

# The power of action: Louder than words

Lincoln Financial 2019  
Corporate Social Responsibility Report



# At Lincoln Financial, we take action that leads to impact.

**Every move we make shapes the future we share with our customers, communities and investors. Knowing that what we do matters, we don't just talk about making a difference. We live for it.**

Changing the world around us for the better is the goal, and it all starts with deliberate action — small steps, giant leaps and countless movements in between.

Every day, we choose to strengthen our communities, empower our employees, treat the environment with respect and elevate our customers and partners through responsible business practices.

This corporate social responsibility report is the story of how our actions lead to impacts — impacts that uphold the ideals of our namesake, Abraham Lincoln, and empower everyone around us to move forward with confidence.

Lincoln Financial Group was founded in 1905 with the endorsement of Abraham Lincoln's son, Robert Todd Lincoln, who provided written permission to use his father's name and likeness to represent our company's goals and mission. More than a century later, Lincoln Financial Group remains the first and only company to carry Abraham Lincoln's name, image and ideals at the heart of our brand.

## Table of contents



*A Lincoln*



**Dennis R. Glass**

President and Chief Executive Officer  
Lincoln Financial Group

## A letter from our President and CEO

At Lincoln Financial Group, we started taking action over a century ago. At our core, our business is about helping our customers — often at the most difficult times in their lives. Our company values — honesty, integrity, empathy, respect — have helped shape our business as well as how we dedicate our resources to help the communities and the world around us. And, at a time when America is uniting, in the midst of a pandemic, to battle racial injustice and discrimination, these values inspire us to take action to create a more just world, promoting equality for all.

Now more than ever, as we all face COVID-19 and its consequences, we are focused on our company's purpose: **to help provide financial peace of mind to people across the United States.**

While the pandemic continues to evolve, one thing has not changed — our focus on taking care of our employees, our customers and our communities. Lincoln's strength, stability and our long history and experience help us navigate both the good and the challenging times.

It's times like these that define character — of people and of companies. We remain as committed as ever to taking action and making an impact in our communities with integrity, respect and optimism.

I am pleased to share our 2019 Corporate Social Responsibility Report, and I invite you to learn more about how we implement our corporate social responsibility strategy here at Lincoln Financial Group, and how, together, we're taking action that leads to impact.

Sincerely,

A handwritten signature in black ink that reads "Dennis Glass". The signature is written in a cursive, flowing style.



## Nancy Rogers

President, Lincoln Financial Foundation  
SVP, Corporate Responsibility  
and Sustainability

# A letter from the Senior Vice President, Corporate Responsibility and Sustainability

Our goal at Lincoln Financial Group is to provide our customers with financial peace of mind, so that they can look forward to the future with optimism. We want the same for our employees and our communities.

As we tackle the new challenges we all face in 2020, it is worthwhile to see them within the context of the corporate responsibility strategy we followed last year, and will continue to follow into the future. In 2019, our efforts focused on empowering and engaging our employees, investing in our communities, and turning everyday actions into opportunities to care for people and the environment. Here are just a few of the highlights:

- Our contributions to nonprofit education organizations helped more than 575,000 children and teenagers get the support they needed to do well in school.
- Our employees contributed more than \$1 million to United Way for the seventh consecutive year and took part in the annual United Way Days of Caring events in their communities.
- We significantly reduced our energy use as we continued our journey of wise environmental stewardship.
- Our second Women's Leadership Summit reinforced Lincoln's dedication to developing and supporting women, who comprise 61% of Lincoln's workforce, hold 50% of all management positions and represent 27% of the board of directors.
- We launched our Autism2Work program, an initiative designed to successfully attract, and ultimately hire, a more neurodiverse workforce.

Lincoln employees do not simply talk about responsibility and commitment — they strive to bring these values to life every single day. They continually demonstrate how seemingly small steps can lead to big results and important changes. And they strongly support Lincoln's commitment to Diversity and Inclusion as we take steps to stand up against racial injustice that too many in our country are facing. They inspire me, and I think they'll inspire you, too.

I welcome you to read our 2019 Corporate Social Responsibility Report — and take a look at our dedicated [COVID-19 portal on our website](#) — to see how we are not only taking action ourselves, but empowering those around us to impact the future for good.

Sincerely,

A handwritten signature in black ink that reads "Nancy Rogers". The signature is written in a cursive, flowing style.

# About Lincoln Financial Group

**Lincoln Financial Group provides advice and solutions that help empower people to take charge of their financial lives with confidence and optimism.**

We work together as a single enterprise focused on supporting and enhancing people's lives and retirement outcomes. Our parent company, Lincoln National Corporation, and its affiliates operate under the marketing name of Lincoln Financial Group. Our comprehensive offerings span four core business areas: life insurance, annuities, retirement plan services and employee (group) benefits.



## Our customers

We help our customers take the actions that matter. The financial products and solutions we provide are designed to help them choose steps that lead to positive impact across their lives and the lives of those they love.

## Our insurance companies

**The Lincoln National Life Insurance Company** is one of the oldest and largest stock insurance companies in the United States.

**Lincoln Life & Annuity Company of New York** offers additional annuity, retirement planning and insurance products.

## Our affiliates

**Lincoln Financial Foundation**, established in 1962, is the philanthropic arm of Lincoln Financial Group.

**Lincoln Financial Distributors** is the wholesale distribution organization for Lincoln-manufactured variable and fixed annuities, life insurance and investment management products sold through financial intermediaries.

**Lincoln Financial Advisors** offers personalized financial planning services.

**Lincoln Financial Securities** provides long-term financial solutions to individuals and small businesses.

# How we turn action into impact

Since our founding, we have been guided by the character and ideals of our namesake, President Abraham Lincoln: strength, courage, integrity, optimism and respect. By applying these values to our shared mission, we are able to generate positive impact.

## We build on a tradition of strength

Our solid industry rankings, broad distribution capabilities and strong financial foundation combine to lay the groundwork for helping families and individuals take charge of their futures.

## We live our commitment to corporate responsibility

We value good corporate citizenship, promote sustainable business practices and strive to improve the quality of life of the people in our communities.

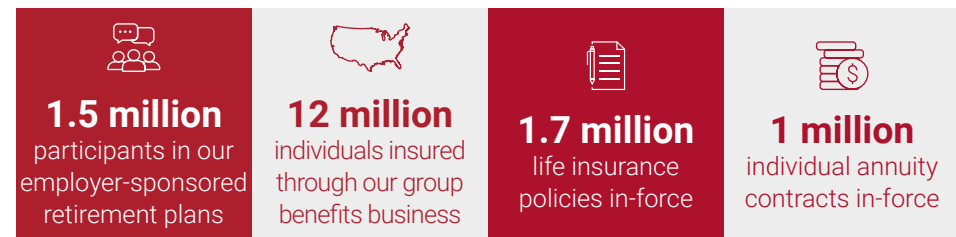
## Success through diversity and inclusion

Diversity and inclusion inform our business strategy and propel our success. We empower collaboration, insights and innovation among our partners and employees to reach our full potential as a company.

### Our financial strength<sup>1</sup>



### The lives we touch<sup>1</sup>



<sup>1</sup> All numbers are as of December 31, 2019.

<sup>2</sup> Based on median three-year cash flow return on investment (ROI), 2018 sales growth, and adjusted for divestitures.

<sup>3</sup> Represents statutory results of Lincoln National Life Insurance Company, Lincoln Life & Annuity of New York, and First Penn-Pacific Life Insurance Company.

<sup>4</sup> Available liquidity consists of cash and invested cash, excluding cash held as collateral, and certain short-term investments that can be readily converted into cash, net of commercial paper outstanding.

## 2019 Recognitions and awards

We focus our energy on action because we believe it's what matters. We are honored when others recognize the importance of steps we take to improve ourselves and the world around us.



### 2019 Disability Equality Index Best Place to Work

Received a perfect 100% score for the fourth consecutive year for creating a welcoming, inclusive environment for people with disabilities.



### Best Place to Work for LGBTQ Equality

Scored 100% on the 2019 Corporate Equality Index (CEI), a national benchmarking survey and report on corporate policies and practices related to lesbian, gay, bisexual, transgender and queer (LGBTQ) workplace equality for the fourth consecutive year.



### Dow Jones Sustainability Index (DJSI) North America

Named to the most widely recognized sustainability index, which assesses economic, environmental and social practices in large, publicly traded companies, for the fourth consecutive year.



### FTSE4Good Index

Named to this responsible investment index since 2001. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices.



### Forbes 2019 Best Employers for Diversity

Recognized by Forbes for our dedication to diversity and inclusion for the second year in a row and ranked in the top third of the 2019 list.



### Forbes 2019 Best Employers for Women

Named to this list for the second year in a row and ranked #68 among 300 employers.



### Forbes 2019 Best Large Employers

Named one of "America's Best Employers for 2019" by Forbes in the Banking and Financial Services sector for the third consecutive year.

# 2019 Corporate responsibility in action

Changing the world around us for the better is our goal. We push forward together as we strengthen our communities, respect each other and our environment, and serve our customers with excellence.



## Building stronger communities

- The Foundation contributed \$9 million to nonprofit partners – focusing on education, human services and financial wellness – as well as disaster relief, matching gifts and United Way
- The Foundation supported nearly 250 organizations with programs ranging from tutoring students in math and reading, coaching adults on finance and feeding and housing families
- 2.2 million services helped people develop vital skills and improve their quality of life



## Empowering and engaging employees

- Delivered more than 100,000 hours of in-house training in skills-based, leadership, management, compliance and cybersecurity topics
- Offered nearly 200 diverse courses through our Leadership Excellence and Development (LEAD) program
- More than \$1 million donated by employees to United Way for the seventh consecutive year



## Caring for the environment

- Achieved a 27.42% reduction in greenhouse gas emissions intensity per employee from purchased electricity (Scope 2) against a 2014 baseline – exceeding our 2020 target of 20%
- Reduced electricity consumption by 10.90% at our Omaha, NE, location – surpassing our goal of 8% reduction by 2022 compared to a 2014 baseline
- Reduced electricity consumption by 23.11% at our Greensboro, NC, location since 2014



## Upholding responsible business practices

- 100% of employees trained in our Code of Conduct and related policies
- Shepherded the *YourPath*<sup>SM</sup> alternative target date portfolio through its first full year of implementation – this customizable retirement solution allows plan participants the opportunity to choose from multiple options in order to personalize their investment approach
- Helped motivate Americans to save more by launching the quarterly Consumer Retirement Index in partnership with CivicScience to benchmark U.S. consumer confidence around preparing for retirement



Lincoln employees prepare meals for families at the Ronald McDonald House in Philadelphia.

## Building stronger communities

We are citizens and neighbors, and the communities we call home have shaped us in important ways. Giving back is important – but we don't want to stop there. We help the people and places around us move ahead, empowered to take actions that will improve their futures. Since 1962, the Lincoln Financial Foundation has dedicated significant resources each year to organizations that successfully help people build better futures for themselves and their families.

### Our strategy for action

The Lincoln Financial Foundation focuses on building stronger communities through nonprofit partnerships in education, human services and financial wellness, with the long-term goal of helping people build secure financial futures for themselves and their families. We work to ensure that short-term setbacks don't derail the long-term goal of a secure financial future for some of the most vulnerable in our communities.

We enhance the communities where our employees live and work by educating our children, providing for people's basic needs during difficult times, and providing the skills and tools to achieve financial wellness. We partner with nonprofits in our communities to achieve meaningful impact and bring data-driven new ideas to life.



## Our approach for impact

**The Lincoln Financial Foundation directs philanthropic giving, matches employee contributions, and supports volunteerism so that we can amplify impact in our communities not only in the short term, but for lasting change over the long term.**

We look to data, metrics and national best practices to understand community issues and determine optimal solutions for addressing them. Technology and data allow the Lincoln Foundation to evaluate nonprofits based on their measurable outcomes. We award grants to organizations that have a proven record of impact in our three focus areas: education, human services and financial wellness. These nonprofits ensure that grant funding will reach those who need it most: low-income households and communities.

As we work with organizations over time, we help them to identify specific ways they can improve their processes or operations. We then use grant dollars to help them enhance their offerings and multiply their results.

[Learn more about the Lincoln Financial Foundation. >](#)

### **The heart of volunteering**

Our employees contribute their time and talent to further boost nonprofits' ability to meet community needs. As they serve others, our employees enrich their own lives as well. Read employees' stories in Chapter 2.



### **Investment**

In 2019, the Foundation contributed \$9 million to nonprofit partners – with a focus on education, human services and financial wellness – as well as disaster relief, matching gifts and United Way.



### **Action**

The Foundation supported nearly 250 organizations with cash contributions and volunteer hours.



### **Impact**

2.2 million services helped people gain access to crucial services and develop vital skills.



## Achieving impact with education

It's never too late to change a child's life – and it's never too early, either. In 2019, Lincoln Financial Foundation worked alongside nonprofits dedicated to changing the course of children's academic futures.

Organizations across the U.S. widely acknowledge that children's ability to read at grade level by fourth grade is a significant factor in their academic success. Parents, teachers and mentors all have a role to play in helping children achieve this milestone.<sup>1</sup>

### Tracking educational outcomes

Each year, we look for nonprofit partners who have an impact in academics. Prime candidates follow recognized best practices, have a track record of tangible outcomes and can identify specific ways to continue improving their effectiveness. We ask grant recipients to measure important educational outcomes that serve as key indicators for academic success, such as on-time grade progression, reading on grade level, improved academic performance and high school graduation.

**Here, we share how three Lincoln Financial Foundation grantees are bringing together teachers, parents and mentors to equip students to read, learn and shape their futures.**



Children enjoy literacy-rich environments thanks to Booknooks provided by Read by 4th and community volunteers in Philadelphia, PA.

<sup>1</sup> Campaign for Grade Level Reading, <http://gradelevelreading.net/>.



## Reading to succeed

### Grantees: Read by 4th and City Year Philadelphia

In fourth grade, children transition from learning to read to reading so they can learn.<sup>2</sup> Since 2015, the Read by 4th campaign has acted as a hub for schools, teachers, parents and nonprofits seeking to prepare Philadelphia's children to read at grade level.

Read by 4th takes an intentional approach by training educators, parents and mentors to support children's reading development. In partnership with City Year Philadelphia, a best-in-class mentoring and tutoring organization, Read by 4th is creating impact inside and outside the city's classrooms.

One of Read by 4th's signature initiatives is providing a strong foundation for early-career educators. Working with local colleges and universities, they acquaint new teachers with highly effective, proven methods of reading instruction. Read by 4th has also taught hundreds of parents how to support their children's early reading skills and created "book nooks" in places like laundromats so parents can turn more occasions into valuable reading moments.

Inside the classroom, Read by 4th partners with City Year Philadelphia's specially trained members who serve as tutors, mentors and role models. In 2019, they worked with more than 12,000 students in 19 resource-limited schools.

**Read by 4th and City Year used their 2019 Foundation grants to increase their reach and create important new resources for parents, teachers and students.**



This young man's smile says it all — he loves to read books provided by Read by 4th.



City Year Corps members love seeing their students succeed in Philadelphia.

<sup>2</sup>Read by 4th, <http://readby4th.org/about/>.



## Connecting early in life

### Grantee: Ready for School, Ready for Life

When children start school, it's critical for their families to access the right resources to support their cognitive and academic development. Ready for School, Ready for Life is making sure those resources are available in Greensboro, NC.

They've brought together hundreds of families, agencies and community members to envision an innovative, county-wide early childhood system that will connect families with vital support through third grade. Now, to implement this system, they are concentrating on 10 priorities the community identified, including building a navigation system to help families connect with services at key times, implementing technology to improve coordination between programs and improving early literacy resources.

**With support from the Foundation in 2019, Ready for School, Ready for Life is steering the strategy for this collaborative effort.**



These children are preparing for success in school thanks to Ready for School, Ready for Life.

## Learning in many ways

### Grantee: Boys & Girls Clubs of Fort Wayne

Boys & Girls Clubs of Fort Wayne (BGCFW) reaches thousands of students in Fort Wayne, IN, by using their "formula for impact" focused on academics, character, leadership and healthy living.

Their multipronged initiative, Project Learn, provides students with a wide variety of resources and activities, from computer literacy to STEM programming, from quiet homework help and tutoring to games that enhance teamwork and problem-solving skills. BGCFW also uses Project Learn to help kids discover the wealth of career possibilities that are open to them.

**Grant money from the Foundation supported BGCFW programs, like Project Learn, and helped them drive new membership. With dedicated staff, the organization can also better collect and analyze data to increase their programs' effectiveness.**



Boys & Girls Club students learn through hand-on activities in Fort Wayne, IN.



## Achieving impact with human services

Every day, children in our communities live with the reality of food insecurity. We're proud to support organizations that are making sure kids get the nutrition they need and fighting the harmful effects of hunger on their developmental and academic success.

Many children rely on their schools for nutritious meals. Some may eat lunch at school on Friday — and not have another good meal until breakfast at school on Monday morning. Going several days without enough to eat undoubtedly affects children's ability to focus and learn.

### Tackling hunger on three fronts

Several years ago, we saw this issue in our communities and came together to research best practices for addressing it. We took what we learned and began partnering with organizations that were successfully putting those best practices into action.

In 2019, we continued to amplify the impact of our partners by supporting a well-rounded, data-driven set of actions: providing kids with evening meals, sending food home with students over the weekend, and enabling families to access more nutritious, low-cost food options that their families would enjoy.

**We refuse to let hunger win. Here, we share how three of our grantees are fighting childhood hunger.**



Assembling weekend meals for children at Food Bank for the Heartland in Omaha, NE, is one way Lincoln employees fight childhood hunger.



## Nourishing a better tomorrow, tonight

### Grantee: House of Bread

House of Bread launched Kids Café in 2007 to turn the tide on hunger in their Hartford, CT, community. The program started small, with one chef packing up meals for students to eat outside school hours. By 2019, Kids Café had multiplied its impact through long-lasting partnerships.

Lincoln Financial began partnering with House of Bread by supporting Kids Café in 2014 — a collaborative effort to improve communication and coordinated services between Hartford community food providers. House of Bread was one of the many organizations that came to the table for those conversations. To address the needs of food insecurity for young people, we invested in Kid's Café through a Foundation grant.

House of Bread continued to widen the reach of Kids Café by establishing partnerships with after-school programs, like the Boys & Girls Clubs of Hartford (BGCH). Each year, we also increased our funding to help Kids Café enhance the nutritional value of their meals.

**In 2019, Kids Café used a Foundation grant to continue increasing the number of children they can serve. Now, the Kids Café chef, assistant and volunteers prepare and deliver 650 hot, wholesome meals each day to kids ages 6–12 who attend BGCH. Through this program, House of Bread sees to it that children not only go to bed with full stomachs, but also that they get the nutrition they need to grow and develop, physically and mentally.**



It's easier to learn about nutrition when you're not hungry. House of Bread Kid's Cafe provides hot meals every day to the children at Boys & Girls Clubs in Hartford, CT.



## Packing food for the weekend

### Grantee: Food Bank for the Heartland

In Omaha, NE, 1 in 6 children are food insecure.<sup>3</sup> Food Bank for the Heartland has partnered with hundreds of schools to scale their impact on childhood hunger across the area. Through the schools, they distribute a weekend's worth of food to kids who may not have enough to eat on days they're not in class. A school-based mobile pantry supplements the Weekend Food for Kids program for families who need it.

**Food Bank for the Heartland, a 2019 Foundation grant recipient, distributed more than 8,000 packs of food each week during the school year, free of charge to families and schools.**



Employees embrace the opportunity to provide food for children during a volunteer event.

## Expanding nutrient sources

### Grantee: New Hampshire Food Bank

As the only food bank in the state, the New Hampshire Food Bank distributes goods to over 400 food pantries, soup kitchens and other programs in cities like Concord and Dover that directly serve families and individuals.

The New Hampshire Food Bank continued to multiply its results in 2019 by improving food distribution efficiency, as well as by operating a fresh food pantry.

**In 2019, they distributed over 14 million pounds of food. A Lincoln Financial Foundation grant has helped the New Hampshire Food Bank purchase foods such as meats and dairy products, which are often requested by their partners but not often donated.**



Ensuring fresh food is part of the New Hampshire Food Bank distribution.

<sup>3</sup>Food Bank of the Heartland 2019 Annual Report, <https://foodbankheartland.org/wp-content/uploads/2020/02/2019-FB-Annual-Report.pdf>; Feeding America, <https://www.feedingamerica.org/hunger-in-america/nebraska>.



## Achieving impact with financial wellness

**We promote financial wellness not only through our products and services, but also through our Foundation grants.**

We take a 360-degree view on empowering financial wellness by bringing together financial literacy, financial inclusion and financial resilience. We consider how potential grantee partners train workers for in-demand jobs, remove barriers to employment, help families reach financial goals and equip the next generation with financial literacy and job skills. We believe the most effective programs go beyond traditional job training by also providing credit counseling, encouraging saving, helping establish or repair credit and cultivating other life management skills.

Last year, we specifically chose nonprofit partners that approach financial wellness from multiple angles. Using best practices, these organizations equip families and individuals to raise their earning potential and make healthy financial decisions.

In 2019, Lincoln Financial sponsored a metadata analysis of academic research and nonprofit programs, intended to further improve financial wellness and inclusion for low-income individuals and communities.

This research measures the effectiveness of financial wellness programs across the country to identify what features and factors drive positive, measurable outcomes. When complete, this data will be the foundation for action – it will inform our grantmaking strategy and guide our nonprofit partners to maximize the financial wellness of those in the communities we serve. The research results will be made public so that nonprofit providers and grantmaking organizations in the financial wellness sector will also be able to benefit from the benchmarking information.

### Empowering outcomes

Each year, we ask the programs we support to track outcomes, such as the number of participants who achieve financial goals, obtain their high school equivalency degree, complete skills training or advanced education, enter internships or are hired for new jobs.

**Here, we focus on three Foundation grant recipients that are multiplying opportunities for financial wellness through financial education and workforce development.**



Graduation from their workforce training is a huge milestone. Members of Blue Jacket, Inc. celebrate in Fort Wayne, IN.



## Finding the way forward through financial education

### Grantee: Housing Consultants Group

Housing Consultants Group (HCG) empowers Greensboro, N.C., families to transform their finances in order to realize their dream of purchasing a safe, affordable home. At the start of 2019, HCG and the City of Greensboro launched the #100Homes campaign with the ambitious goal to financially prepare 100 renters for homeownership by year's end.

HCG was flooded with phone calls from interested renters. While many of these renters had the will to create a better future for their families, they had never been taught the financial skills that would provide the way to do it. HCG changed this by guiding participants through a three-step process for preparing to own a home:

1. Financial literacy bootcamp to assess the family's situation and cover the basics, such as how to develop savings accounts and establish and repair credit
2. Individual development accounts to help households take action by improving their credit scores, using a budget and establishing savings
3. In-depth training on how to successfully negotiate the homebuying process

**HCG enabled more than 300 households to achieve goals like improving credit, establishing savings and ultimately, moving out of low-quality, high-cost rental housing into homeownership.**



Home ownership is a dream come true for this family in Greensboro, NC, thanks to the support from the Housing Consultants Group.



## Preparing families for stability

### Grantee: Family Housing Advisory Services, Inc.

Family Housing Advisory Services, Inc. (FHAS) first launched its innovative approach to financial education in 2000. Two decades later, it is still going strong in Omaha, NE.

FHAS teaches people how to build financial stability through monthly workshops, community outreach and individual coaching and action plans. Participants learn about banking, budgeting, credit building and how to recognize predatory lending and the potential for identity theft.

The program is designed to make sure clients don't simply memorize financial facts or how-tos, instead equipping them to turn new knowledge into action.

**FHAS channeled their 2019 grant from the Lincoln Financial Foundation into maximizing this program's impact for the 1,000-plus people they served last year.**



Financial counselors work with individuals on their monthly budgets and savings for the future.

## Clearing the hurdles to employment

### Grantee: Blue Jacket, Inc.

Blue Jacket, Inc. started in 2003 to prepare men and women with criminal records to rejoin the workforce in Fort Wayne, IN. Ten years later, the organization expanded to train anyone who wants to work but has a barrier to employment. By 2019, they not only offered the Blue Jacket Career Academy but also placed graduates of that program at Blue Jacket Staffing, Clothing Company and Janitorial Service.

Blue Jacket Career Academy holds participants accountable for their behavior, punctual attendance and clothing while they learn about resumes, interviews, time management and important soft skills.

**With support from Lincoln Financial Foundation and other organizations, Blue Jacket tailored job-readiness training to more than 400 clients in 2019 — more than half of whom were employed within 30 days of graduating the program.**



Picking out a suit for graduation is a long-standing tradition at Blue Jacket, Inc. in Fort Wayne, IN.



Employees from Radnor, PA, lean in to help beautify the John F. Hartranft School during MLK Day of Service.

## Empowering and engaging employees

At Lincoln Financial, we actively foster a workplace where differences are celebrated and employees can be their best selves – personally, professionally and socially.

Each of our 12,000 employees has access to important resources designed to help them improve their well-being, understand the value of their work, develop their careers and thrive in a diverse and inclusive environment. From the moment they become part of Lincoln Financial, they're empowered to "Be Lincoln" by living with integrity and optimism in their communities, relationships and daily interactions with colleagues and clients.

Among other advancements, 2019 saw the addition of important employee benefits, new courses related to diversity and inclusion and a powerful example of how employees who take one small action in their community can spark amazing outcomes.



## Empowering employee well-being

We provide benefits and programs that help each employee take charge of their health, financial future and career while maintaining a healthy work-life balance.

Lincoln Financial invests in our employees' futures through a broad range of health and wellness programs as well as wealth accumulation, financial health and protection plans. These benefits and programs give our employees more opportunities to lead purpose-filled, satisfying lives.

Our employees receive a personalized *Your Total Rewards* statement that provides a comprehensive look at their direct and indirect compensation — the total investment that we make in them. Highlighted below are some of the many programs we offer to our employees.

In addition to our benefits and wellness programs, we offer paid time off and various flexible work arrangements to ensure employees are able to balance work and home life.

### Physical well-being

We offer comprehensive health and wellness benefits, including a medical plan with domestic partner eligibility, plus optional dental and vision, a health savings account with a company contribution and a healthcare flexible spending account. Our health and wellness benefit plans cover in-network preventive care, and our well-being program provides access to personal health coaches, on-site health screenings and flu shots, discounts on WW (formerly Weight Watchers) memberships and reimbursements for gym memberships.

We aim to be fit-friendly in all our locations and encourage all employees to participate in the many wellness programs we offer. In 2019, we promoted two wellness challenges, the "Spring Nutrition Challenge" focused on healthy eating habits, and the "Fit for Fall Physical Activity Challenge", which encouraged employees to see how activities like gardening and yoga can be great ways to fit physical activity into the day.

We added important medical benefits in 2019:

- Coverage of applied behavioral therapy for employees' children diagnosed with autism spectrum disorder
- Access to high-quality fertility doctors and broad fertility benefits
- Access to enhanced diabetes support, tools and guidance
- A personalized health optimization tool employees use to help improve or maintain their health and overall well-being
- Coverage for wigs for hair loss resulting from certain medical conditions
- Access to a large network of fitness centers with preferred membership pricing



## Social well-being

Social well-being contributes significantly to employee success and satisfaction. Through our employee assistance program (EAP), we offer support options to help our people handle both crisis situations and everyday issues. These range from stress management to couples counseling, parenting issues to referrals for elder care services.

When new children are on the way, eligible employees can take advantage of paid parental leave and adoption assistance programs. A dependent care flexible spending account is available to pay for eligible day-care expenses with tax-free dollars. Parents also have access to Homework Connection which, in partnership with Tutor.com, provides their students with expert tutors who deliver one-on-one, on-demand homework help at no cost to employees.

Sometimes a different work schedule may make it easier for an employee to meet their family and personal needs in addition to their work responsibilities. To help employees manage these sometimes-competing demands, we offer a flexible work arrangement policy.

## Financial well-being

We've designed programs to help our employees take charge of their financial futures. With expert advice and a wealth of resources at their fingertips, they can plan and save to meet their retirement goals and be prepared for the unexpected. Dedicated Lincoln Financial Retirement Consultants are available to evaluate their retirement readiness and help them map out ways to improve.

Eligible employees can protect their income with:

- Savings account program including a 401(k) plan with a company match and other convenient features
- Accident and critical illness insurance
- Short- and long-term disability plans
- Company-provided life insurance





## Giving all employees a voice

Employees can count on Lincoln Financial to value their unique perspectives, insights and contributions. We are committed to creating a work environment in which everyone has a voice and feels supported in their work.

We actively listen to our employees in a variety of ways, including enterprise-wide and department-specific engagement surveys and focus groups, and we gather feedback on an ongoing basis. Lincoln conducts the company-wide engagement survey every two years, and department-specific pulse surveys in the alternate years, to inform our People strategy, measure progress and adjust plans, as necessary.

We focus on equipping managers to foster employee development and strengthen their voices. We support our managers through tools, resources and development programs to help them be the best leaders possible. We have also created tools to help managers develop and execute on targeted action plans to address areas of opportunity for their work groups.

With engagement as a cultural norm, we continue to make Lincoln Financial a place where current employees are excited to work and grow professionally, and where potential new employees can easily see what sets Lincoln Financial apart.



“You make it matter by knowing that what you’re doing is vital. It is definitely not just a job. It’s a mission, and we enjoy it.”

**Certified Rehabilitation Counselor  
Group Protection Vocational  
Rehabilitation Department**



## Fostering development and growth

We love what we do at Lincoln Financial. Employees know that our work is meaningful and inspires clients to take charge of their lives. Alongside dedicated and talented colleagues, our employees are building fulfilling careers and stronger communities.

Our vision is to foster a premier learning culture – one that enhances leadership effectiveness, accelerates employee development and helps drive business performance. To accomplish this, we focus our efforts on the following:

- Nurturing managers' ability to build and maintain high performing teams
- Accelerating employee performance and career growth through targeted coaching and development
- Championing continuous learning, fostering capabilities, and upskilling our talent to ensure we exceed business results and meet emerging workforce needs

### Opening doors for opportunity

Lincoln Financial employees work together with their managers to learn new skills, create an annual individual development plan and shape their careers. Their collaborative efforts are backed by a rich variety of resources we make available and guided by our Career Framework, which provides tools and resources to help employees discover, assess, plan and invest in their careers.

Employees can access a range of learning and development opportunities including more than 200 instructor-led, self-paced and niche courses. Lincoln Financial has partnered with Harvard Business Publishing, a subsidiary of Harvard Business School, to offer courses specifically designed for our mid-level employees and senior level leaders. All Lincoln employees can also participate in Coursera, a massive open online course (MOOC) provider that curates' classes from the world's top universities, including Yale, Duke, Princeton and MIT.

### In 2019, each employee took an average of:

- 23 hours of training that covers noncompliance
- 3 hours of compliance training, including regular and HR compliance
- 1.75 hours of cybersecurity training

We have programs and self-directed learning options in place at every level to help our employees advance their careers. Talent offerings include early talent programs, internships, upskilling programs, officer readiness, team effectiveness, leadership development programs for every level of management, and special data and analytics for actuaries.

### Measuring results in training and development

The Officer Readiness Development Program (ORDP) is a year-long personalized development experience for high-potential talent identified at the job levels directly below officer level.

The program supports succession planning and diversity and inclusion efforts, building a strong pipeline of internal, diverse, ready-now candidates for officer positions. ORDP has a participant retention rate of 94%, and in its first 2 years 51% of participants were promoted to officer.

[Get more details on how Lincoln employees shape their career paths. »](#)

[Statement of Commitment to Career Framework »](#)



## Diversity and inclusion

Diversity of thought, background, experience and people drives innovation, attracts top talent and sets off a chain reaction of positive change. We've seen it in action – and it's powerful.

Diversity and inclusion are fundamental to our ability to deliver on our promise to help customers secure their financial futures.

Our diversity and inclusion strategy is designed to deliver outcomes based on specific objectives and milestones in our workplace, marketplace and the broader communities we serve. This strategy ensures that a culture of diversity and inclusion permeates every level of our organization as well as our interactions with partners and suppliers.

We are proud to be recognized by Forbes as a best place to work for women and overall diversity. We are also honored to receive a 100 rating on both the Human Rights Campaign's Corporate Equality Index for LGBT inclusion and Disability:IN's Disability Equality Index for Disability Inclusion.

As of 2019, women comprise 61% of Lincoln's workforce, exceeding industry and government benchmarks. Women hold 50% of all management positions, represent 27% of the board of directors and 33% of the top executive positions, and make up 40% of the company's top earners.<sup>4</sup>



### ACCELERATING DIVERSITY IN THE ACTUARIAL PROFESSION

Lincoln Financial supports the International Association of Black Actuaries by introducing young people to careers in actuarial sciences and promoting diversity in the profession. In 2019, our offices in Omaha, NE, Hartford, CT, Greensboro, NC, and Fort Wayne, IN, each hosted the sixth annual Actuarial Case Competition for high school students and provided six summer internships across the four sites. These sites also hosted the second annual Actuarial Experience Day to introduce a larger group of high school students to the actuarial profession.

[Learn more about career opportunities at Lincoln Financial Group. »](#)



<sup>4</sup> Women in Leadership Report, The Forum for Executive Women. Philadelphia, PA.



## Accountability starts with leadership

Lincoln National Corporation's Board of Directors provides executive oversight of stated priorities, progress and strategic plans to support diversity and inclusion across the enterprise.

Our commitment to diversity and inclusion begins at the highest level as an expectation of our leaders. Their involvement and accountability have helped our company approach this commitment in a way that creates lasting impact.

Through the Lincoln Financial Diversity and Inclusion Council, our executive and senior leaders steer the alignment between our diversity and inclusion efforts and our business goals and priorities.

2019 marked two years since Lincoln Financial's CEO, Dennis R. Glass, joined other top executives in signing the CEO Action for Diversity & Inclusion™. This is the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

In support of our ongoing CEO Action pledge commitments, we have:

- Ensured our senior leaders remain accountable to achieve diversity results throughout the year by reporting quarterly progress to the CEO
- Updated our internal HR systems to allow job applicants and employees to self-select non-binary gender identification
- Created Serenity Rooms, which offer a dedicated space for prayer, contemplation, meditation and/or reflection to all employees, regardless of faith or spirituality practices
- Continued to create safe spaces for our employees to have open, complex and sometimes difficult conversations about diversity and inclusion
- Expanded our professional diversity and inclusion courses to include Transgender Inclusion, Autism Awareness and Color Blind or Color Brave

- Further developed our unconscious bias training by rolling out a second course that teaches employees how to take the appropriate steps to address unconscious bias in the workplace
- Launched internal communications to educate and build awareness around the use of individuals' preferred pronouns
- Increased communications to drive awareness and understanding of Lincoln Financial's diversity and inclusion initiatives, policies, resources and trainings
- Developed Performance-Based Hiring Training for all hiring managers
- Established an 85% Balanced-Slate participation rate for externally filled positions, which includes expectations of at least one woman and one person of color among a final slate of five candidates
- Partnered with various sourcing firms to access their databases to identify candidates
- Developed and launched PitchU, a program designed for members of Lincoln Financial's seven Business Resource Groups (BRGs) to guide employees on how to develop, package and pitch their past and current career experience for new opportunities.





## Action comes from within

We encourage our employees to get involved, use their professional skills and put their creativity to use as they work together to recognize, celebrate and advance diversity throughout our organization. Employee groups actively support the implementation of our diversity and inclusion strategy and, in many of our locations, our people come together for professional development and volunteer opportunities.

**Business unit diversity teams:** These teams of employees execute on the priorities stated in their respective business unit's diversity and inclusion plan. One such group is WISE (Women Inspiring, Supporting and Educating), which includes financial planning professionals in the Lincoln Financial Network (LFN) who support the unique needs of female financial advisors and clients.

**Business Resource Groups:** Established in 2011, these groups help drive innovation by enhancing our culture through workplace programs, marketplace insights and community engagement. The groups support business and diversity objectives by identifying opportunities to enhance Lincoln Financial's brand and market presence to their peer consumer group. Employees from across the organization are welcome to join any of our seven groups that contribute to our workplace, marketplace and the broader community. These include African American, Asian American, Latino, LGBTQ, People with Disabilities, Veterans and Women's Business Resource Groups.

In 2019, we again hosted our Women's Leadership Summit. This was the largest yet, with 400 attendees who were inspired by themes of engagement, empowerment, career development and sharing experiences. Focused networking opportunities gave rising female professionals exposure to our most senior leaders with the option to learn about different aspects of our business or discuss topics related to professional development.

**Multicultural awareness committees:** Employees form these committees in each key city in which we're located. They promote education related to heritage and proclamation months and other cultural awareness events throughout the year. These committees function differently from our business resource groups, which are focused on driving workplace, marketplace and community efforts with diverse constituency groups.

## Hiring for neurodiversity

People naturally learn, process information and function in social settings in many different ways, and at Lincoln Financial, we aim to successfully attract and, ultimately, hire a more neurodiverse workforce.

As an important step in this direction, we launched the Autism2Work pilot in Fort Wayne, IN, in 2019. A group of leaders and HR professionals from across our company developed this program in conjunction with the Neurodiversity in the Workplace Initiative, which supports both employers and job candidates to make more inclusive hiring practices a reality.

## Partnering for deeper connections

Lincoln Financial partners with a wide range of professional and industry organizations that focus on diverse talent and market segments, including Prospanica, the International Association of Black Actuaries, the National Association of Black Accountants and Getting Hired.

Through these partnerships, we can connect in deeper ways with specific communities, proactively engage new talent and elevate diversity in our business.



## Supporting our veteran community

Our Veterans Business Resource Group partners with the digital platform Veterati to mentor service members and their spouses during their transition from the military to the corporate world.

Lincoln Financial also works with FourBlock, an organization dedicated to helping veterans shape their futures through meaningful careers. Through this partnership, we help veterans build their networks, learn from other professionals and connect with hiring managers so they can successfully transition from military to civilian opportunities.

Additionally, Lincoln works with the American College's Center for Veterans to promote economic growth, equal opportunities in the workplace and social progress for this underemployed demographic. We support the Center's Veterans Affairs' Military Scholarship Program to provide honorably discharged veterans, active duty and their spouses full scholarships toward an education that will lead to a career in financial services.

## Aligning suppliers with our values

We work to proactively source products and services from businesses that reflect the demographics of our markets and the values of our company. We collaborate with minority supplier networks to help us identify potential suppliers from various minority- and women-owned businesses.

Lincoln Financial includes language in our contract templates and supplier onboarding processes which reinforces our expectation that suppliers share our commitment to diversity and inclusion, and which prohibits all forms of discrimination and harassment.

[Learn more about how Lincoln Financial is expanding supplier diversity. »](#)

[Read our Supplier Code of Conduct. »](#)



The Veterans BRG and FourBlock meet at our Philadelphia office.



Fort Wayne Veterans BRG members join together for a service project at The Shepherd House during the United Way Days of Caring.



## Providing equal opportunity

We are firmly committed to Equal Employment Opportunity (EEO) and advancement for racial and ethnic minorities, women, individuals with disabilities, veterans and any other group protected by federal, state or local law. We also work to accommodate qualified individuals with disabilities to enable them to perform their jobs.

We prohibit all forms of discrimination and harassment and are fully committed to diversity in the workplace. Our requirements and expectations regarding fair employment are clearly outlined in our Code of Conduct and are included in our training for all employees. We believe that diversity and inclusion strengthen our organizational culture, help us attract the best and brightest talent, and create a rewarding, vibrant work experience for all.

[View our Equal Employment Opportunity statement. »](#)

[View our commitment to gender pay equity. »](#)

## Upholding human rights

Lincoln Financial's commitment to upholding human rights is embedded in our company culture. Our policies, practices and community programs reflect our belief that all people should be treated with respect and dignity. This belief comes to life through all of our relationships — every employee interaction, partner relationship and customer engagement.

We constantly work to provide a safe, inclusive and respectful workplace for our employees. Each of our employees is respected, valued, accepted and rewarded according to their contributions toward Lincoln Financial's goals and objectives.

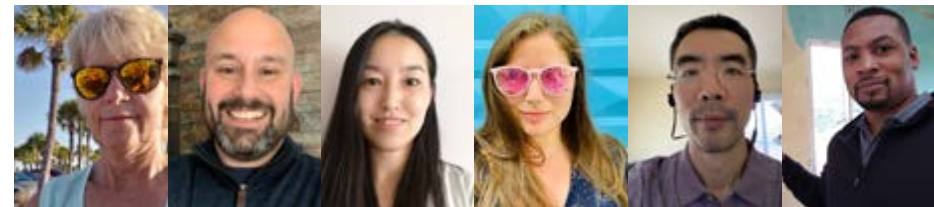
We conduct business in a manner consistent with the principles expressed in the Universal Declaration of Human Rights and in the ILO Declaration on Fundamental Principles and Rights at Work.

[View our Workplace Principles and Human Rights Standards Policy. »](#)

Our respect for these principles is demonstrated by our ongoing support for diversity and inclusion in our workforce as reflected in our Code of Conduct and the practices described in this report. It is also reflected in our everyday education and human services-focused efforts to improve the lives of the individuals in the communities where we live and work.\*

[View our Code of Conduct. »](#)

In 2019, we announced the Transgender Inclusion Policy, which shares Lincoln Financial's commitment to creating a safe work environment for transgender employees. The policy includes manager tools, name and gender change how-to guides, and explanation of the workplace support we provide.



\*Lincoln Financial is committed to complying with all labor laws in all the jurisdictions in which we operate. These laws include, but are not limited to, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Fair Labor Standards Act and the National Labor Relations Act.



## Giving forward to our communities

We proudly give of our time, talent and money to help our neighbors and communities shape a brighter future for themselves.

Since our founding, Lincoln Financial has promoted the spirit and value of generosity. This is particularly evident in our employees' financial and volunteer support for United Way. In 2019, they gave more than \$1 million to United Way agencies for the seventh consecutive year, and during the annual United Way Days of Caring, employees across the country volunteered at their local agencies.

Our employees also give generously through the Lincoln Financial Matching Gift Program. Through this, they can apply for corporate matching grants to maximize their charitable contributions to an eligible nonprofit organization.

With their manager's approval, each employee can use eight or more hours of paid time to participate in Lincoln-sponsored volunteer activities. We encourage even our newest employees to volunteer, and we've also built the spirit of volunteerism into the Leadership Preparation Program. Participants learn about our commitment to building stronger communities while they're learning about leadership, networking and career development.

[Read more about employee volunteerism. »](#)

### Our 2019 support for United Way:

- We deployed a United Way giving campaign in every city in which we're located
- Employees contributed more than \$1 million for the seventh consecutive year
- Employees participated in the Days of Caring in record numbers

“My dad was in hospice care for three years, and the United Way really helped out a lot. I feel like I need to give back for all the help they gave us.”

**Customer Service Representative II  
Life & Annuity Operations**



## Transforming initiative into impact

In 2019, our employees took many actions to “Be Lincoln” in their communities. Two employees at our Concord, NH, location illustrated what this means when they saw a need and took action to turn their idea into a reality.

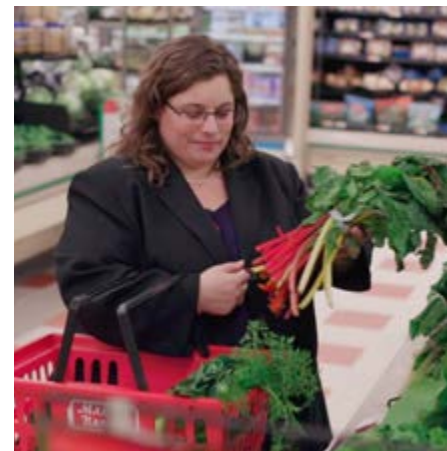
When Pam Telfer and Eileen Sandelli volunteered to chaperone students from Concord’s Broken Ground School on a field trip, they didn’t know the experience would lead to something much bigger.

During their trip to the Currier Art Museum, the kids flocked to the food provided. The Lincoln employees realized how hungry they were, and on the way home, they stopped and bought food for everyone.

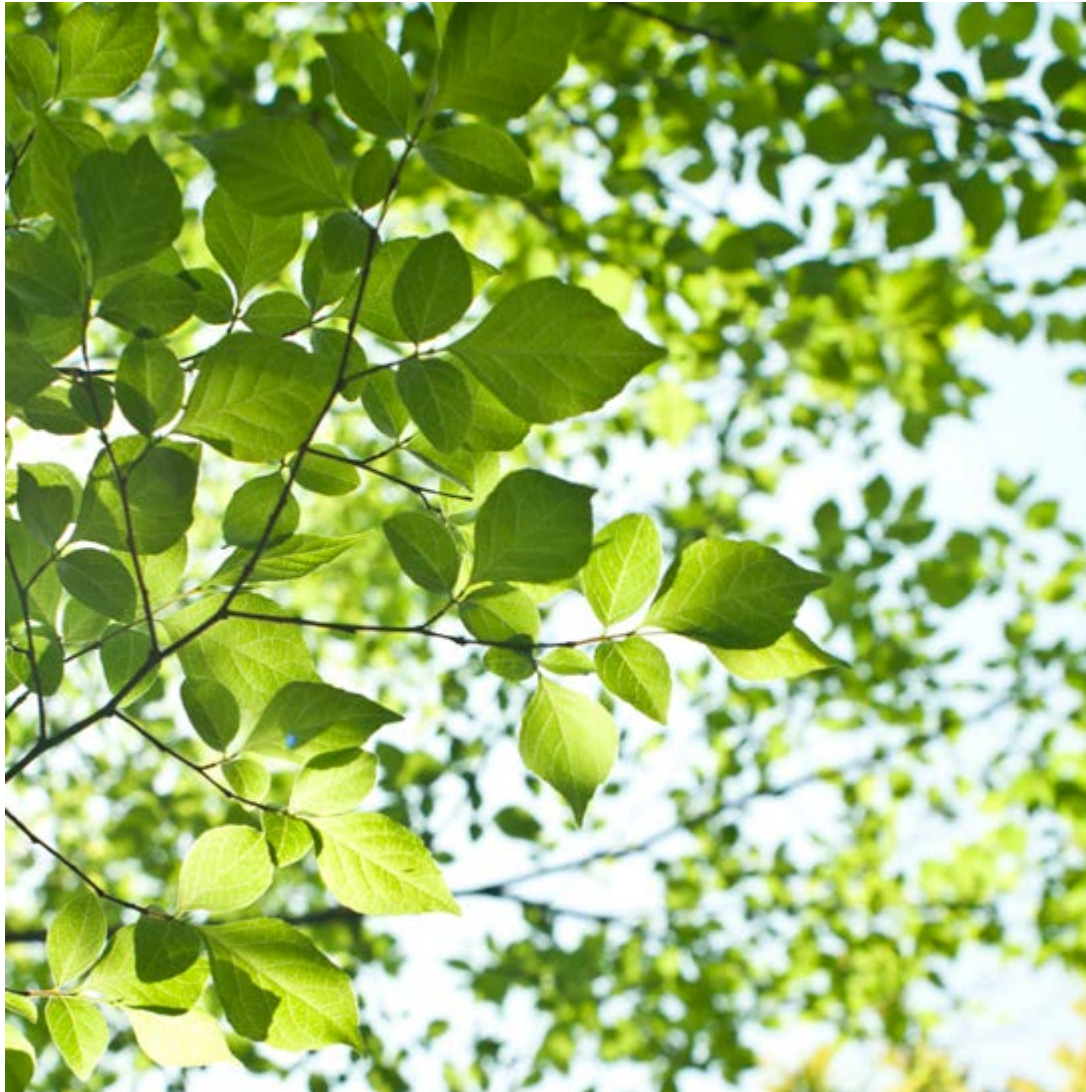
One good meal, of course, doesn’t solve an ongoing issue like food insecurity. Back at work, Pam and Eileen connected with the Lincoln Financial Foundation and the New Hampshire Food Bank, a 2019 grant recipient.

Together with the Broken Ground School, they worked to create a food pantry at the school to serve students and their families. The Foundation is proud to fund this impact that started with our employees.

100 children attending the school now have more consistent access to food.



Motivated by the need they saw in their Concord, NH, community, Lincoln volunteers organize and supply an in-school pantry for local children.



## Caring for the environment

Protecting the environment builds a brighter future for all of us. From preventing waste to preventing greenhouse gas emissions, everything we do for the natural world benefits our communities, clients and employees. And when we optimize efficiency in our operations, we contribute to a stronger business as well as a healthier environment.

In 2019, we continued to make good on our commitment to care for the environment through company-wide goals as well as personal actions inside and outside the workplace.

We are pleased to report that in 2019 we surpassed two of our electricity and greenhouse gas emission goals and are on schedule to achieve the third goal.



## Advancing toward environmental goals

In our operations, what's good for the environment is good for our business. We measure annual progress against specific goals we've set to reduce our environmental footprint on behalf of our employees and communities and to meet the long-term needs of policyholders and shareholders.

### Goal: Reduce electricity use

We have committed to reducing the electricity we use in Greensboro, NC, and Omaha, NE — two of our largest locations.

Our original goal for the Greensboro campus was to reduce electricity consumption by 10% by 2020 compared to a 2014 baseline. In 2018, we surpassed that goal, achieving a 17.68% reduction. As a result, we set a new goal to achieve a 35% reduction by 2020. We are pleased to report that as of 2019, we have reduced our electricity consumption in our Greensboro location by 23.11% since 2014.

In our Omaha location, our goal was to reduce consumption by 8% by 2022 based on a 2014 baseline. We are pleased to report that in 2019 we surpassed this goal with a total reduction of 10.90%.

### Goal: Reduce greenhouse gas emissions

Our goal was to reduce our greenhouse gas emissions intensity per employee from purchased electricity (Scope 2) by 20% by 2020 against a 2014 baseline. Lincoln is delighted to report that we have exceeded our target earlier than expected. As of 2019, we have reduced our overall intensity per employee by 27.42%. As a result of this success, we will be formulating new greenhouse gas emissions reduction targets this year.

### Disclosure and verification

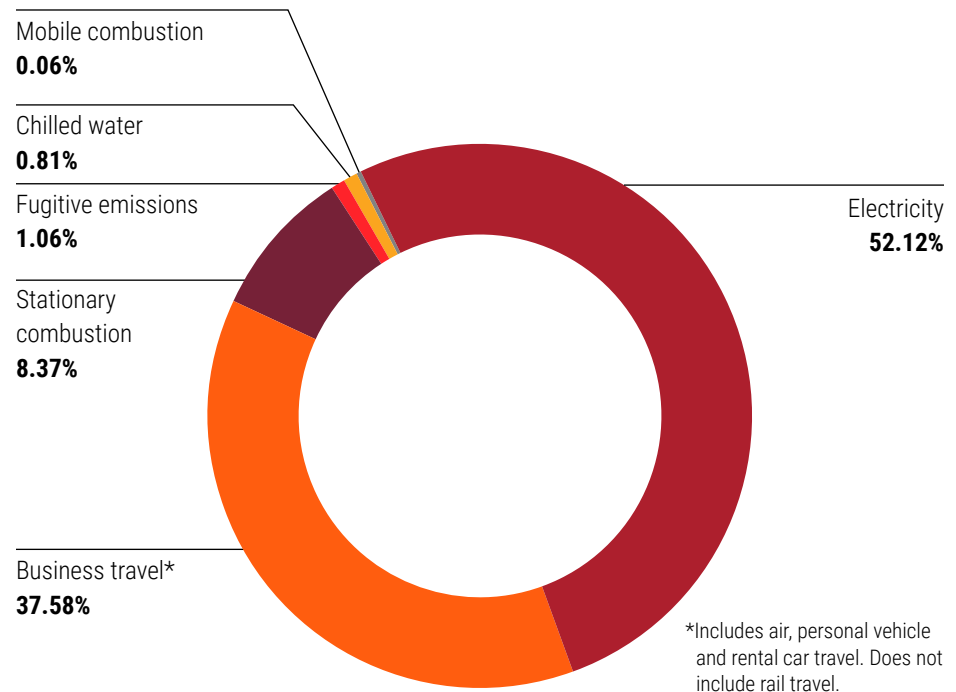
We publicly report our carbon emissions management efforts and performance annually through CDP and obtain independent third-party verification of our greenhouse gas emissions data by Trucost.

As they become available, our most recent CDP submission and independent verification are [available here.](#) »

[Read our Assurance Statement here.](#) »

[View our Environmental Policy.](#) »

### 2019 Greenhouse gas emissions by source (tonnes CO<sub>2</sub>e)





## Responsible at work

Every action has an impact on the environment, and we each have a responsibility to make sure that impact is positive. We encourage our employees to consider how their work activities affect the environment and imagine how we can improve together.

### More employees go paperless

In 2019, a majority of Lincoln Financial's 12,000 employees received their W-2 Form electronically. In addition to the environmental benefits of reducing paper consumption, e-delivery lowers printing and postage costs for the company.

### Changing printing habits

In 2018, we implemented a comprehensive, company-wide Office Operations and Business Print Policy to reduce paper usage enterprise-wide through smarter printing decisions and new efficiency standards. Since then, for internal, noncommercial printing across our offices, employees have cut down on paper use by increasing duplex printing, purging jobs and reducing banner pages.

In 2019, Lincoln saved 8,175,556 pages of paper – the equivalent of nearly 1,000 trees, more than 800,000 gallons of water and roughly 90,000 pounds of carbon.

### Recycling more together

Lincoln Financial encourages our employees to practice environmentally friendly behaviors in the workplace, at home and in their communities. Employee participation is critical to the success of our enterprise-wide recycling efforts. Through their conscientious support of our recycling initiatives, employees help Lincoln Financial better manage our waste and conserve natural resources.

### What we recycled in 2019:

	<b>585 tons</b> paper and cardboard
	<b>50 tons</b> scrap metal
	<b>.23 tons</b> electronics
	<b>6,158</b> light bulbs
	<b>114</b> ink cartridges



## Creating a cleaner world

Across the country, Lincoln Financial employees work to create a cleaner, healthier world at events on Earth Day and throughout the year. During 2019, employees participated in a variety of activities, including community and park cleanups, recycling drives and environmental education events.

### Earth Day 2019

Employees celebrated across the enterprise by engaging in the #MyEarthDay challenge. To highlight how individual actions add up to a big impact, employees submitted selfies either pledging or taking action in an “earth preserving” activity to the LFG internal hub site.



For the #MyEarthDay challenge, Erika pledged to nurture her homemade herb garden.



## 2019 Environmental performance data

As a responsible steward of our resources, we believe it is important to measure and manage our environmental performance.

GHG Emissions by Scope (tonnes CO2e) <sup>1</sup>						
	2014	2015	2016	2017	2018	2019
Scope 1 <sup>2</sup>	3,840	3,469	2,666	2,931	2,905	3,173
Scope 2	12,695	12,600	11,155	11,099	9,820	9,013
Scope 3 <sup>2</sup>	30,847	30,594	28,081	26,076	28,897	28,089
<b>Total</b>	<b>47,382</b>	<b>46,663</b>	<b>41,901</b>	<b>40,106</b>	<b>41,622</b>	<b>40,276</b>

Energy usage (MWh) <sup>1</sup>						
	2014	2015	2016	2017	2018	2019
Chilled water <sup>4</sup>	459	418	2,107	2,000	2,114	1,978
Mobile	8,927	7,057	5,712	6,766	5,274	5,719
Stationery	18,134	15,698	14,855	13,596	16,882	17,852
Electricity	64,564	63,358	61,098	57,976	56,620	53,914
<b>Total</b>	<b>92,083</b>	<b>86,532</b>	<b>83,773</b>	<b>80,338</b>	<b>80,889</b>	<b>79,464</b>

Notes on data: All environmental data represents 100% of Lincoln Financial's operations. Estimates were used where actual data was not available.

<sup>1</sup> Previously reported data has been adjusted to reflect new information about emissions sources and activity levels received after the last reporting period, as well as updates to Global Warming Potential values and emissions factors.

<sup>2</sup> Scope 1 emissions reported in 2019 increased due to additional fuel usage in vehicles and generators as a result of frequent power outages in Greensboro, double the normal snowfall in Omaha, and construction and landscaping projects in Ft. Wayne.

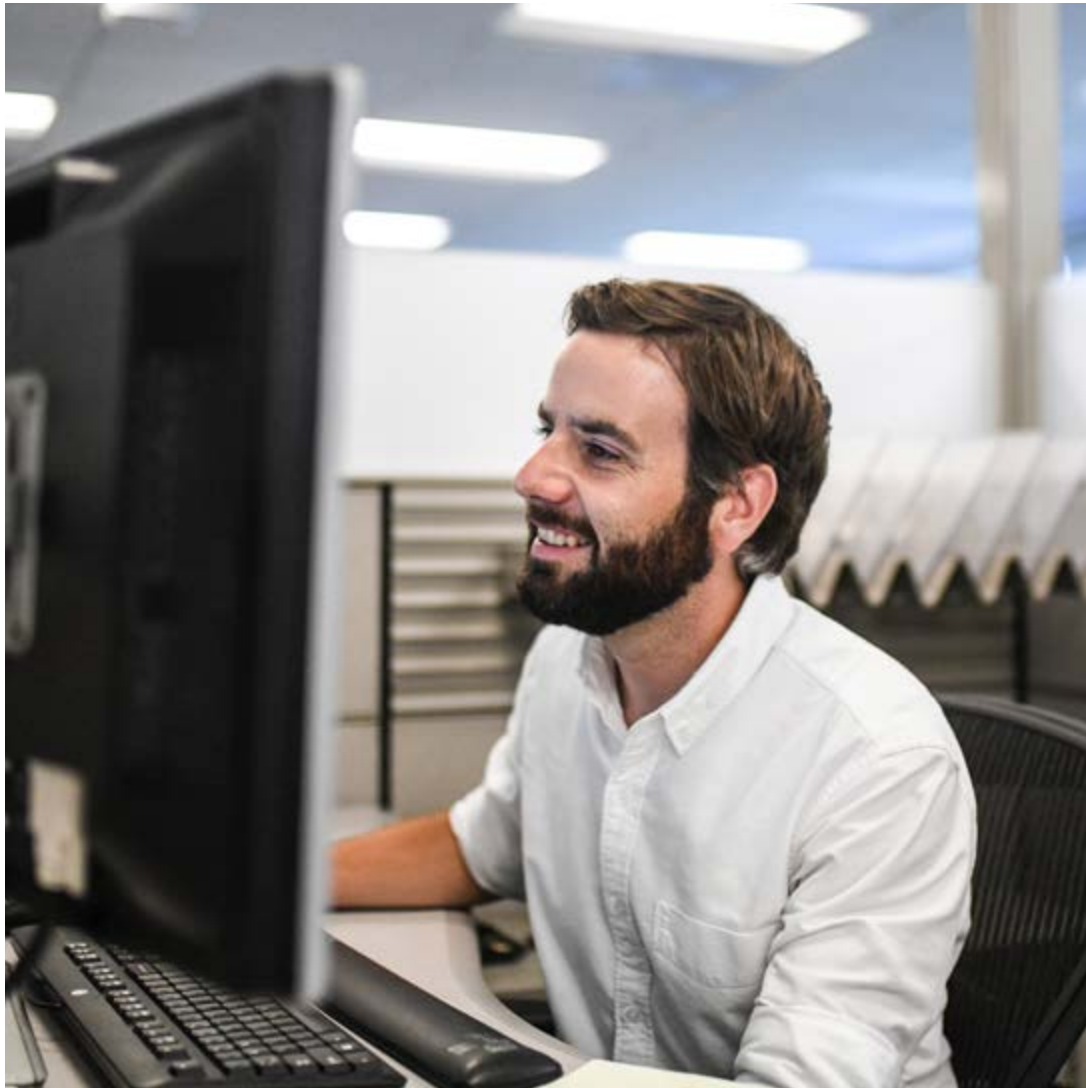
Waste and recycling (US tons) <sup>4</sup>					
	2015	2016	2017	2018	2019
Landfill <sup>5</sup>	4,349	1,424	1,888	2,355	3,388
Recycling	848	965	832	1,033	769
Waste to energy	92	155	106	108	112
<b>Total</b>	<b>5,289</b>	<b>2,544</b>	<b>2,825</b>	<b>3,497</b>	<b>4,270</b>

Water usage (gallons)					
	2015	2016	2017	2018	2019
Total for sites with actual data	43,276,240	48,370,974	46,975,965	37,250,478	33,984,980
Estimate for other sites	8,500,800	8,654,800	8,681,200	17,899,200	18,277,600
<b>Total</b>	<b>51,777,040</b>	<b>57,025,774</b>	<b>55,657,165</b>	<b>55,149,678</b>	<b>52,262,580</b>

<sup>3</sup> Historically, for all years, Scope 3 included commercial and charter air travel, personal vehicle travel and upstream leased assets. Starting in 2018, data for rental car travel was added. None of the data includes rail travel. Please refer to [Lincoln's CDP response](#) for reporting of additional Scope 3 categories.

<sup>4</sup> Waste at small facilities is estimated based on square footage and categorized as landfill waste because there is no way to estimate what, if any, portion of the waste is diverted from the landfill through recycling or other means.

<sup>5</sup> Previously reported data has been adjusted based on new information received after the last reporting period. The increase in landfill waste in 2019 relates to construction waste from departmental clean outs of equipment in Concord.



## Upholding responsible business practices

Acting with integrity sustains our company's growth. We hold ourselves to high ethical standards as we provide exceptional services and products to our customers.

We choose to do the right thing. It's as simple as that – because we have taken the steps to embed responsibility and honesty into our culture, governance systems and business policies. And we want all employees to feel empowered to take the best next step, knowing they're aligned with what Lincoln Financial stands for in the world.



## Honoring our ethics and Code of Conduct

Integrity, respect and responsibility are not just guiding principles at Lincoln Financial. They unify and inspire us to help people take charge of their lives.

The Lincoln Financial Code of Conduct is the center of our ethical culture. The Code of Conduct is more than a set of policies or rules. Overseen by the Senior Vice President, Chief Ethics & Compliance Officer, it acts as a roadmap to ethical decision-making and behavior that helps us accomplish our work responsibly.

### Mandatory Code of Conduct training

Lincoln Financial's Enterprise Ethics and Compliance team provides 100% of our employees with mandatory training on the Code of Conduct. The training covers key topics from the Code, which may include anti-corruption, conflicts of interest, antitrust and others. Additionally, there are other role-based compliance trainings which may include anti-money laundering and fraud prevention, privacy, insider trading and related policies throughout the year.

### Communicating our expectations

Lincoln Financial's ethics and compliance communications plan continually reinforces the tenets of our Code of Conduct along with our expectation that employees and agents will behave in accordance with our shared values and principles. Our support systems make it easy for employees to "do the right thing" every time.

On our intranet, we are continuing the very popular "What Would You Do?" series that brings our updated Code of Conduct to life with stories based on actual events at Lincoln Financial as well as various ethics and compliance topics. Our social media channel "Oh Behave" has also been very well received and features the same stories.

### Managers' responsibilities

Through our Code of Conduct and training programs, we emphasize the special role of managers and their additional responsibilities, including our expectation that they understand all applicable corporate policies.

### Reporting ethical concerns

Our secure, confidential Ethics Hotline enables employees and the public to anonymously report ethics, integrity and compliance issues 24 hours a day, seven days a week. Since 2018, the Hotline has included live chat functionality and other improved methods of communicating that protect anonymity.

[Visit the Ethics Hotline. »](#)

### Online access to policies

Our employees have access to all our policies, including our Code of Conduct, through our intranet. Other notable policies include Lincoln Financial's Conflict of Interest Policy, Political Contribution Policy, Anti-Corruption Policy and those related to Anti-Bribery.



### Ongoing compliance monitoring

To ensure colleagues are acting in accordance with internal guidelines, Lincoln Financial regularly collects and analyzes information regarding compliance with the Code of Conduct and our policies. The Office of the General Counsel is informed of any issues that are raised.

The legal and compliance department meets regularly with senior management to review significant issues or trends relating to compliance with the Code and our policies. Based on this analysis, we determine whether to revise our processes and key controls, including policies and training.

### Supplier Code of Conduct

Our expectations for ethical conduct and responsible business practices extend to the suppliers who provide goods and services to us. We have set forth those expectations in our Supplier Code of Conduct, which includes governance, management systems and business ethics; supplier diversity and inclusion; labor, human rights and social responsibility; and environmental stewardship.

[View our Supplier Code of Conduct. »](#)

“Having the highest ethics and compliance standards are not just a commodity, they’re a differentiator that we control everyday by never compromising our integrity.”

Legal Department  
Enterprise Compliance



## Directing our path forward

### Board oversight

Lincoln National's Board has oversight of all key policies, including our Code of Conduct, where our anti-corruption commitments are spelled out comprehensively and with reference to specific elements.

The Board's Audit Committee meets with the Chief Ethics and Compliance Officer at least five times per year to review quarterly reports on compliance matters and to discuss the effectiveness of our compliance program and how we manage key risks and policies.

Our Corporate Governance Guidelines lay out expectations for how the Board and our committees function, including independence standards for the Board. These standards require that a majority of our directors be independent (as defined under the applicable SEC rules) and meet the criteria for independence as set forth in the New York Stock Exchange (NYSE) listing standards.

[Learn more about our corporate governance and read our Corporate Governance Guidelines. »](#)

### Sustainability governance

The Corporate Governance Committee of the Board provides oversight of the company's sustainability and corporate social responsibility strategy.

[Learn more about our corporate governance. »](#)

Lincoln Financial's efforts focus on promoting sustainable communities and business practices through philanthropy, volunteerism and our environmental, social and governance practices. The Office of Corporate Responsibility develops and implements our sustainability strategy, which includes the following:

- **Issue identification**  
We regularly gather information on sustainability issues from a broad range of industry sources and stakeholders.
- **Stakeholder communication**  
We track and report internally and externally on key indicators related to our social and environmental impacts, including responding to specific information requests and third-party questionnaires.
- **Risk and opportunity assessment**  
We apply a structured, consistent process to evaluate and prioritize identified risks and opportunities across sustainability matters.
- **Risk and opportunity management**  
We work together with business units and functional areas to determine priorities, address issues and integrate strategies that make good business sense.
- **Governance and management**  
The Sustainability Advisory Group, a cross-functional team comprised of business unit executives, meets quarterly with our CSR team to consider market developments, societal trends and the potential impact, risk and opportunity for our company related to identified issues.



## Our sustainability management system

To formalize this process, we developed and implemented an institutional Sustainability Management System (SMS). The SMS guides us in assessing and managing our environmental, social and economic performance with respect to identified areas of impact. The SMS framework serves as a guide for how to document our management processes and procedures, monitor their outcomes and continually evolve our performance over time. The system follows a plan-do-check-act (PDCA) framework and includes audit procedures for critical areas so that we can verify the accuracy of data and information we publish.

Recognizing the imperative of increased transparency on ESG factors, Lincoln Financial is committed to ongoing engagement with a wide variety of ratings and rankings. In addition, we have committed to undertaking a 2-degree scenario analysis in 2020, in line with the Task Force on Climate-Related Financial Disclosure (TCFD).





## Managing risk

Enterprise risk management is an integral part of our business processes. Senior management establishes the policies and procedures we use to assess and manage significant risks to our company.

We also have a Corporate Enterprise Risk and Capital Committee, made up of members of senior management and the Chief Risk Officer, that provides oversight of our enterprise-wide risk structure and of our processes to identify, measure, monitor and manage significant risks, including capital markets, product and operational risk. The Board's role is regular oversight of the overall risk management process, including reviews of operational, financial, legal and regulatory, cybersecurity, compensation, strategic and competitive risks.

### Identifying and managing potential climate change risks

Through Lincoln Financial's risk assessment process, we have identified potential risks to business operations and profitability driven by physical climate change parameters, such as severe weather events. In Lincoln Financial's SEC filings, including our Annual Report and Form 10-K, the results of certain weather-related catastrophic events typically associated with climate change are cited as a global risk factor that could potentially affect claim liabilities and the availability of reinsurance. Climate change and other environmental and social impact risks are identified and assessed through the company's formal Risk Self-Assessment process.

The Office of Corporate Responsibility oversees enterprise-wide integration of sustainability practices along with climate change risk and opportunity assessment. The office routinely gathers and assesses information relating to relevant business risks stemming from climate change that may impact the company. It is also responsible for the integration of enterprise-level processes for further evaluation of climate change risks and impacts on the business in general, including the management of environmental risks to physical assets.

### Preparing for physical asset risks

Severe weather has the potential to impact Lincoln Financial's facilities directly. To mitigate the impact of such events, business continuity and disaster recovery plans are in place for critical business units. Risk assessments are also conducted at specific sites with greater exposure to natural risks, such as severe winter weather and tornadoes. Learn more about our risk management:

[View our Proxy Statement here. »](#)

[Find our Audit Committee Charter here. »](#)

[Read our Board of Directors Corporate Governance Guidelines here. »](#)

### Managing risk in our products

As a financial services provider primarily engaged in the sale of products and services associated with life insurance, annuities, employer-sponsored retirement plans and group benefits products and services, our company is focused on a variety of risks associated with these businesses. The primary risks associated with these business lines are mortality, morbidity, longevity, policyholder behavior and capital markets risk. As a result, enterprise risk management is an integral part of our business processes.

The corporate Enterprise Risk Management team calculates capital requirements based on catastrophic and other extreme events, which encompasses climate-driven scenarios. Lincoln Financial's risk management processes are designed to promote awareness of new, existing, and potential risk factors to meet existing and evolving circumstances. To mitigate financial and other risks identified in our Form 10-K, Lincoln Financial reinsures a significant amount of the mortality risk on individual life insurance contracts. If Lincoln Financial were to experience adverse mortality or morbidity events, a significant portion of claims would be reimbursed by our reinsurers.



## Integrating environmental, social and governance (ESG) considerations into investment decisions

Lincoln Financial understands the importance of considering environmental, social and governance (ESG) factors in our investments.

Our portfolio management professionals, as well as our internal and third-party asset managers, are guided by our ESG Investment Policy as they integrate ESG considerations into their due diligence, monitoring processes and investment decision-making. In this way, all the professionals who make investment decisions for Lincoln Financial consider ESG factors in their decisions. Third-party asset managers are required to consider ESG factors in their investment process and must annually provide relevant policies. Many of Lincoln's third-party asset managers are signatories to the United Nations' Principles for Responsible Investment (UN PRI). To enhance our internal understanding of these factors, designated individuals are required to participate in ESG training on an annual basis.

[Read our ESG Investment Policy. »](#)

### Providing socially responsible investment options

We recognize that our customers are also thinking about environmental, social and governance factors in their investments. For this reason, we offer a variety of socially responsible investment options in a number of our products, including personal variable annuities, *Lincoln Director*<sup>SM</sup> group variable annuities and other retirement plan solutions.

[View a list of these funds. »](#)





## Protecting privacy and data security

Lincoln Financial is committed to keeping the personal information collected about our potential, current and former customers confidential and secure.

### Safeguarding customer privacy

Lincoln Financial is subject to both federal and state legislation and regulation governing the protection of nonpublic personal financial and health information we receive about our customers. We place great value on the proper handling of confidential information including nonpublic personal information, which consists of medical, financial and employment information, and strategic business and financial information. We have adopted policies and procedures that we believe are reasonably designed to comply with all applicable federal and state privacy legislation and regulations governing the protection of our customers' nonpublic personal information.

Lincoln Financial has developed an information security program that addresses physical and logical security, user access management, network perimeter security, incident management, logging and monitoring, vulnerability management, data encryption, application controls, change management, security awareness and other information risk management controls. Lincoln Financial also has an incident response program.

[Read our Privacy Practice Notice. »](#)

### Security governance

The Chief Information Security Officer oversees data security for Lincoln Financial. We also have a dedicated Privacy team that reports to the company's Chief Privacy Officer. The Information Security and Privacy teams each report up to an executive officer.

### Employee training

Employees play a vital role in keeping information secure. In addition to the mandatory annual information security training for all employees and contractors, Lincoln has a phishing simulation program to build employees' ability to detect dangerous emails. We also provide mandatory privacy training each year to help employees understand the important role they play in ensuring that confidential information is accurate, relevant, current and protected.

### Account security

As cyberfraud schemes continue to evolve, Lincoln Financial continues to work to protect our customers. Our customer security and anti-fraud website provides tips for customers and explains the steps we take to protect them and their information.

[Learn more about our commitment to protecting customer data. »](#)

### Annual audits

Multiple internal audits of Lincoln Financial's information risk management practices are conducted each year, including an annual holistic audit covering our information security processes. Four additional external audits are conducted annually that cover (to varying degrees) the company's information security practices surrounding various specific Lincoln Financial products and systems. Information security policies and standards are reviewed annually and are updated as necessary to appropriately manage information risk consistent with industry standards.

### Records management

Our business records retention program mandates specific retention and destruction time frames for all records according to record type and use. We review our retention and destruction policies annually and update them as needed to ensure compliance with relevant laws and regulations.



## Enhancing the customer experience

As a market leader, Lincoln Financial is known for delivering unique and innovative solutions across the complete spectrum of our business. We harness the power of creativity to fuel solutions that drive superior customer experience, streamline efficiencies and help us respond swiftly to changing market conditions.

Our advancements often result from innovative uses of information technology (IT) and digitization of processes. In 2019, we accelerated investments in our IT and digital capabilities as we enhanced the customer experience, improved the way we work and innovated with data.

We strive to deliver a frictionless experience. So in 2019, we used these innovative solutions to introduce new products, services and tools, many of which empower our customers to interact with Lincoln Financial using whichever communication channel they prefer.

### Award-winning annuity and life customer service

In 2019, Lincoln Financial's award winning Annuity and Life Operations Call Centers were merged under new leadership in order to build on 2018 successes. The investment in this initiative will allow for the leveraging of best practices and more strategic processes with a primary goal of improved end-to-end customer experience. This effort reflects the commitment to listening to the needs of the customer and to the continuous optimization of the customer experience.

### A new Group Benefits platform

Lincoln Financial's Group Benefits business progressed in its multi-year initiative to introduce a new policy administration system that will deliver services and support using tools that our customers and employees have come to expect. Initial functionality was launched in 2018 with additional deployments in 2019. Enhancements and new

products will be deployed onto the platform in 2020 and 2021. This new technology platform will simplify access for employer partners by providing streamlined administration, enhanced flexibility and expanded billing options.

### Life insurance advances

Lincoln Financial continues to offer chat capabilities through our chatbot "Abe", which connects customers with the information they need, when they need it and through their preferred channel. This provides 24/7 service for general policy inquiries as well as certain policy-specific questions.

We have been recognized for our innovation in technology that changes the way life insurance is purchased. Our online telephone application scheduling tool with text message reminders was bestowed the Life Insurance Direct Marketing Association Innovation Award in 2018. These technologies can reduce the time it takes to purchase life insurance and deliver a better experience for both our agents and customers.

In 2019, Lincoln Financial further expanded its use of *Lincoln i-Claim*, one of the industry's first online claims tools for life insurance and annuities. Eligible claimants can complete all claim requirements digitally, allowing improved in good order receipt and faster turnaround. Just over 6% of eligible life and annuity claims were processed through this simplified customer experience.

### Retirement Plan Services enhancements

Lincoln Financial's high-touch, high-tech model continues to make it easier for our customers to navigate benefits, increase contributions and track progress against their retirement goals. According to the 2019 Lincoln Retirement Power® Participant Study, 74% of participants who increased their contribution rates in the past year say one or more communication and education touchpoints motivated their decisions.



## Understanding and empowering consumers

Financial wellness is about giving our customers the tools and confidence they need to make smarter decisions in every aspect of their financial lives. From everyday budgeting to goal setting and prioritization, we recognize that people want to understand and improve their current financial state. This recognition drives our commitment to responding to customers' needs regarding financial matters and retirement preparedness, and it's why we offer Lincoln *WellnessPATH*<sup>®</sup>, a financial wellness tool that retirement plan sponsors can offer to help participants prioritize their planning, pave a path to financial wellness and reach their retirement savings goals.

Lincoln Financial's ability to deliver products and services that meet the needs of our customers and consumers is rooted in our deep understanding of their financial motivations and our commitment to helping Americans build retirement income for life. This understanding is based on our ongoing market research and resulted in a 2019 pivot to offer *YourPath*<sup>®</sup>, our next generation target-date + risk portfolio solution.

To benchmark U.S. consumer confidence around preparing for retirement, Lincoln Financial teamed with CivicScience to introduce the quarterly Consumer Retirement Index. It shows us the percentage of working-age Americans who feel confident about being able to retire when they choose and having enough money to live comfortably for the rest of their lives.

Saving for retirement is a struggle largely because of competing financial priorities, according to our 2019 Retirement Power<sup>®</sup> research. As part of our commitment to helping Americans achieve the retirement they envision, Lincoln Financial offers a suite of tools to help consumers improve their ability to retire. These tools include simple but effective steps and actionable worksheets to boost customers' savings plus multiple online calculators to show that the small impact on paychecks today can have a big impact on eventual retirement income.

[Check out the retirement preparedness calculator. »](#)

[View additional research and studies from Lincoln Financial. »](#)

## Report scope

This report encompasses Lincoln Financial Group operations, practices and data corresponding to the calendar year 2019, unless otherwise noted. All environmental data represents the activity across 100% of Lincoln Financial operations for that period. All information and data are as of December 31, 2019, unless otherwise noted.

## Greenhouse gas calculations and assurance

Reported greenhouse gas (GHG) emissions were calculated in accordance with the Greenhouse Gas Protocol, the world's most widely used greenhouse gas accounting standard, utilizing a financial control boundary. Lincoln Financial's 2019 data for Scope 1, 2 and 3 (Category 8: Upstream Leased Assets) greenhouse gas emissions were assured by Trucost in accordance with AccountAbility's AA1000 Assurance Standard (AA1000AS) 2008, with 2018 addendum, Type 2, Moderate Level.

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