

CORPORATE SOCIAL RESPONSIBILITY BLUEPRINT FOR BETTER

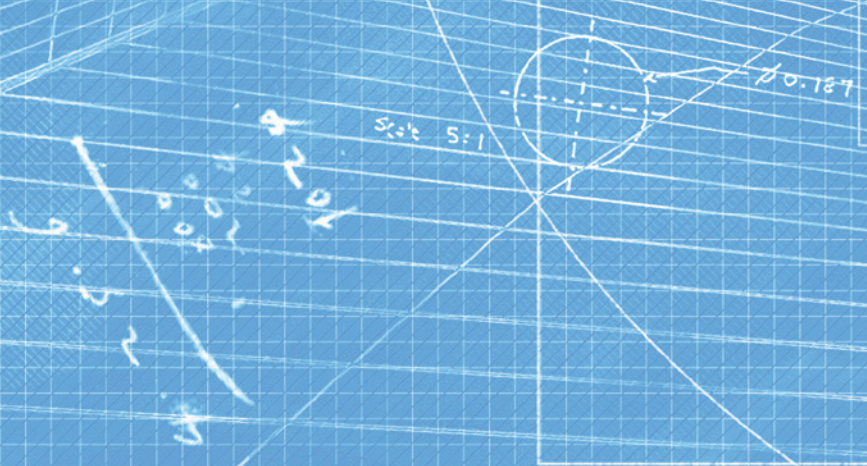
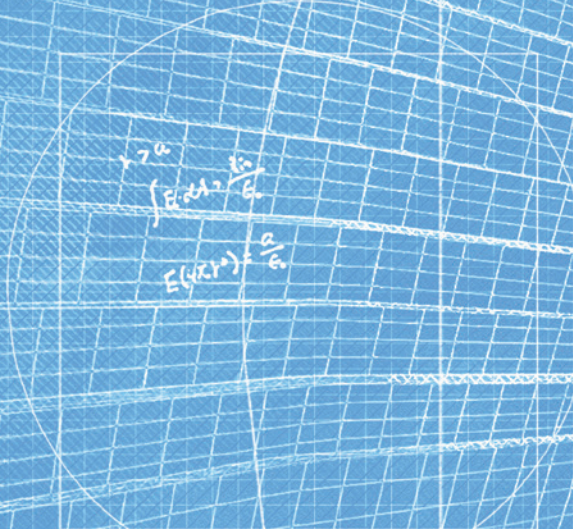
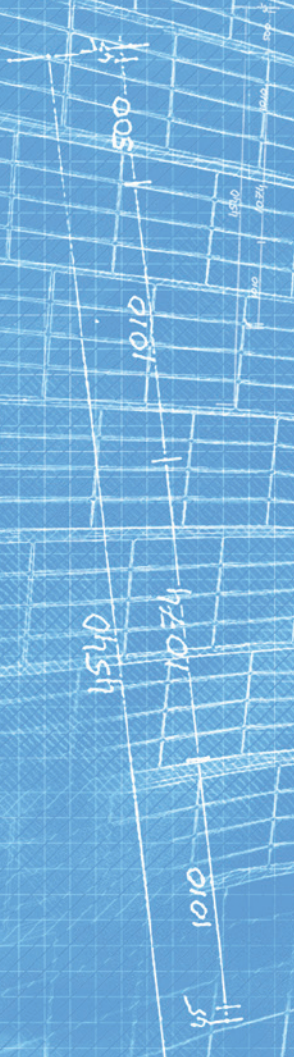


Gallagher

2018-2019 | 90th Anniversary Edition

Insurance | Risk Management | Consulting

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Gallagher (NYSE: AJG), a global insurance brokerage, risk management and consulting services firm, is headquartered in Rolling Meadows, Illinois. The company has operations in 33 countries and offers client service capabilities in more than 150 countries around the world through a network of correspondent brokers and consultants.



Blueprint for Better

At Gallagher, we're deeply committed to maintaining high standards of ethical behavior and supporting the communities in which we live and work.

As we grow and expand our operations around the world, we seek out acquisition partners and new employees who share that commitment. Wherever we operate, our people embrace the Gallagher culture, and we celebrate the diversity and value each member brings to our team.

We are delighted this year to issue our Corporate Social Responsibility report in conjunction with our 90th anniversary. We celebrate our anniversary as one global company - and one good global citizen. Our company places a great deal of emphasis on integrity, and those efforts are being recognized. In 2018, for the seventh consecutive year, we were named one of the World's Most Ethical Companies® by the Ethisphere® Institute. We continue to strive to make our 90th year our most important yet, as well as our most rewarding.

How do you build a socially responsible business? You start with a blueprint. Ours is called The Gallagher Way. It was written in 1984 by my uncle, Robert E. (Bob) Gallagher, then distributed and promoted throughout our organization by my father, John P. Gallagher. Today, it remains our most important document, and its tenets have put our employees in a position to act honorably for over 90 years. In that way, it's not a mandate as much as a call to action. Through our Corporate Social Responsibility report, we have our Blueprint for Better. We're proud to show how we answer our community's call and make an impact in the world around us. You will find The Gallagher Way on page 7 of this report. It should help you to understand who we are and why we choose to work at Gallagher.

The values expressed by my uncle in 1984 are the same as those established by my grandfather in 1927. If we continue to abide by them, we believe that they will carry us through this century as well. Consider the following:

- **Tenet 2: We support one another. We believe in one another. We acknowledge and respect the ability of one another.**
- **Tenet 7: Empathy for the other person is not a weakness.**
- **Tenet 16: Loyalty and respect are earned—not dictated.**
- **Tenet 21: We adhere to the highest standards of moral and ethical behavior.**
- **Tenet 23: We are a warm, close company. This is a strength—not a weakness.**

I invite you to read this Corporate Social Responsibility report in the spirit in which it was written. This is not a report about our company as much as it is a story about our people. The greatest asset our company has is our people: They do the work, they control the relationships and they build our reputation. It is my honor to share with you some of the great things that they are doing.



J. Patrick Gallagher, Jr.

Chairman, President and CEO



90

YEARS
OF TRUST



90th Anniversary

90 years. A lifetime of ethical and socially responsible decision making. But we're just getting started, and by following The Gallagher Way—our blueprint for success—we'll continue to build relationships with the communities we serve.

The Blueprint for Service

BACKPACKS 4 KIDS

Over the past year, Gallagher employees worldwide have endeavored to perform 90,000 hours of volunteer work as part of our 90th anniversary celebration.

In Southern Australia, that meant supporting Backpacks 4 SA Kids, where 26 members of our Adelaide team donated 124 hours to provide backpacks full of clothes, toys and personal supplies to children placed in the emergency care system.

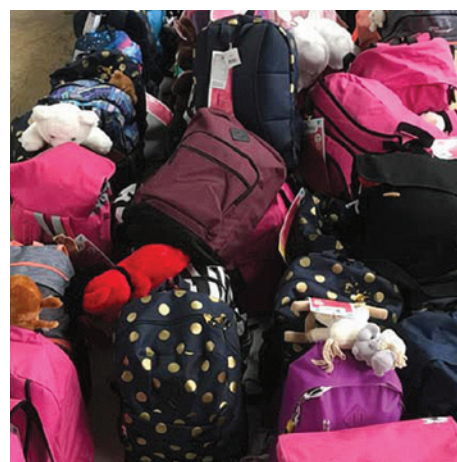
Aiming to distribute 3,000 backpacks by year's end, the foundation stood 600 short in early October. For this reason, the team found itself joining the production line at the foundation's Para Hills West headquarters. It made an impact that exceeds numerical value.

"The staff got so much out of this charity, personally, but this is just the beginning," Gallagher's Melanie Strangar said. "We have now seen where the gaps are...and the shortage was for girls and boys from the ages of 10 to 18."

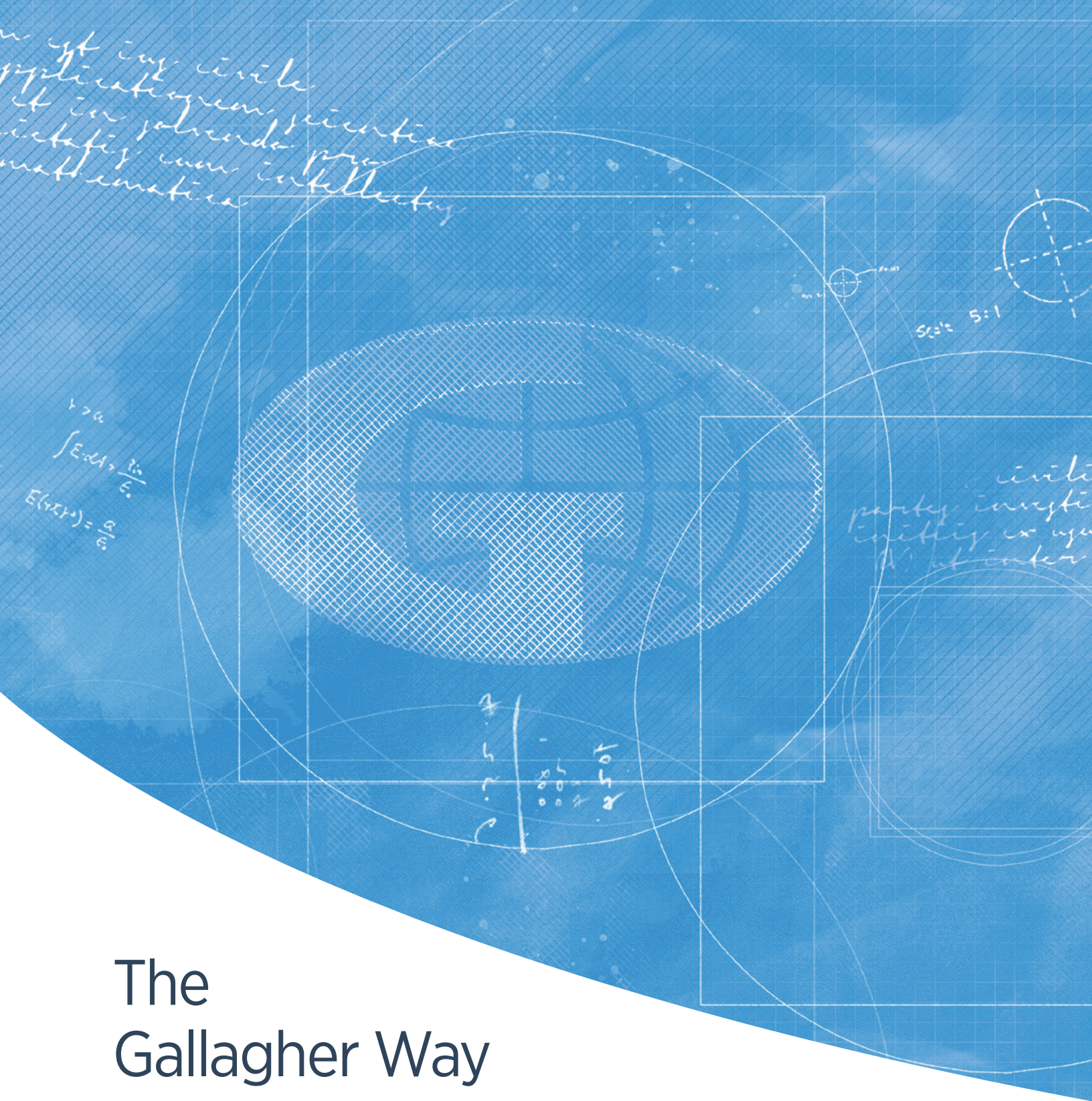
Recognizing this, the team rallied to narrow the gap. Instead of staging Kris Kringle in the office, staff bought a gift to be donated. Several employees, including Melanie, also spent additional time with the charity in the buildup to Christmas.

"Some of these kids have never had anything new, so when they receive these backpacks with the things they need, it's giving them something really meaningful."

– Melanie Strangar, Backpacks 4 SA Kids Initiative



Twenty-six members of the Gallagher team in South Australia donated 124 hours of voluntary work to support the Backpacks 4 SA Kids initiative.



The Gallagher Way

Each year, every Gallagher employee reviews and commits to our Global Standards of Business Conduct, a document that describes our obligation to conduct ourselves in accordance with legal and ethical guidelines. But we view that document as setting just a minimum standard of behavior. We call upon our employees to embody ethical behavior that goes beyond legal compliance. In our view, ethics is all about values; it is what we as a group of people have agreed that we should do. These values are spelled out in *The Gallagher Way*, and they can be witnessed in the actions of our employees each and every day. We also frequently remind employees of the commitment we have made to live by those values.

The Gallagher Way

Shared values at Arthur J. Gallagher & Co. are the rock foundation of the company and our Culture. What is a Shared Value? These are concepts that the vast majority of the movers and shakers in the Company passionately adhere to. What are some of Arthur J. Gallagher & Co.'s Shared Values?

- 1 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.
- 4 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.
- 11 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.
- 22 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.

When accepted Shared Values are changed or challenged, the emotional impact and negative feelings can damage the Company.
– Robert E. Gallagher, May 1984

The Gallagher Way — which spells out the key tenets of Gallagher's culture — was written as a one-page document in 1984 by our late Chairman and CEO, Robert E. Gallagher.

Awards & Recognition

For the seventh straight year, we were proud to be named one of the World's Most Ethical Companies® by the Ethisphere® Institute in 2018.

Here are a few more honors Gallagher has received:

- In 2017, USA Today named Gallagher a top “**Best Culture**” company in the metro Chicago area.
- Arthur J. Gallagher was named **Insurance Broker of the Year at the 2017 Reactions London Market Awards**.
- CGM Gallagher earned **Reactions magazine's 2017 Caribbean Broker of the Year** award.
- In 2018, *FORTUNE* magazine recognized Arthur J. Gallagher & Co. on the **Fortune 500** list for the third consecutive year.
- Arthur J. Gallagher UK received “**Group Risk Adviser of the Year**” award at the 2017 *Corporate Adviser Awards*, marking the fourth Group Risk award for Gallagher.



At the 2018 awards ceremony, Erica Salmon Byrne, Ethisphere Institute's Executive Vice President, Compliance & Governance Services, presents the Ethisphere® Award to Patrick Kennedy, Gallagher's Regional President Northeast; Dan Tropp, Gallagher's Regional President Mid-Atlantic; and Tom Tropp, Gallagher's Corporate Vice President, Ethics and Sustainability.

"World's Most Ethical Companies" and "Ethisphere" names are registered trademarks of Ethisphere LLC.

Insurance Broker
of the Year

Best Culture

Reactions Magazine's
Caribbean Broker of the Year

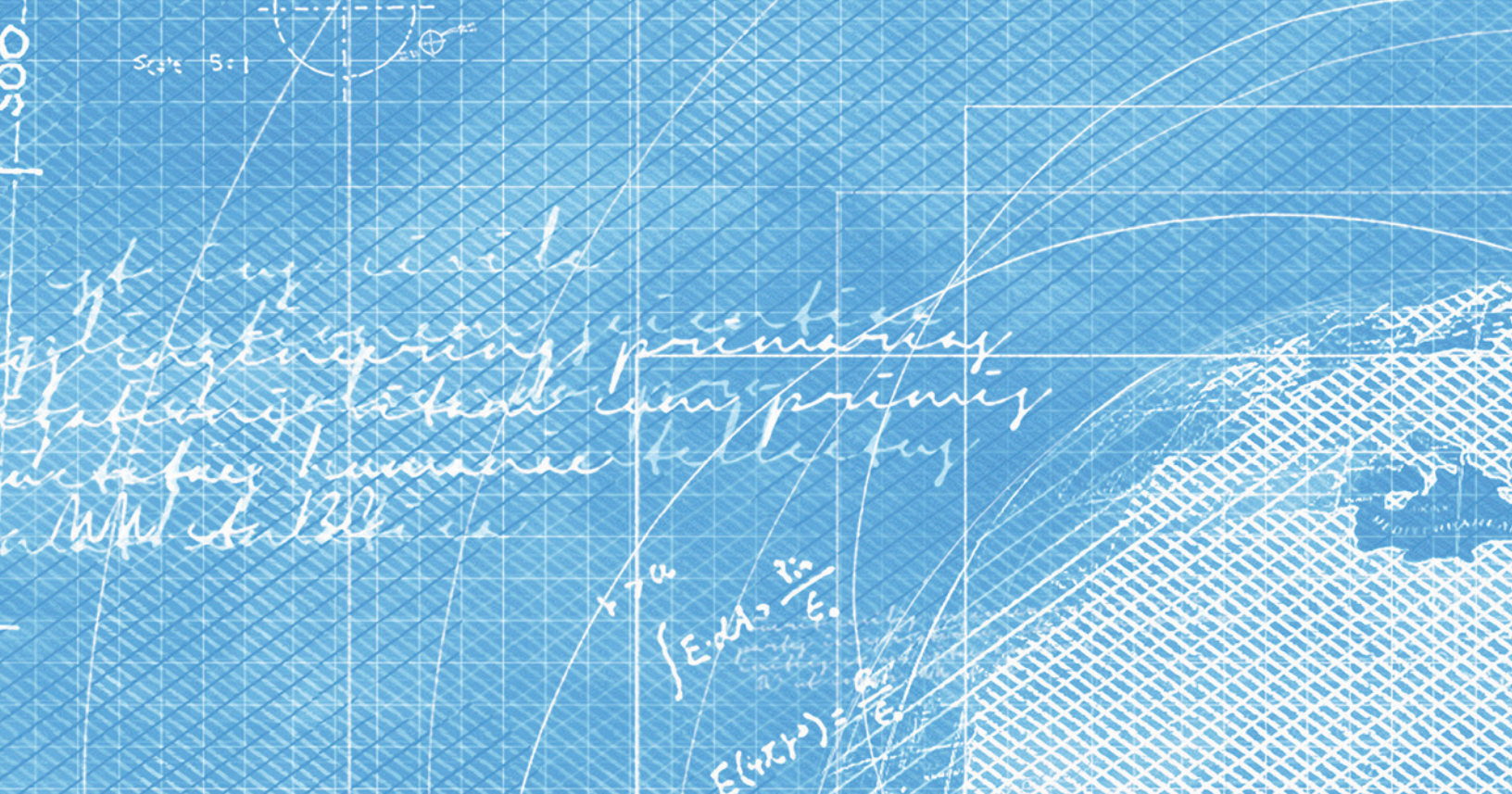
FORTUNE
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Group Risk Adviser of the Year

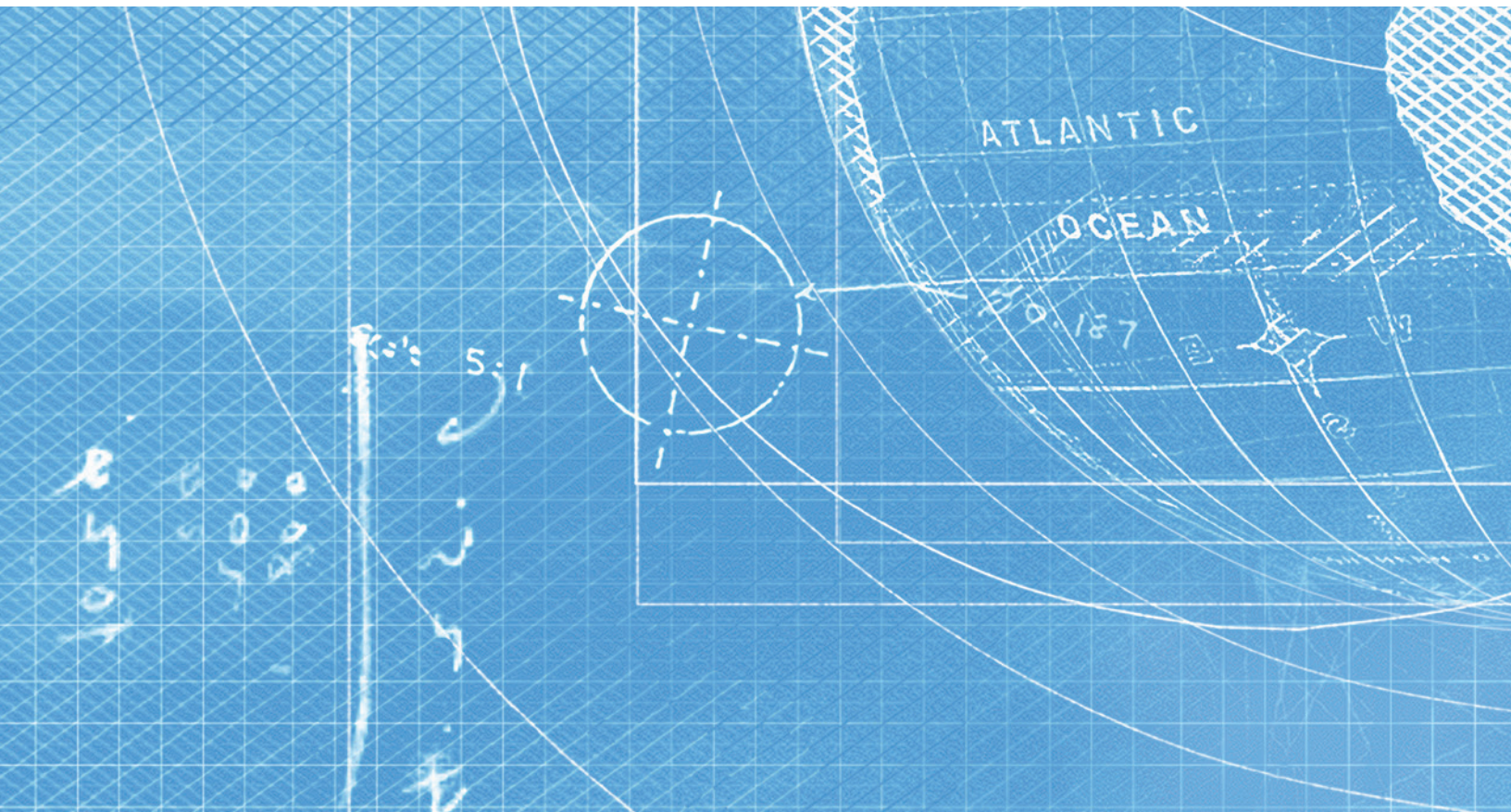
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COMPANIES®
WWW.ETHISPHERE.COM

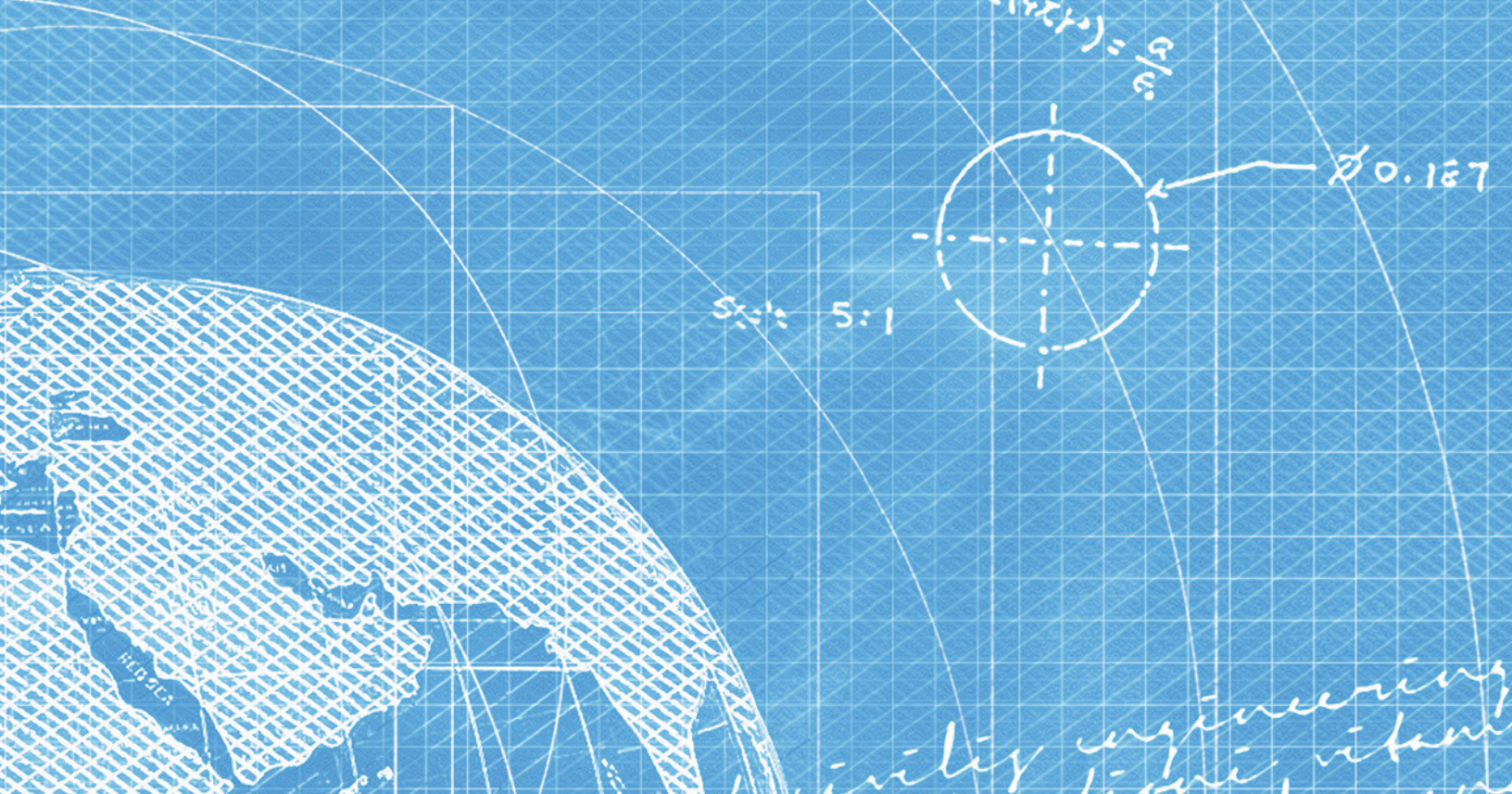
2017 Market Facilitator of the Year – Artex
Trading Risk magazine





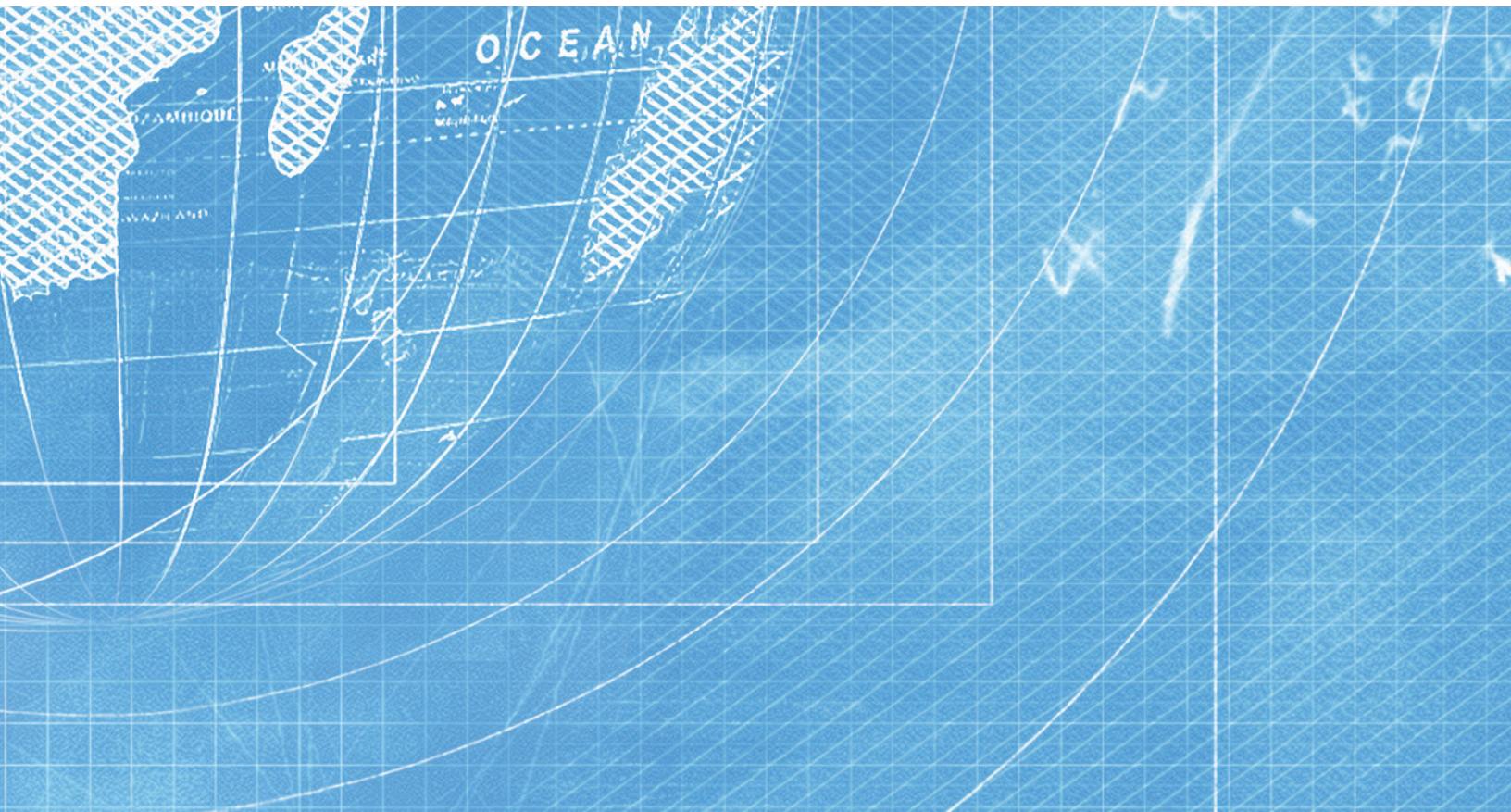
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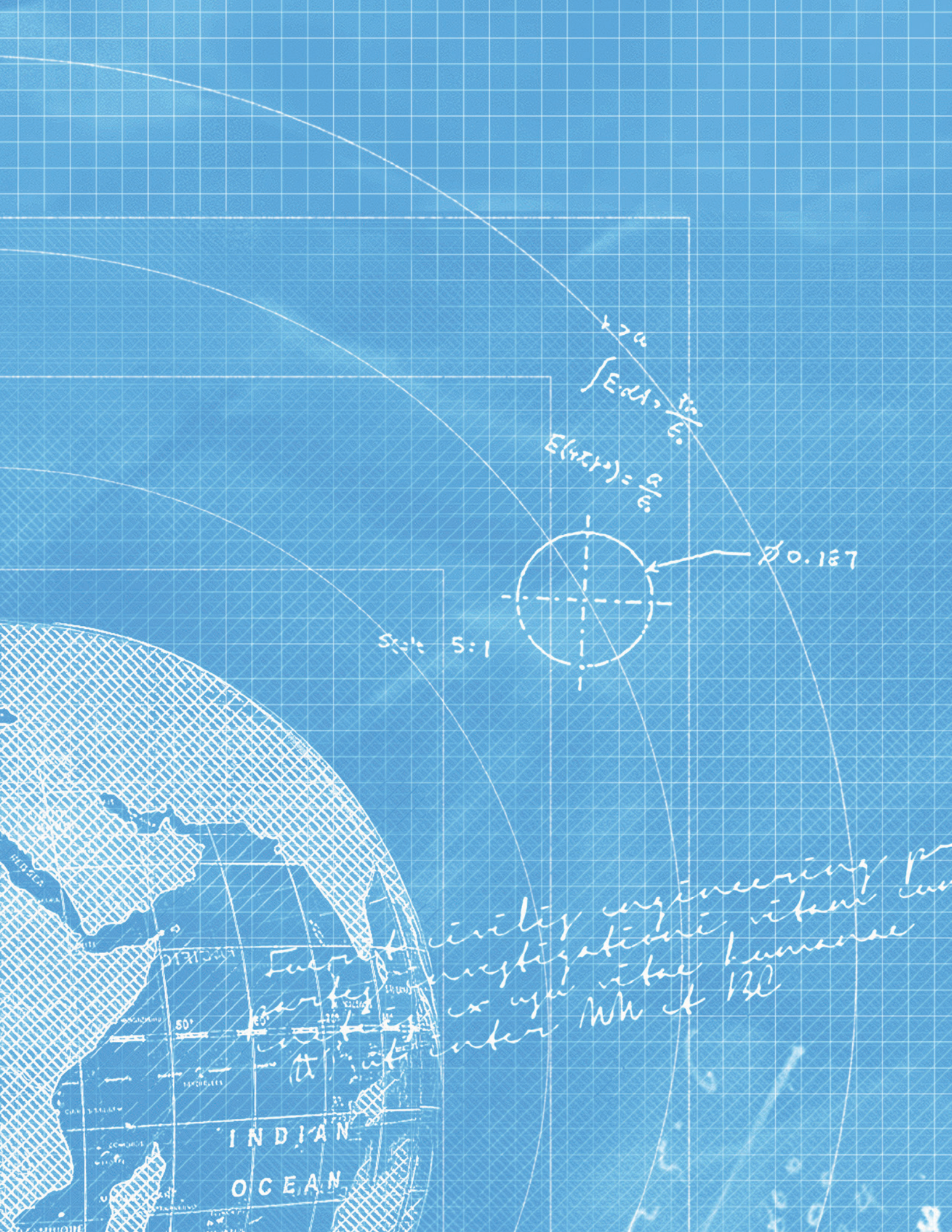




ards of moral and ethical behavior.

TENET 21 – THE GALLAGHER WAY





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Worldwide Commitment

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.

Countries Where Gallagher Lives

- ANTIGUA
- AUSTRALIA
- BARBADOS
- BERMUDA
- CANADA
- CAYMAN ISLANDS
- CHILE
- COLOMBIA
- CZECH REPUBLIC
- DOMINICA
- ENGLAND
- GIBRALTAR
- GRENADA
- GUERNSEY
- INDIA
- ISLE OF MAN
- JAMAICA
- JERSEY
- MALTA
- MEXICO
- NEW ZEALAND
- NORTHERN IRELAND
- NORWAY
- PERU
- PHILIPPINES
- SCOTLAND
- SINGAPORE
- ST. VINCENT
- ST. KITTS
- ST. LUCIA
- SWEDEN
- UNITED STATES
- WALES



HAITI MISSION TRIP

Kristin Sampson, Area Vice President for Global HR Services at our Rochester office, delivered supplies to orphanages and communities in Haiti.



INDIGENOUS COMMUNITIES ARTWORK

As part of our engagement with indigenous communities, GB-Australia commissioned this piece by a local artist. It tells the story of GB's role as a *Goondermarramarr*, which means "place of recovery and well-being."

Sustainability

Preserving the environment is more than a moral imperative; it's a sound business strategy. At Gallagher, we strive to connect the dots between our environmental impact and best practices.



Alexandra Kennedy, Branch Operations
Manager, Toowoomba Qld Australia

The Blueprint for Conservation

KOALA ECOLOGY GROUP

As a company with a global footprint, Gallagher strives to preserve and enrich each of its communities. Few of them are as gorgeous as Australia, where native koalas have become an iconic symbol of the continent's glittering wilderness and wildlife. Yet in many parts of the country, populations are in decline. Queensland, New South Wales and the ACT, in particular, recognize the species as vulnerable.

In order to reverse this trend, it's crucial that scientists survey their numbers to determine potential causes. That's why Alexandra Kennedy of our Toowoomba office joined the Koala Ecology Group at the University of Queensland to get out and count.

In South East Queensland, she's learned populations are heavily impacted by urban development, as well as dog attacks and vehicle strikes. However, fewer studies have been undertaken in rural Queensland, leaving more questions for scientists to answer.

Luckily, Alexandra is there to help.



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$$E(1,1) = \frac{1}{6}$$

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Ipsum enim est in civitate
de physica applicationem, per
principia et in solvendo per
humanae societatis cum intellectus
physicis et mathematicis

Ipsum enim est in civitate
de physica applicationem, per
principia et in solvendo per
humanae societatis cum
physicis et mathematicis

Community Engagement

At Gallagher, we know it's not enough to simply sketch out our vision of engagement. That's why we've committed 90,000 hours to bettering our communities and the world over the past year.

The Blueprint for Service

DOMINICAN HURRICANE RELIEF

Tenet #12 of *The Gallagher Way*: “No department or person is an island.”

That being said, the nation of Dominica *is* an island—and when its four Gallagher employees and 250 clients were hit by Hurricane Maria, representatives from CGM Gallagher jumped on the first plane to assist them.

“As soon as we had the all clear from the military and government, Tito [Gulstone, SVP of Claims] chartered a flight with other insurance companies and went down,” says Karissa Beharry-Shepherd, SVP of HR for CGM Gallagher. “The conditions were so poor: no electricity, no water for days, no food. He survived on canned foods and protein bars.”

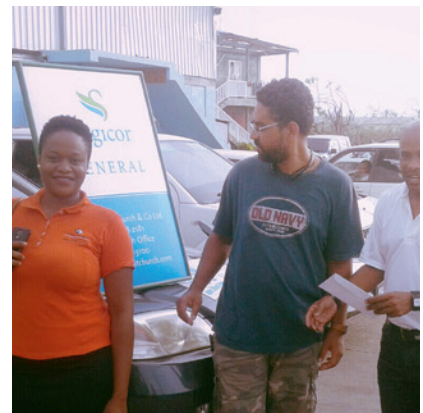
What Tito started was soon joined by Claims Supervisor Neal Shepherd. With claims piling up, Neal opted to take a Coast Guard boat so he could bring barrels of food and water that CGM Gallagher offices had collected.

“The aid that was available was scarce, and people had to wait in line for hours just to get access,” says Karissa. “It’s wasn’t anything fancy, but every bit helped.”

In addition to helping Dominica rebuild, Karissa’s CGM Gallagher colleagues, Branch Manager Aarion Nicholas, Business Development Manager Sandy Forte and Claims Supervisor Dabian Olto, made trips to Anguilla, Antigua, Barbuda and St. Kitts, all of which also sustained hurricane damage.

Each trip is an example of leadership in action—part of Gallagher’s blueprint for corporate responsibility. And for Karissa, seeing managers jump at the opportunity to serve was inspiring. “It’s really, truly honorable to see the commitment they have to their colleagues, clients and jobs.”

Which brings us to Tenet #20 of *The Gallagher Way*: “We run to problems—not away from them.”



Community Engagement



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.



BOSTON GOODWILL TOY DRIVE

As part of their annual toy drive, the Boston office collected 200+ gifts and delivered them to client Goodwill Morgan Memorial's Youth Holiday Party. The team also decorated the organization's headquarters to mark the fifth anniversary of our partnership.



PORTLAND LIFESAVING SERVICE

Christy O'Hare of RPS 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.



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.

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A Look Ahead

I have the honor of visiting well over 100 of our company's branch offices around the world every year to meet with, on average, more than 6,000 of our employees.

These visits have confirmed to me that Arthur J. Gallagher & Co.'s shared values are understood and in practice in all of our offices around the world. It is particularly rewarding to see how our new merger partners have embraced our culture and have enhanced our global profile.

As we grow, one of our greatest challenges is to maintain our unique culture. We are acutely aware of the importance of our values and beliefs, and we strive to protect our culture in several ways:

- We continually remind our people of our guiding tenets and their importance to our organization. *The Gallagher Way* is a document that succinctly states our values. You can find it prominently displayed in every Gallagher office, and we refer to it regularly in our discussions and written communications. We also try to recognize the social responsibility efforts of our more than 26,500 employees around the world, many of whom enthusiastically accept that challenge.
- We are cautious, as we bring individuals and organizations into the company, in ensuring that their values are not in conflict with our values. We probably spend as much time and effort evaluating the cultural atmosphere of a potential merger partner as we do its financial success. As Pat Gallagher is fond of saying, "We can tell within a few weeks if a group of people can be financially successful in our business. We may spend months determining whether they share our values."

As we continue to grow our company, we are not trying to "Gallagherize the Globe"; rather, we are trying to "Globalize Gallagher." Our goal is to take the very best ideas from our merger partners around the world and blend those characteristics into a Global Community dedicated to providing the best possible service to our clients and the highest level of integrity in the industry.

We recognize that humans are not perfect and that occasionally issues will arise. But when they do, we work quickly to address them. Overwhelmingly, our people embrace and demonstrate Gallagher's shared values each and every day. We are proud to share some of their stories with you.

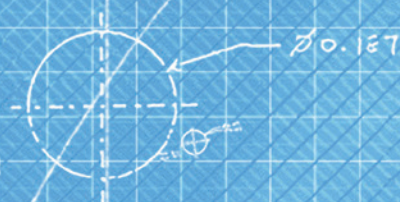


A stylized, handwritten signature in black ink that reads "Tom Tropp".

Tom Tropp

Corporate Vice President
Ethics and Sustainability

Scale 5:1



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reflex human intellect
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