Arthur J. Gallagher & Co., an international insurance brokerage and risk management services firm, is headquartered in Itasca, Illinois, has operations in 31 countries and offers client-service capabilities in more than 150 countries around the world through a network of correspondent brokers and consultants.
2015 AWARDS & RECOGNITIONS

Ethisphere Institute recognizes Arthur J. Gallagher & Co. as one of the World’s Most Ethical Companies.


Forbes magazine names Arthur J. Gallagher & Co. one of America’s Best Employers.

Strategic Risk survey of UK FTSE firms rates Arthur J. Gallagher Best Broker across all six service categories.

Advisen Claims Satisfaction Survey of risk managers and brokers ranks Gallagher Bassett #1 TPA in casualty claims handling.

Workplace Savings and Benefits (WSB) recognizes Arthur J. Gallagher as the U.K.’s Employee Benefit Consultancy of the Year.

The Women’s Forum of New York honors Arthur J. Gallagher & Co. as a Corporate Champion for its work to achieve gender balance within the boardroom.

Chief Executive magazine ranks Arthur J. Gallagher & Co. among its Best Companies for Leaders.

HR.com presents Arthur J. Gallagher & Co. with Leadership 500 Excellence Award (Large Companies category).

“World’s Most Ethical Companies” and “Ethisphere” names and marks are registered trademarks of Ethisphere LLC.
OUR HERITAGE

At Arthur J. Gallagher & Co., 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.

Our company places a great deal of emphasis on integrity, and those efforts are being recognized. In 2016, for the fifth consecutive year, we were designated a World’s Most Ethical Company® by the Ethisphere Institute.

Our commitment to being an ethical and socially responsible organization is best illustrated in a document that we call The Gallagher Way, 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. You will find The Gallagher Way at the end 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
OUR COMMITMENT TO THE WORLD

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 21,500 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 on the following pages.

Tom Tropp
Corporate Vice President
Ethics and Sustainability
FOCUS ON INTEGRITY

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* (see page 10), 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.

CEO Pat Gallagher (right) accepts Arthur J. Gallagher & Co.’s 2015 World’s Most Ethical Companies® award from Timothy Erblich, Chief Executive Officer of the Ethisphere Institute.
SUSTAINABILITY

Gallagher is committed to protecting and even improving the environment for the benefit of current and future generations. Environmental protection and preservation makes sound business sense. It not only enriches the lives of our employees, our clients and their loved ones, it can also reduce our expenses and improve our bottom line.

Although our company typically chooses to lease rather than purchase office space, wherever possible we look for energy-efficient properties. We have implemented various other environmental initiatives, such as reducing our reliance on paper through online document management systems and working with certified, environmentally friendly furniture vendors. Where feasible, we also support employee telecommuting arrangements, which can improve morale, increase productivity and reduce fuel consumption.

In addition, over the last two decades, we have provided substantial funding for research and commercialization of new and innovative clean-air technologies. Our pioneering efforts have led to industry-leading commercial installations at a significant portion of power plants in the United States. This technology is now dramatically reducing emissions of mercury, sulfur dioxide and other heavy metals. In addition, we are funding the development of technologies that aid in the safe elimination of carbon dioxide from power plants. These investments directly improve our environment and demonstrate Gallagher’s commitment to environmental protection.

Over the years, we have actively sought out opportunities to preserve and protect the environment, and we will continue to explore and pursue new and creative ways to make positive impacts in this area.

Gallagher's New Zealand brokerage operation, Crombie Lockwood, has established the DOC Buddies™ programme across its roughly two dozen offices. Through DOC Buddies,™ Crombie Lockwood volunteers assist the Department of Conservation in protecting the habitat of endangered native birds and in supporting wider conservation causes.
COMMUNITY SERVICE

At Gallagher, we understand the importance of giving back to our communities. We are committed to promoting environmental, social and economic benefits in the communities in which we live and work.

We believe in running our business with integrity and strong values, and take pride in a culture that embodies both. That is why we recognize the thousands of hours of community service our employees undertake around the world every year. These charitable activities give testament to the compassion and generosity of our workforce, and the strength of our company culture.

Whether we are working to help our communities and the environment, or striving to always be an ethical company, Gallagher’s employees are making a difference around the world.

Meals for Children
Representatives from Gallagher’s Houston office prepare sandwiches and pack lunches for the Kids’ Meals Houston Kitchen.

Wales Three Peaks Challenge Funds Much Needed Surgery
A team of 42 people from three offices across South Wales took part in the grueling Welsh Three Peaks challenge in June 2015 to help fund a child with quadriplegic cerebral palsy’s life-transforming surgery. The operation is expected to dramatically increase her mobility and take away any pain she suffers.
Cycling for a Cure
Employees of a Gallagher office in Victoria Australia helped raise money for cancer research at the 8th annual Ballarat Cycle Classic.

Granting a Special Wish
A team of golfers from Gallagher’s Chicago-area brokerage operations were prize winners in the Chubb Charity Challenge, with their $8,000 in winnings going to Make-A-Wish® Illinois. This funded a dream trip to Nintendo headquarters in Redmond, Washington for 13-year-old Ryan and his family. Ryan visited Gallagher’s home office after the trip.

A New Start
In partnership with Food for the Poor Jamaica, members of Gallagher’s Jamaican brokerage operation participated in building a home for a family in need in Steer Town, St. Ann, Jamaica.

Representatives from CGM Gallagher present the recipient with keys to her new house.

Children’s Trust Charity
Gallagher’s Walbrook team in London runs for Children’s Trust Charity. In the four years the team has been participating, they’ve raised over £50,000 for the charity.

Give Kids the World
Gallagher Bassett (GB) employees across seven Florida offices, along with their families, came together with the Workers’ Compensation Institute to participate in a special Volunteer Day at Give Kids The World. Due to their hard work and contributions, the institute honored GB with its 2015 Corporate Volunteer of the Year award.
We are a Sales and Marketing Company dedicated to providing excellence in Risk Management Services to our clients.

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

We push for professional excellence.

We can all improve and learn from one another.

There are no second-class citizens—everyone is important and everyone’s job is important.

We’re an open society.

Empathy for the other person is not a weakness.

Suspicion breeds more suspicion. To trust and be trusted is vital.

Leaders need followers. How leaders treat followers has a direct impact on the effectiveness of the leader.

Interpersonal business relationships should be built.

We all need one another. We are all cogs in a wheel.

No department or person is an island.

Professional courtesy is expected.

Never ask someone to do something you wouldn’t do yourself.
<table>
<thead>
<tr>
<th>15. I consider myself support for our Sales and Marketing. We can’t make things happen without each other. We are a team.</th>
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<tbody>
<tr>
<td>16. Loyalty and respect are earned—not dictated.</td>
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<td>17. Fear is a turnoff.</td>
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<td>18. People skills are very important at Arthur J. Gallagher &amp; Co.</td>
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<td>19. We’re a very competitive and aggressive Company.</td>
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<td>20. We run to problems—not away from them.</td>
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<tr>
<td>21. We adhere to the highest standards of moral and ethical behavior.</td>
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<td>22. People work harder and are more effective when they’re turned on—not turned off.</td>
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<tr>
<td>23. We are a warm, close Company. This is a strength—not a weakness.</td>
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<tr>
<td>24. We must continue building a professional Company—together—as a team.</td>
</tr>
<tr>
<td>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.</td>
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Robert E. Gallagher – May 1984
We adhere to the highest standards of moral and ethical behavior.

— Tenet 21