in Australia. Based on 1998 revenues of more than \$500 million, Gallagher was recognized by Business Insurance magazine as the world's fourth-largest broker.

2000s ENTERING THE NEW MILLENNIUM

In 2002, Gallagher celebrated its 75th anniversary and hit \$1 billion in revenues. It also was recognized by Fortune magazine among the Fortune 1000 Largest Companies. Gallagher was named to Forbes magazine's Platinum 400 List of Best Big Companies in America for 2004 and 2005. In 2006, J. Patrick Gallagher, Jr. was appointed chairman of the board.

2010s GROWING THROUGH OUR STRENGTHS

Gallagher completed nearly 425 acquisitions from January 1, 2010 through December 31, 2019, which fueled strong revenue growth and significant international expansion. As of 2019, 34% of Gallagher's Brokerage revenues and 15% of Gallagher's Risk Management revenues were generated outside of the U.S. For nine consecutive years, from 2012 to 2020, Gallagher was recognized by the Ethisphere® Institute as one of the World's Most Ethical Companies®.

Let me tell you why I have the best job at Gallagher.

I have the privilege to serve as the company's global representative for ethics and sustainability. This position allows me to learn and implement the best practices from key organizations around the world, including the Ethisphere® Institute, the Boston College Center for Corporate Citizenship and the United Nations Global Compact. This demonstrates the deep commitment Gallagher makes to this stewardship, that the company created a senior role to oversee it, reporting directly to our Chairman, President and CEO, Pat Gallagher.

In this position, I am able to share the recommendations, best practices and guidance from leading global organizations with everyone at Gallagher. This affords us the ability to ensure we make all the changes we collectively agreed we should make. That's what ethics are all about. Compliance tells us what we must do, and ethics give us the road map to establish what we should do. Social Impact is an important part of our ongoing commitment to ethics and has been since the company was founded.

In addition, I have the honor of traveling the world, although not recently due to travel restrictions, to visit our employees to solicit their ideas and suggestions. Good ideas can come from every level of the organization, and the foundation of our corporate culture encourages sharing. My role gives me the opportunity to collect the ideas and bring them directly to our senior executives.

As we continue to grow, we want to emphasize that we are not trying to Gallagherize the globe. Rather, we are trying to globalize Gallagher. We incorporate the very best ideas from around the world, and work tirelessly to blend those characteristics into a global community dedicated to delivering the best possible client service and maintaining the highest level of integrity in the industry.

In writing this report, we sought to create disclosures aligned with applicable standards of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). GRI provides a framework for describing the impact of our business on the economy, environment and society. In addition, SASB- and TCFD-aligned disclosures assist investors in understanding the impact of sustainability-related matters on the company.

At their core, insurance and sustainability share a common vision: safeguarding the future. So it's not surprising to see how we all embrace and demonstrate Gallagher's shared commitment to operate in a sustainable fashion each and every day.

Tom Tropp Global Chief Ethics Officer



Combined Efforts

Sustainability can start with the smallest of decisions—our Gallagher colleagues have implemented these decisions into their everyday lives! From carpooling with coworkers, picking up trash while running, or even planting community and backyard gardens, every effort helps in making a lasting impact on the world around us.



Backyard Garden

Richard Allan, Australia, is growing a garden in his backyard that he shares with his housemates and coworkers!



Elk Grove Living Green Community Garden

Joan Arrington, United States, started a nonprofit community garden that provides produce to three local food pantries.



Carpooling

Sandie Hord and Iris Bermudez, United States, carpool to work every day!



Recycling Run

Valentine Verrijken, United Kingdom, picks up trash and recycling while she runs. Here she is picking up trash during her 40-mile fundraising run!



Southwestern Volunteer of the Year

Kelly Bradley, United States, has volunteered at her local lake for 8 years.



Girl Scout Gardening

Julie Bush, United States, works with her local girl scout troop to educate them on sustainable efforts and maintains a community garden with them!



Beach Cleanup

Vivianne Pulido-Price, United States, took part in a beach cleanup near our Irvine Office.



Friends of Shirati

Dale Ressler, United States, volunteers with Friends of Shirati, a nonprofit that focuses on sustainable energy projects for the Shirati community in Tanzania.



Free Store

Kerry Stafford, United States, helps out at the Free Store, a nonprofit focused on repurposing materials, produce and products that would have otherwise been thrown out.



A place. A passion. Our promise to our people.

We are global leaders in insurance, risk management and consulting services. As such, we are an international sales and marketing company that plans and administers cost-effective, differentiated property/casualty and human resource risk management programs as brokers, consultants and third-party administrators.

At our core, we help people and communities at risk by offering sound solutions to identify, mitigate and manage risk.

At Gallagher, we're committed to people. We put our expertise and exceptional service at the center of everything we do for our clients, partners, colleagues and within our local communities. Our mission is to:

- Provide superior, cost-effective risk management products and services that meet the ever-changing needs of our current and prospective clients, while continuing to strive for the highest professional excellence in the delivery of those products and services
- Provide all our employees opportunities for professional growth, personal satisfaction and financial security
- Build and maintain long-lasting, consistent, honest and profitable relationships with our insurance markets to surpass our clients' risk management needs
- Grow shareholder value by increasing our client base and dedicating ourselves to increased productivity, profitability and professionalism, resulting in long-term earnings-pershare growth

Our leadership sets the bar for our distinct corporate culture. Recognized by the Ethisphere® Institute as one of the World's Most Ethical Companies® for the past nine years—and the only insurance brokerage on this list—Gallagher is at work in almost 50 countries helping to protect and sustain businesses, relationships and communities. Our success gives us the confidence to face future challenges head-on, because our team is the very best at what we do.

How The Gallagher Way drives our business.

When Arthur J. Gallagher founded the company in 1927, he knew exactly what it would stand for and how it would make a difference in the lives of people, businesses and communities. He defined how to deliver the best solutions while always giving clients the very best service. This exemplary service underscores the core of our business and explains how our shared values motivate our decision-making process.

insurance broker to receive Ethisphere's World's Most Ethical Company® honor, underscoring the company's ongoing commitment to leading with integrity and prioritizing ethical business practices. **

Our Commitment

As Gallagher expands and evolves, we remain rooted in these principles that guide our actions and obligations every day. In 1984, then Chairman and CEO Robert Gallagher took the time to write these principles down and share *The Gallagher Way* with the entire company. This is the foundation of our company's culture that motivates our decision-making process and guides our actions every day. Our team passionately adheres to these tenets, which allows our employees to thrive, our organization to succeed and our clients to prosper. This is what our clients, employees and partners expect from Gallagher.

The Gallagher Way

- We are a sales and marketing company dedicated to providing excellence in risk management services to our clients.
- 2. We support one another. We believe in one another. We acknowledge and respect the ability of one another.
- 3. We push for professional excellence.
- We can all improve and learn from one another.
- 5. There are no second-class citizens—everyone is important and everyone's job is important.
- 6. We're an open society.
- 7. Empathy for the other person is not a weakness.
- 8. Suspicion breeds more suspicion. To trust and be trusted is vital.
- 9. Leaders need followers. How leaders treat followers has a direct impact on the effectiveness of the leader.
- 10. Interpersonal business relationships should be built.
- We all need one another. We are all cogs in a wheel.
- 12. No department or person is an island.
- 13. Professional courtesy is expected.

- 14. Never ask someone to do something you wouldn't do yourself.
- 15. I consider myself support for our sales and marketing. We can't make things happen without each other. We are a team.
- 16. Loyalty and respect are earned—not dictated
- 17. Fear is a turnoff.
- 18. People skills are very important at Arthur J. Gallagher & Co.
- 19. We're a very competitive and aggressive company.
- 20. We run to problems—not away from them
- 21. We adhere to the highest standards of moral and ethical behavior.
- People work harder and are more effective when they're turned on—not turned off.
- 23. We are a warm, close company. This is a strength—not a weakness.
- 24. We must continue building a professional company—together—as a team.
- 25. Shared values can be altered with circumstances—but carefully and with tact and consideration for one another's needs.



Santa Fe Office

Our Santa Fe, New Mexico, office truly looks to make a lasting impact and already has within their community. The Santa Fe office is our first-ever office entirely powered by solar energy! Their efforts do not stop there. They seek out other renewable and reusable ways to be waste conscientious through reusable water systems, recycled office products and much more.

Our Commitment

Workplace Culture

We recognize that becoming an employer of choice is a matter of steady improvement, not instant perfection, and we have a steadfast commitment to our employees.

We strive to instill a strong sense of purpose in our people and build an environment that helps them face their futures with confidence. We're focused on providing our employees with meaningful experiences, making sure they can bring their true selves to work, have tools and resources to fuel their growth, and are able to drive real impact both at work and in the communities they call home.

We attribute our long-standing success to our people. They are our best asset, helping clients navigate an increasingly complex insurance market. Our employees are a global force for change, using their considerable experience, confidence and knowledge to reduce risk and provide expertise for our clients. We achieve this by forming lifelong partnerships, maximizing business objectives and securing the best insurance cover for all different needs.

Career Growth

Becoming a destination employer is a means—not an end. We enable our employees to cultivate their skills and grow their careers through strategic professional development and sound investments in their growth.

Developing Young Talent

The Gallagher Summer Internship Program began in 1965 with a single intern. More than 50 years later, our program has grown to employ more than 450 interns each summer. We take pride in cultivating our interns' expertise, and our program provides opportunities to accelerate their career growth.

Our program is competitive, as demonstrated by our inclusion on the list of the 2019 Top 100 Internship Programs, as published by career site WayUp.com. Nearly 25,000 interns rated their experiences. Gallagher sits in good company with different technology, logistics, hospitality and other Fortune 500 companies, voted as great places to learn and work.

Work Environment

At Gallagher, we foster teamwork, entrepreneurialism and success. Everyone is expected to stand by our exacting standards and principles, guided by our founder's values of personal integrity, innovative thinking, deep commitment to clients, openness, empathy and respect for each other.

Our employees enjoy different opportunities to chart their own courses and build exciting and lucrative careers.

Inclusion and Diversity (I&D)

We are committed to driving an inclusive and diverse workplace for the benefit of our clients, colleagues, and the communities in which we live and work. We strive to weave I&D into the fabric of the organization and embrace the diverse talents, perspectives and ideas of our colleagues, enabling them to bring their best to work, achieve their professional goals and better serve our clients

Gallagher's inclusive behaviors and I&D resources help our colleagues understand and foster an inclusive workplace culture. Our Celebrate Inclusion campaign aligns global colleagues around inclusion celebrations and dates of importance to build understanding of how diverse backgrounds contribute to organizational success. Our leaders have reinforced their support by signing the CEO ACT!ON for Diversity and Inclusion Pledge and Inclusive Behaviors in Insurance CEO Pledge, and we achieved a perfect score on the Human Rights Campaign Corporate Equality Index in 2019 and 2020, designating us as one of the best places to work for LGBTQ equality.

Gallagher partners with a number of organizations on efforts to advance I&D within the insurance industry

- Through Gallagher Connect Partners (GCP), our network of minority-, woman-, and veteran-owned insurance firms, we work with over 35 diverse certified providers to drive the best results for our clients. GCP supports the growth of minority/ women-owned business enterprises (MWBEs) in insurance and helps attract more diverse talent to the insurance industry.
- As a sponsor of Dive In, the festival for diversity and inclusion in insurance, we host, plan and/or present at events around the world to support the development of inclusive workplace cultures.

 We work with WayUp and RippleMatch, as well as historically Black colleges and universities, Hispanic-serving Institutions and women's colleges to help diverse talent launch their careers at Gallagher.

We also work to foster I&D more broadly across our communities:

- As a Platinum Partner of Special Olympics International and official sponsor of Special Olympics Sport and Coach Programming, we help ensure that over 5 million athletes with intellectual disabilities have access to the highest-quality coach training and sports experiences.
- As the official title partner of Premiership Rugby in the United Kingdom, we continue to support Rainbow Laces, an initiative by Stonewall UK to promote LGBT inclusion in sport, as well as Project Rugby, an effort to champion the development of young people through the game, with a focus on females, minorities and individuals with disabilities.
- Through our support of the United Nations Foundation GirlUp Program, we help young female leaders around the world gain the skills, resources and confidence to make an impact on gender equality.
- We sponsor educational programs in partnership with the National Underground Railroad Freedom Center to enable low-income students to tour the center and get access to post-visit resources, as well as provide opportunities for the public to attend educational lectures, panels and film screenings focused on freedom and equality.

Inclusion is ingrained in the tenets of The Gallagher Way.

Safety

We're in the risk management business, and safety is of utmost importance. At Gallagher, we offer our clients useful information to better manage their risks across a host of industries. For 12 years, we've published *A Minute for Safety* newsletters (in English and Spanish). Topics range from working safely with solvents to carpal tunnel syndrome to aggressive driving. We also share *Risk Management Safety Insight* newsletters online as downloadable PDFs, featuring recent and/or topical information about risk management issues that could impact a client's business.



Recycling Effort at Nagshead Nature Reserve

Our Business Operations team, United Kingdom, volunteered at the Nagshead Nature Reserve in the Forest of Dean. The team's time and energy went into demolishing damaged fencing and carrying it to a suitable collection point.

Gallagher not just for our expertise, but because we treat people with respect and work hard to help them grow and succeed. When you get down to what makes us excellent at what we do—it comes down to people who have always been at the center of The Gallagher Way.

SUSAN E. PIETRUCHA, CHIEF HUMAN RESOURCES OFFICER



Our Purpose

"We help you face your future with confidence." It's the "why" of everything we do for our clients and our employees. And make no mistake, this is not a tag line. This is a simple articulation of what separates Gallagher from our competitors.

Our core purpose is something we've always lived by—and is a reflection of the tenets of The Gallagher Way, the experience of working at Gallagher and the way each of our colleagues shows up in every office around the world.

Our Service

The Gallagher Way

Gallagher's mission to improve the world transcends borders and cultures. Whether on or off the grid, our teams strive to leave the communities they serve better than they found them.

Disaster Resiliency

As a global team of consultants, insurance brokers and risk managers, Gallagher and its global partners prepare for and are quick to mobilize around disasters that our world faces with increasing frequency. When Hurricane Maria hit Dominica in 2017, representatives from Gallagher organized aid and jumped on the first plane to help our four Gallagher employees and 250 clients in desperate need.

Volunteer Contributions

As a company with a global footprint, Gallagher strives to preserve, enrich and serve in our local communities. A yearlong effort for Gallagher employees worldwide to reach 90,000 hours of volunteerism culminated in early October 2018. To celebrate Gallagher's 90th anniversary, employees across 35 countries were encouraged to volunteer in their local communities. The efforts totaled 112,706 volunteer hours between October 1, 2017 and October 3, 2018. These volunteer efforts continue through 2019 and into 2020.

"True to our values and culture, it was fitting to mark this special milestone by supporting communities around the globe through volunteerism and giving to charities and causes near and dear to our employees and clients," said J. Patrick Gallagher, Jr., Chairman, President and CEO.

We adhere to the highest standards of moral and ethical behavior.

THE GALLAGHER WAY TENET #21

AMERICAS

BOSTON, MASSACHUSETTS: Goodwill Industries Toy Drive

As part of their annual toy drive, our Boston office collected and delivered more than 200 gifts for our client's, Morgan Memorial Goodwill Industries, youth holiday party. The team also decorated the organization's headquarters to mark the fifth anniversary of our partnership.

CHICAGO, ILLINOIS: Neighborhood Cleanup

As part of our partnership with the Chicago Cubs, 500 employees from our global headquarters in Rolling Meadows, Illinois, volunteered to clean up the Wrigleyville neighborhood as part of a beautification project. Chicago Cubs Chairman Tom Ricketts and former Cubs second baseman and Baseball Hall of Famer Ryne Sandberg joined in the effort as well.

PORTLAND, MAINE: Lifesaving Service

Christy O'Hare of Risk Placement Services, Portland, Maine, spent a week in Bangladesh with Light for Life USA, a nonprofit organization serving individuals and orphans in the country's poorest communities.

ROCHESTER, NEW YORK: Delivering Supplies

Kristin Sampson, the area vice president for Global HR Services at our Rochester, New York, office, delivered needed supplies to orphanages and communities in Haiti.

ASIA PACIFIC

AUSTRALIA: Cancer Council

Every year our employees volunteer for Daffodil Day to sell daffodils, the international symbol of hope, as well as collect donations to help raise funds for cancer research.

INDIA: Dictionary Drive

As part of our ongoing literacy efforts, our employees provided dictionaries to 140 students.

EUROPE, MIDDLE EAST, AFRICA

RWANDA: School-Supply Drive

To help Rwandan students thrive at school, we organized a drive to donate hundreds of books and essential supplies.

UK: Charity Bike Ride

Colleagues from our UK Retail-South West offices (including their CEO) hopped on their bikes in memory of a colleague who was lost to cancer. The team cycled over 170 miles and raised a phenomenal £40,000 for Cancer Research UK.

UK: Alesco Number Partners

For the past two years, 15 members of our London office have been volunteering their lunchtimes to help elementary-aged children develop their math skills.

Crombie Lockwood

Our New Zealand division, Crombie Lockwood, has been working hard to make a lasting impact in their communities through volunteering efforts working with plant nurseries, bird sanctuaries and the Department of Conservation. Check out the following photos to find out more about the amazing efforts our Crombie Lockwood employees have been up to all year round.







Helping Create a Wildlife Preserve

The Manawatu branch, New Zealand, helped prepare the new Wildbase facility for opening day by shoveling mulch and preparing the outside rehabilitation areas.





Planted Trees During Conservation Week

The Wanganui branch, New Zealand, planted 200 native trees with the Department of Conservation during Conservation Week.





Supporting Sirocco

Crombie Lockwood worked with partners at the New Zealand Department of Conservation to put together a special package to ensure the travel of the endangered parrot, Sirocco, around New Zealand.





Volunteer Nursery

Maria Bossa and Michelle Quin, New Zealand, volunteered at The Shade House to assist with restoration projects of native forest species in the far north.

Our Strategy

Sustainability is The Gallagher Way

reducing the environmental impact of our global operation Isle of Man **Northern Ireland** Canada Jersey Guernsey **United States** Gibraltar Mexico Antigua St. Kitts Cayman Islands Barbados Grenada St. Vincent/St. Lucia Colombia Peru Chile

Our Approach

Environmental Topics

transportation hub in the Northwest suburbs benefits our clients by minimizing travel time and cost, as well as gives us the opportunity to reduce our carbon footprint.

The new building houses nearly 1,800 employees (with a capacity for 2,000), while an additional 270 employees in our IT and mail departments work in a separate twostory brick building on our campus. Employees who work in the main building can use a treadmill or bike desk. We also feature an on-site fitness center and a cafe that offers



SASB Disclosures

The Sustainability Accounting Standards Board (SASB) has established disclosure standards, by industry, relating to sustainability matters. We have considered SASB's Professional & Commercial Services industry standard in providing the disclosures set forth below.

Data Security

Our global chief information security officer, reporting to our global chief information officer, oversees a team of employees dedicated to information security. We strive to protect sensitive information through various means. These include physical security, technical safeguards, procedural requirements and policies, and a program of monitoring to detect and address unauthorized modification or misuse. In addition, we continuously test aspects of our internal security as well as that of outside vendors, maintain a robust incident response program, and provide regular training for employees.

Workforce Diversity

Set forth below are percentages for gender and racial/ethnic group representation among our employees for 2019. We have also included information regarding our executive officers and Board of Directors as of June 30, 2020. Please see the Inclusion and Diversity section on page 14 of this report for examples of our policies and programs that foster equitable employee representation across our global operations.

Gender Diversity	Female	Male
Total Workforce	60%	40%
Managers	47%	53%
Producers	40%	60%
Executive Officers	10%	90%
Board of Directors	20%	80%

Racial/Ethnic Diversity (U.S.)	Diverse	Nondiverse
Total Workforce	24%	76%
Managers	15%	85%
Producers	21%	79%
Executive Officers	10%	90%
Board of Directors	10%	90%

Professional Integrity

Our global compliance program is dedicated to ensuring ethical behavior across Gallagher. Our Global Standards of Business Conduct, approved by our Board of Directors, are core to this program and apply to all Gallagher directors, officers and employees. We also expect Gallagher Global Alliance members, strategic vendors, suppliers, and other business partners or agents acting on our behalf to adhere to similar high standards of behavior. The Global Standards establish clear expectations and guidelines for all employees, prohibiting corruption, bribery, facilitation payments, fraud, discrimination, antitrust/anticompetitive practices, money laundering, insider trading and more; they also require employees to avoid and disclose conflicts of interest.

The Global Standards also set forth expectations and guidelines for positive behaviors, including treating everyone with respect, valuing diversity, protecting human rights, and speaking up to report Global Standards violations and any other compliance-related concerns without fear of retaliation. As part of our program, we require employees to certify annually that they have reviewed and will comply with the Global Standards.

Our Ethics and Compliance Hotline is managed by an outside company and is available 24 hours a day, 7 days a week. We ensure that callers to the hotline can remain anonymous if they choose, and if they do not choose to remain anonymous, their identity will be kept confidential to the extent permitted by law, and the information they provide will be relayed to the appropriate company resources for further investigation.

Climate Change: Risk Management & Governance

We take the risks and opportunities posed by climate change seriously. However, our industry may be less exposed to climate change-related risks than other industries. As an insurance brokerage and risk management services firm we do not assume net underwriting risk, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital, and thus do not experience direct financial implications related to extreme weather events. In addition, as a service company with people as our most important asset, our physical operations are limited.

Each division within Gallagher is responsible for identifying and prioritizing risks, including, when applicable, climate change-related risks. A management-level committee classifies risks identified by the divisions into traditional risk categories and determines their materiality. In the context of enterprise risk management, we measure materiality in terms of the likelihood of risk events occurring over shorter and longer time periods, the potential severity of impacts on the business, and the speed with which risk events may happen.

At the Board of Directors level, the Risk and Compliance Committee reviews our enterprise risk management program, including the identification, tolerance, assessment and mitigation of any climate change-related risks that may be identified by management.

Please see the Risk Factors section of Part I, Item 1A, of our most recent Annual Report on Form 10-K for a brief discussion of climate change-related risks.

Set forth below are the Global Reporting Initiative (GRI) Governance, Stakeholder Engagement and Reporting Practice disclosures that apply to our company. We have sought to align our disclosures with GRI 102.

GOVERNANCE		
102-1	Name of organization	Page 5
102-2	Activities, brands, products and services	Page 5
102-3	Location of headquarters	Page 5
102-4	Location of operations	Pages 20-21
102-5	Ownership and legal form	Page 5
102-6	Markets served	Page 5
102-7	Scale of the organization	Page 4
102-8	Information on employees and other workers	Page 4
102-9	Supply chain	Page 5 Since we do not manufacture products, our supply chain is limited to insurance companies and contracted brokers.
102-10	Significant changes to the organization and its supply chain	NA
102-11	Precautionary principle or approach	NA: We do not produce physical products.
102-12	External initiatives	Pages 10-19

GOVERNANCE		
102-13	Membership of associations	Page 3
102-14	Statement from senior decision-maker	Page 3
102-16	Values, principles, standards and norms of behavior	Pages 10-14
102-18	Governance structure	2020 Proxy Statement; pages 6-8
102-20	Executive-level responsibility for economic, environmental and social topics	Page 8
102-21	Consulting stakeholders on economic, environmental and social topics	Page 8
102-22	Composition of the highest governance body and its committees	2020 Proxy Statement; pages 1-5
102-23	Chair of the highest governance body	2020 Proxy Statement; pages 3, 6
102-24	Nominating and selecting the highest governance body	Governance Guidelines, Director Qualifications; pages 3-5 2020 Proxy Statement; pages 1, 6
102-25	Conflicts of interest	Governance Guidelines, Board Independence; page 2, Director Qualifications-Selection Criteria; page 3 2020 Proxy Statement; pages 6, 10
102-27	Collective knowledge of the highest governance body	Governance Guidelines, Director Qualifications-Selection Criteria; page 3, Director Orientation and Continuing Education; page 6
102-28	Evaluating the highest governance body's performance	Governance Guidelines, Board, Committee and Director Evaluations and Succession Planning; page 6-7 2020 Proxy Statement; page 21
102-30	Effectiveness of risk management processes	2020 Proxy Statement; page 8

GOVERNANCE		
102-33	Communicating critical concerns	2020 Proxy Statement; pages 8, 17
102-36	Process for determining remuneration	2020 Proxy Statement; pages 16-24
102-37	Stakeholders involvement in remuneration	2020 Proxy Statement; pages 16-24
102-38	Annual Total Compensation Ratio	2020 Proxy Statement; page 36
102-40	List of stakeholder groups	Pages 10-17
102-41	Collective bargaining agreements	NA
102-42	Identifying and selecting stakeholders	Pages 10-17
102-43	Approach to stakeholder engagement	Pages 10-17
102-44	Key topics and concerns raised	Pages 13-14
102-45	Entities included in the consolidated financial statements	Page 5
102-46	Defining report content and topic boundaries	Pages 20-21

GOVERNANCE		
102-47	List of material topics	Pages 22-25
102-48	Restatements of information	NA
102-49	Changes in reporting	NA
102-50	Reporting period	June of 2019 through June of 2020
102-51	Date of most recent report	June of 2019
102-52	Reporting cycle going forward	Annually going forward.
102-53	Contact point for questions regarding the report	Page 28
102-54	Claims of reporting in accordance with the GRI standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	Pages 24-27
102-56	External assurance	This report has not undergone an external assurance review.
	SASB- and TCFD-aligned disclosures	Pages 22-23

Point of Contact

Communications and questions as they relate to this report and Gallagher's global sustainable practices should be directed to:

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Forward-Looking Statements and Other Disclaimers

This 2020 Sustainability Report contains forward-looking statements, and actual results could differ materially. Risk factors that could cause actual results to differ are set forth in the Risk Factors section and throughout our 2019 Annual Report on Form 10-K, as updated by our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020. Forward-looking statements speak only as of the date that they are made, and we do not undertake any obligation to update any such statements or release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect new information, future or unexpected events or otherwise, except as required by applicable law or regulation. Also, company goals included in this report are aspirational and not guarantees or promises that all goals will be met. Statistics and metrics included in this report are estimates and may be based on assumptions or developing standards.







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