Making it count: Real people, real stories

Lincoln Financial 2018 Corporate Social Responsibility Report
At Lincoln Financial, we honor the connections that shape our lives every day.

We understand that what we do today creates our tomorrow. We celebrate the shared experiences that we as a company have with our communities, employees, customers and investors.

We recognize that we all strive toward the same goal: leaving our space in the world a better place than we found it. Through our philanthropic work and employee volunteering, we are building more resilient communities. In the workplace, we empower our employees to grow and thrive. Through our business operations, we strive to treat the environment with respect. Through our products and services, we help people face the future with confidence and optimism.

This corporate social responsibility report is the story of how we are making it count — every day — in our workplace and our communities. This is the story of our shared tomorrow.

Founded in 1905, Lincoln Financial Group was inspired by and named after our nation's greatest leader, Abraham Lincoln, with permission and support from his son, Robert Todd Lincoln. 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.
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At Lincoln Financial Group, we have always believed in helping people take charge of their lives so they can face the future with confidence. It began over a century ago when we adopted Abraham Lincoln’s name. His legacy of honesty, integrity and respect has helped shape our business as well as how we dedicate our resources to help the communities and the world around us.

In 2018, we furthered our efforts to positively and measurably impact our customers, our employees and our communities with a strong focus on making it count.

- In June, Lincoln proudly joined the ranks of our fellow financial services organizations as a founding member of The Alliance for Lifetime Income. Focused on helping Americans address the risk of outliving their retirement income, the Alliance works to educate consumers about the importance of protected lifetime income, so they can enjoy their retirement with greater peace of mind.

- With the addition of nearly 2,000 employees following the expansion of our Group Protection business with the Liberty team, we significantly expanded the communities where our employees live and work. We look forward to embracing these communities in our future philanthropic efforts.

I am pleased to share our 2018 Corporate Social Responsibility Report, which highlights the many ways we honor our namesake Abraham Lincoln every day through integrity, respect and optimism. Our collective efforts resulted in significant accomplishments throughout 2018, and I invite you to learn more about how we enhance and implement our corporate social responsibility strategy here at Lincoln Financial Group, and how together we are making it count.

Sincerely,

Dennis R. Glass
President and Chief Executive Officer
Lincoln Financial Group
A letter from our Lincoln Financial Foundation President

Our mission at Lincoln Financial Group is to provide our customers with the tools and advice they need to create a solid financial future. We want the same for our employees and our communities.

In 2018, our corporate responsibility efforts focused on empowering and engaging our employees, supporting stronger communities and caring for our environment.

- We contributed over $9 million to nonprofit organizations that delivered significant and measurable outcomes for individuals at critical points in their lives.
- We helped our employees take charge of their careers through professional development, meaningful work and volunteer opportunities to use their skills and passions to make a difference.
- We made progress on reducing our energy use and greenhouse gas emissions, surpassing one goal and setting new goals to continue our efforts.
- By embracing and advancing responsible business practices in every aspect of what we do, we work toward a future that we can all look forward to with optimism.

With their spirit of commitment, respect and authenticity, Lincoln employees strive to embody the ideals of Abraham Lincoln every day. I am inspired by their efforts to serve our customers, nurture our communities and make our world a better place for everyone to live and build a secure future. I welcome you to read our 2018 Corporate Social Responsibility Report and see how we are creating the story of our shared tomorrow.

Sincerely,

[Signature]

Nancy Rogers
President, Lincoln Financial Foundation
SVP, Corporate Responsibility and Sustainability
About Lincoln Financial

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, preserving 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. In 2018, we expanded our Group Benefits business through the acquisition of Liberty Life Assurance Company of Boston, the group benefits arm of Liberty Mutual. Our newly expanded business offers a broad array of employee benefits products and solutions, including disability and employee leave management, as well as life, dental, accident, critical illness and vision insurance coverages. It has the diverse expertise to serve employers of all sizes, across various industries and market segments.

Our customers

We help our customers make every day count. The financial products and solutions we provide are designed to meet their evolving needs so that they can focus on enhancing 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 make our actions count

Our shared mission and values enable us to make a significant 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.

A tradition of strength
With solid industry rankings, broad distribution capabilities and a strong financial foundation, we've been helping families and individuals take charge of their futures for more than a century.

A commitment to corporate responsibility
We recognize and celebrate 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 drive our success. We empower collaboration, insights and innovation among our partners and employees to reach our fullest potential.

Our financial strength¹
$238 billion in assets under management
$9.4 billion in total adjusted statutory capital³
$465 million in cash and invested cash at the holding company⁴

The lives we touch¹
1.5 million participants in our employer-sponsored retirement plans
1 million individual annuity contracts in-force
1.7 million life insurance policies in-force
10 million individuals insured through our group benefits business

¹ All numbers are as of December 31, 2018.
² Based on median three-year cash flow return on investment (ROI), 2017 sales growth, and adjusted for divestitures.
⁴ 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.
2018 Recognitions and awards

We’re motivated to make every action count and are gratified when others recognize our company’s accomplishments.

Forbes 2018 Best Large Employers
Named one of “America’s Best Employers for 2018” by Forbes in the Banking and Financial Services sector for the second consecutive year.

Forbes 2018 Best Employers for Diversity
Recognized by Forbes for our dedication to diversity and inclusion and ranked 69 out of 500 employers assessed.

Forbes 2018 Best Employers for Women
Ranks #52 among 300 employers based on employee recommendations and for our gender diverse Board and executive ranks.

2018 Disability Equality Index
Best Place to Work
Received a perfect 100% score for the third consecutive year for creating a welcoming, inclusive environment for people with disabilities.

Best Place to Work for LGBTQ Equality
Scored 100% on the 2018 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 third 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 third consecutive year. Only the top 20% of companies that apply are named to the DJSI North America Index.

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.
2018 Corporate responsibility in action

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

Building stronger communities
- $9.2 million in charitable contributions to communities
- More than $1 million donated by employees to United Way for the sixth consecutive year
- Thousands of hours of community service contributed by hundreds of employee volunteers
- Launched a new employee volunteering online portal
- Grant up to eight hours of paid time off for Lincoln-sponsored volunteer activities with manager approval

Empowering and engaging employees
- Delivered more than 100,000 hours of in-house training in skills-based, leadership, management, compliance and cybersecurity topics
- Achieved an 87% employee engagement survey response rate in 2018, which exceeds benchmarks for companies of our size
- Introduced 44 new Leadership Excellence and Development (LEAD) program courses and now offer nearly 200 diverse courses

Caring for the environment
- Reduced electricity consumption by 17.68% at our Greensboro, NC, location, exceeding our 2020 goal of a 10% reduction, and allowing us to set a new goal of an overall 35% reduction by 2022 against a 2014 baseline
- Reduced greenhouse gas emissions intensity per employee by 5.9% for Scope 2 emissions since 2014
- Set a new energy management goal to reduce electricity consumption by 8% by 2022 over a 2014 baseline at our Omaha, NE, location

Responsible business practices
- 100% of employees trained in our Code of Conduct and related policies
- Introduced Lincoln i-Claim, one of the industry's first digital claims experiences for annuities
- Created an innovative, award-winning end-to-end electronic life insurance buying process
- Earned rankings as 2018 Top Call Centers in North America by BenchmarkPortal for our Annuity and Life Operations Call Centers
Building stronger communities

Our communities desire their best future. That is why we strive to make our giving count. As a company and as individuals, we make meaningful contributions every day to help people take charge of their own future and improve their lives, as we instill optimism and strength in our communities.
Making our giving count

Since 1962, the Lincoln Financial Foundation has dedicated significant resources each year to organizations that help people build better futures for themselves and their families.

We tie philanthropy to our business objective of helping people take care of their financial lives with optimism. We do this by focusing on programs that support development of life skills, job skills and resilience.

In 2018, we served more than 2 million people through our support of nonprofits that provide results-driven programs in education, human services, workforce and economic development, arts access and financial inclusion.

We rely on data and metrics to understand community issues, determine best practices and identify effective nonprofits achieving optimal outcomes. We choose to work with grant recipient organizations with a proven record of providing quality programs that deliver measurable outcomes and of ensuring that our grant funding reaches those who need it most: low-income households and communities.

Learn more about the Lincoln Financial Foundation >
Employee volunteering and giving

Volunteerism is integral to our communities and our culture. While grant awards are critical to continued success, contributions of time and talent by our employees bolster a nonprofit’s ability to serve its constituents and enrich the lives of our employees as well.

Read about employee volunteerism >

Lincoln Financial employees have a long tradition of supporting United Way organizations through our annual workplace campaigns. We are proud that in 2018 employee giving for United Way agencies surpassed $1 million for the sixth consecutive year.

Our employees also give generously through the Lincoln Financial Matching Gift Program, which encourages employees to maximize their charitable contributions to eligible nonprofit organizations by applying for a corporate match.
Achieving impact in education

Mentoring and making out-of-school time count can help struggling students build a brighter future for themselves and their communities.

In far too many communities, difficult life circumstances can hinder student development and readiness to learn. Impacted students struggle to complete their homework and often don’t graduate from high school on time or develop a plan for their future.

Supportive adult relationships, homework assistance and afterschool enrichment activities can help students improve their academic performance. Effective programs teach students important life skills such as setting academic goals and help them make the connection between their aspirations for tomorrow and concrete actions today.

**Tracking educational outcomes**
The Lincoln Financial Foundation chooses to work with educational nonprofit organizations that adhere to best practices and can point to tangible outcomes. We look for partners who are able to assess their program effectiveness and efficiency, enabling them to identify needed improvements that can ensure higher quality programs.

We expect our grantees to measure educational outcomes such as on-time grade progression, reading on grade level, academic performance and high school graduation. Recognizing these as key indicators for academic success, we identify nonprofit organizations that provide academic and mentoring support to empower students to develop the life skills they need to become successful adults.

569,000 educational services provided by the Lincoln Financial Foundation during 2018
Kids do better when they know someone is in their corner. In Omaha, NE, Big Brothers Big Sisters of the Midlands pairs academically at-risk children with adult volunteers who provide positive interactions through one-on-one relationships. For maximum impact, the organization limits its focus to boys and girls ages 7–18 years old who are living in a single parent household or in foster care, are low-income, or have an incarcerated parent. Prospective mentors are carefully selected and trained before they begin spending one-on-one time with their mentees. These strong, professionally-supported relationships can transform lives by building children's confidence and academic performance.
Boys & Girls Clubs of Hartford (BGCH) achieves measurable and sustained impact through established programs, such as Power Hour, which cultivates academic success, healthy lifestyles, good character and citizenship. Power Hour is an educational enhancement program that provides small-group tutoring assistance, encouragement, and supervision to increase overall academic performance. Power Hour participants receive homework assistance and participate in fun, hands-on enrichment activities. Children receive recognition and earn “Lincoln Bucks” that can be redeemed for prizes each month at the BGCH “store” for finishing their homework, academic achievements at school, and school and club attendance.

Role models make a difference

At some of the lowest-performing schools in Philadelphia, students are greeted each morning by enthusiastic, red-jacketed City Year corps members. Through the rest of the school day, trained City Year corps members support school staff by serving as tutors, mentors and role models. These diverse young leaders encourage, coach and engage with more than 12,000 students, inspiring them to stay in school and on track to graduate. Beyond the classroom, City Year’s afterschool program provides homework help and enrichment activities, such as engineering adventures and art.

The power of an hour
Achieving impact in human services

By working to keep people in their homes, Lincoln Financial is helping to reduce homelessness.

Losing the stability of a home often leads to job loss, academic setbacks, health issues and other negative outcomes. Once a life is interrupted, the time and cost to rebuild escalates for both the homeless family and the agencies trying to help.

**Implementing a prevention, diversion and rapid re-housing strategy**

The Foundation directs our housing-related human services funding to three key areas: homelessness prevention, diversion and rapid re-housing.

Preventing homelessness by helping to keep people in their homes, whenever possible, is a national best practice. Homeless prevention programs focus on averting homelessness by helping families with eviction prevention, credit repair, financial services, disability claims and Social Security. Diversion programs provide housing search, stability counseling, financial assistance, legal services and more. When those measures fail, agencies work to rapidly re-house people, moving them out of shelters and into permanent housing as quickly as possible.

Families at risk are spared the emotional trauma of homelessness and avoid the instability of temporary housing and the cascade of negative impacts that make it harder to recover and stabilize their lives. In addition to promoting resilience, it also offers a cost savings for nonprofits and communities due to the reduction in shelter stays and strengthens people's ability to bounce back from a housing crisis.

846,000 human services supported by the Lincoln Financial Foundation during 2018
Mercy Housing and Shelter in Hartford, CT, is at the forefront of best practices to reduce homelessness. Its innovative housing stability program operates like a social service SWAT team that helps families in jeopardy of losing their home. Their team provides housing search assistance to help clients quickly stabilize their current housing or find permanent housing. Mercy operates a Diversion Center where people can find legal and mediation assistance and case management services that will help them avoid homelessness. If homelessness is inevitable, Mercy rapidly re-houses families in safe, affordable housing.
Coordinating the front lines

The effort to end homelessness requires sound strategy and coordinated action. In Guilford County, NC, Partners Ending Homelessness (PEH) fulfills a convening role in maintaining a strong system of homeless prevention, housing diversion and rapid re-housing. It provides support to local agencies, helping them implement best practices in housing. PEH also manages a county-wide database to collect and analyze accurate, real-time data to track community needs and evaluate program effectiveness. The result is a more collaborative systemwide structure.

Promoting resilience and self-sufficiency

In Omaha, NE, Together offers families one-on-one counselling, short-term financial assistance with utility or rent payments, and help navigating the social services support systems. Specialists intervene on behalf of clients to negotiate with landlords and provide employment assistance. The agency works to eliminate, one by one, the barriers that have prevented a family from maintaining stable housing and helps them move toward self-sufficiency.
Promoting financial inclusion through workforce and economic development

We strengthen communities by equipping workers with the skills they need to land high-demand jobs with employers that are hungry for talent.

Many communities are experiencing increased levels of unemployment in high-demand jobs due to a gap between employers’ needs and workers’ outdated or inadequate skill sets. Schools are under pressure to produce local talent to fill jobs and keep companies operating in their communities. Workforce development programs are successful when they help people develop job skills for positions that can lead to higher wage positions and career advancement.

Our financial inclusion program

Our financial inclusion program includes equipping workers for in-demand jobs, removing barriers to unemployment, training workers for local jobs and making the school-career connection. Additionally, effective workforce programs go beyond traditional job training by providing credit counseling, encouraging saving, helping establish and repair credit, and cultivating other life management skills that will empower people to become productive workers. We look for programs that train people striving to overcome unemployment or under-employment. Programs empower people to gain the skills and certifications necessary to connect to the jobs of the future. The Foundation measures the outcomes of the job skills programs we support by tracking the number of participants who obtain their high school equivalency degree, complete skill training/advanced education, enter internships or obtain new jobs.
For many individuals, success in the workplace is interrupted by life circumstances that lead to cycles of chronic unemployment. Trying to navigate the web of workforce development services can feel impossible. In Manchester, NH, Families in Transition promotes personal resilience by providing encouragement and professional support to help people re-enter the workforce. Program staff focus on jobs and work readiness and help clients address the non-workplace issues that get in the way of successful employment. Families in Transition provides intensive support to participants and brings new employees into the New Hampshire workforce, enabling communities to grow and businesses to succeed.
Ivy Tech Community College in Fort Wayne, IN, uses a series of weekly pop-up career events to expose lower-income middle and high school students to emerging career opportunities. Held in partnership with Fort Wayne Parks and Recreation, these events introduce students to STEM, culinary, health care and skilled trade careers through hands-on experiences. The exposure to a variety of careers early in life allows students to identify their strengths and interests while drawing the connection between school and career.

Training workers for local jobs

After decades of economic struggle, West Philadelphia, PA, is experiencing economic growth, driven in part by the University City District (UCD) partnership with universities, small businesses and neighborhood associations. The West Philadelphia Skills Initiative connects local employers with local residents seeking employment opportunities. The customized curriculum equips low-income, unemployed participants with the job skills they need to meet the specific needs of local employers.

Making the school-career connection
Advancing financial literacy and financial inclusion

Financial literacy programs for young people equip the next generation with the skills to take control of their financial future.

Research shows that many Americans lack fundamental money management skills and financial literacy. When consumers incur more debt, save less and shortchange their retirement planning, they put their personal financial well-being at risk.

Fortunately, financial literacy education programs can help people make better financial decisions. These programs are especially effective when presented in an engaging and interactive way in a school setting and while students are still young. The earlier financial responsibility is instilled, the more financially risky behavior can be prevented.

The Lincoln Financial Foundation empowers people to take charge of their financial lives with confidence by supporting grantees such as Junior Achievement, which promotes financial literacy and workforce readiness. We expect our nonprofit partners to measure student outcomes on many factors, including high school graduation rates, financial literacy, workforce readiness, STEM career awareness and others.
Financial skills for a lifetime

Even young children can begin to learn basic economic concepts, which is the focus of the elementary-level programming of the Junior Achievement of Northern Indiana (JANI). Presented to prekindergarten through fifth-grade students, the course material advances students’ knowledge and explores increasingly complex concepts.

Building on this foundation, middle and high school students participate in JANI’s unique teacher-taught classroom curriculum and learn to make intelligent financial decisions that can last a lifetime. The JANI curriculum culminates in a budgeting simulation during a field trip to the Lincoln Finance Park learning facility. At the site, students are assigned an adult avatar and participate in role-playing in which they build a monthly budget on an iPad and purchase items for their “family.” They must also make important fiscal decisions involving banking services, investment and contributions to charities. The simulation helps students grasp the implications of their choices as they work toward a balanced budget.

In the Greensboro, NC, area, Junior Achievement of the Triad uses a curriculum that reinforces and supplements North Carolina’s Essential Standards. By sharing their skills and professional experiences, trained corporate and community volunteers help students envision possible career paths and see the value of staying in school. In 2018, Junior Achievement and Guilford County Schools gave eighth grade students a hands-on experience with jobs in the construction industry, a potential career path for well-paying jobs that are often unfilled in the region due to the lack of skilled candidates.
Access to the arts

The Lincoln Financial Foundation supports the Carnegie Link Up program at the Omaha Symphony. The program offers students in grades 3–5 the opportunity to learn to play the recorder and then accompany the symphony orchestra. Lincoln recognizes that it is important for all children to have access to the arts. We support arts organizations that provide arts access opportunities through field trips and concerts in schools in each of our cities.
At Lincoln Financial, we are committed to a workplace where differences are celebrated, and employees are empowered to be their best. We encourage our people to make everyday count, for our customers and for our communities.
Empowering employees

We value a diverse, inclusive workforce and provide benefits and programs to empower our employees to take charge of their health, financial future and career – while maintaining a healthy work-life balance.

**Employee health and well-being**

We invest in our employees’ futures through a broad range of health and well-being programs as well as wealth accumulation, financial health and protection plans. These benefits and programs are designed to give our employees the opportunity to lead healthy, purpose-filled 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 as employees. Highlighted below are some of the many programs we offer to our employees.

**Physical well-being**

We offer comprehensive health and wellness benefits, including a medical plan with domestic partner eligibility, plus optional dental and vision, Health Savings Account and healthcare flexible spending accounts. Our health and welfare benefit plans cover in-network preventive care, and our wellness 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 2018, we offered two wellness challenges, a Fit-for-Fun challenge that focused on overall health and well-being beyond physical fitness, and a Snooze or Lose sleep challenge to encourage employees to get the rest they need to focus and be healthy.
Social well-being

Social well-being contributes significantly to employee success and satisfaction. Through our Employee Assistance Program, we offer support options to help our people handle everyday issues and crisis situations. These range from stress management and marital and couples counseling to family and parenting issues and referrals for dependent care and elder care services. Parents have access to Homework Connection which, in partnership with Tutor.com, provides students with expert tutors who deliver one-on-one, on-demand, homework help—at no cost to employees.

Eligible employees can take advantage of paid parental leave and adoption assistance programs for these exciting life events.

Financial well-being

We've designed programs to help employees to take charge of their financial future. Employees can plan and save to have the financial flexibility to meet their retirement goals and be prepared for the unexpected. Dedicated Lincoln Financial Retirement Consultants are available for one-on-one consultations to evaluate their retirement readiness.

Eligible employees can protect their income with:

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

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

Lincoln Financial employees are supported by a company that values their unique perspectives, insights and contributions, and invests in programs that energize them to accomplish more.

Developing talent

Our vision is to become a destination employer by fostering a premier learning culture – one that enhances leadership effectiveness, accelerates employee development and helps drive business performance.

Our learning and development efforts focus on:

- Building managerial capability and enhancing leadership effectiveness across the organization
- Optimizing our curriculum to accelerate talent readiness through targeted development solutions
- Developing a premier learning culture that fosters continuous learning and provides skills for emerging workforce needs

Career development is a collaborative process between Lincoln Financial employees and their managers, backed by a wealth of resources to help them reach their potential. Our employees can access a range of learning and development opportunities including more than 200 instructor-led, self-paced and niche courses such as those created for mid-level employees and senior-level leaders in partnership with Harvard Business Publishing, a subsidiary of Harvard Business School.

In 2018, we added opportunities for employees to participate in Coursera, a massive open online course (MOOC) content provider that offers courses from the world's top universities such as Yale, Duke, Princeton, MIT and others. Our Career Framework provides all employees with tools and resources to help them discover, assess, plan and invest in their careers.

More than 100,000 hours of in-house training in skill-based, leadership, management, compliance and cybersecurity topics were provided to employees in 2018. On average, each employee participated in 9.75 hours of training, including 2.5 hours of professional development, 1.75 hours of cybersecurity training and 5.5 hours of compliance training.

Learn more about the ways Lincoln Financial empowers our employees >
**Equipping a new generation**

We introduce young people to careers and rewarding professions, including information technology, data science and actuarial science, through hands-on activities and one-on-one interaction with experienced professionals. These programs don't just benefit students — they also engage and enrich our employees.

For instance, every fall Lincoln Financial hosts CodeLinc, a 24-hour hackathon-style event in which college students from across North Carolina compete as they develop applications to solve a technology-related challenge for a Greensboro nonprofit organization. In 2018, teams put their coding skills to the test in our fifth annual event as they developed a cohesive mobile technology solution to meet the critical needs of military veterans.

Students worked with volunteer coaches from Lincoln Financial's IT organization, including several military veterans, and personnel from local nonprofits to devise a way to connect service members with housing, jobs, food and health services. This year's top team designed a working prototype of an app that simplifies retrieval of information and, when completed, will be especially useful for low-income and unemployed veterans who are seeking to re-enter the workforce or improve their job skills.

Each winning team won a cash prize and Lincoln Financial's IT organization is turning the top solutions into fully functional applications on a secure platform. Through this collaborative event, employees benefited veterans in our community while introducing a new generation to potential careers in IT and to Lincoln Financial as an employer of choice.
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 2018, our offices in Omaha, NE, Hartford, CT, Greensboro, NC, and Fort Wayne, IN, each hosted the fifth annual Actuarial Case Competition for high school students and provided five summer internships across three of the sites.

This was the first year that these sites also hosted an Actuarial Experience Day, intended to introduce a larger group of high school students to the actuarial profession. And, we’re pleased that a student involved in the Actuarial Case Competition returned as part of our actuarial internship program for college students, which is a top feeder of talent into our full-time Actuarial Development Program.

Learn more about career opportunities at Lincoln Financial Group >

Diversity and inclusion

At Lincoln Financial Group, we believe that diversity of thought, background, experience and people drive innovation, support our growth objectives, and produce results that set us apart.

Diversity and inclusion are fundamental and essential to our ability to deliver on our promise to help customers secure their financial futures. Our diversity and inclusion strategy is designed to deliver diversity outcomes based on specific objectives and milestones in our workplace, marketplace and the broader communities we serve. It ensures that a culture of diversity and inclusion permeates every level of our organization and our interactions with our partners and suppliers.

Learn more about how Lincoln is expanding our supplier diversity >

Reaffirming our commitment to diversity and inclusion

Our commitment to diversity and inclusion begins at the highest level as an expectation of our leaders. Leadership involvement and accountability differentiate our efforts and drive tangible results. Through the Lincoln Financial Diversity and Inclusion Council, our executive and senior leaders ensure that diversity and inclusion remain business priorities, are aligned to business goals and are implemented throughout the enterprise. Lincoln National Corporation’s Board of Directors provides executive reviews
of stated priorities, progress and strategic plans for diversity and inclusion for the enterprise.

Lincoln Financial’s CEO Dennis R. Glass was among the first chief executives to sign the CEO Action for Diversity & Inclusion™, the largest CEO-driven business commitment to diversity and inclusion. To support our ongoing CEO Action pledge commitments, we have:

- Continued to create safe spaces for our employees to have open, complex and sometimes difficult conversations about diversity and inclusion
- Expanded our development opportunities to include courses specific to inclusion and trainings designed to challenge our unconscious bias
- Conducted listening sessions with our Chief Diversity Officer and employees across the enterprise
- Increased communication to drive awareness and understanding around our diversity and inclusion efforts
- Ensured our senior leadership remain accountable to achieve diversity results throughout the year by reporting progress toward outcomes on a quarterly basis to the CEO

**Challenging unconscious bias**

In addition to our ongoing professional course offerings on diversity and inclusion, we expanded unconscious bias training opportunities and hosted an educational campaign that stretched across the entire organization. To heighten awareness and provide education around this key aspect of diversity and inclusion, Diversity Awareness Month in 2018 was entirely devoted to providing education on understanding the impact of unconscious bias in the workplace.
Our employees drive diversity and inclusion

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 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. In 2018, WISE sponsored and participated in the Ellevate Network’s second annual Mobilizing the Power of Women summit in New York City. We are proud that LFN was recognized by *Investment News* as a Diversity Champion in its Excellence in Diversity and Inclusion Award, in part for The WISE Group, our business resource groups and our participation in the CEO Action.

**Multicultural awareness committees** — Through these committees, employees in each of our locations take the lead to plan, communicate and provide educational experiences for our population to learn about and participate in cultural awareness events and heritage months throughout the year.

**Business resource groups** — These groups, established in 2011, help drive innovation by enhancing our culture through workplace programs, marketplace insights and community engagement. These 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.
Supporting our veteran community

Our newest business resource group, focused on veterans, has partnered with the membership platform Veterati to support the job search process for veterans by seamlessly connecting service members, veterans and military spouses with Lincoln Financial employees who serve as informal mentors. Mentees can discuss career opportunities and gain insights into the financial services industry and our company through direct mentorship conversations with veterans group members. Through this partnership, Lincoln Financial hopes to connect job-seekers to informal mentors and transform the job search from what can be a stressful experience into an inspiring journey for members of the military community.

Partnerships build opportunities

Lincoln Financial partners with a wide range of organizations, including Prospanica, the International Association of Black Actuaries, the National Association of Black Accountants and Getting Hired.

Through partnerships with national professional and industry organizations that focus on diverse talent and market segments, we can build our talent pipeline and show our commitment to various communities in the marketplace.

Supplier diversity: Aligning business suppliers with our commitment to diversity

Proactively sourcing products and services from businesses that reflect the demographics of our markets contributes to the sustainability of communities, customers and our company. In 2018, Lincoln Financial introduced new language in our contract templates and supplier onboarding processes reinforcing our expectation that our suppliers share our commitments to diversity and inclusion, which prohibits all forms of discrimination or harassment.

Learn how Lincoln Financial is expanding our supplier diversity >

Over the past five years Lincoln Financial Group has been a major contributor for the National Association of Black Accountants, Inc. Greensboro Chapter and has awarded scholarships to accounting students who attend North Carolina A&T State University and Winston Salem State University.
Engaging employees

Engaged employees give their best every day and are critical to Lincoln Financial's business success. We are committed to creating a work environment in which our employees are motivated, feel supported by our programs, believe they have a voice and feel recognized for their contributions.

Our belief is that by focusing on engagement as a cultural norm, talented people will want to stay and grow with us and encourage others to do the same.

We survey our people annually using pulse surveys and full employee engagement surveys to give them the opportunity to share their views on what it is like to work at Lincoln Financial. In 2018, we conducted an all-employee engagement survey and achieved an 87% response rate, which exceeds benchmarks for companies of our size and is indicative of a high degree of commitment and engagement. More importantly, the data indicated that the priority areas we had focused on from the previous survey saw notable improvements with significant progress in positive perceptions of career development and growth, strategic clarity and trust in the direction the enterprise is headed.

Following the survey, our senior leadership team established enterprise and divisional goals for engagement and communicated these to all employees. In 2019, each business area has the opportunity to capture the voice of their employees through pulse surveys and other listening channels.

Working together, we continue to make Lincoln Financial a place where our employees are proud and excited to work and grow professionally, while making a difference in the lives of our clients.
Giving back to our communities

Our employees joined together as volunteers in 2018 to build stronger communities. Inspired by optimism and driven by empowerment, they worked to shape a brighter future for those who most need a helping hand.

Caring for kids on the Road to the Super Bowl

As a corporation based in the Philadelphia region and naming rights sponsor of the Philadelphia Eagles NFL team, Lincoln Financial is proud of our partnership with the Philadelphia Eagles Charitable Foundation. In 2018, we sponsored the Eagles Charitable Foundation's week-long Eagles Eye Mobile service road trip to the Super Bowl.

The Eagles Eye Mobile provided students with free vision care as it traveled from Philadelphia to Minneapolis, MN, home of Super Bowl LII, making stops at schools in the hometowns of four Eagles players on its way. At each stop, the program provided eye screenings, exams and eyeglasses for children who needed them.

Raising funds for autism research

Lincoln Financial was the presenting sponsor of The Eagles Autism Challenge that raised over $2.5 million toward autism research and awareness during its inaugural year in 2018. The Challenge is a one day 15/30/50-mile bike ride and family-friendly 5K run/walk that benefits autism research at the Children's Hospital of Philadelphia. Hundreds of Lincoln Financial employees served as event participants and volunteers.
Concord employees commended
In New Hampshire, Lincoln Financial became the first business to receive the Granite United Way’s annual Volunteer Award, which has previously been presented to individuals. The Granite United Way cited the numerous, ongoing contributions of Lincoln Financial volunteers who have served on its Board of Governors, Community Impact Committees, Campaign Cabinet and Merrimack County Day of Caring. Each year, about 100 of our employees participate in the local Day of Caring, for many years providing the largest group of volunteers. Lincoln Financial was also commended for raising more than $100,000 in the United Way’s Merrimack County campaign.

Giving back through the UNITED WAY
Since our founding, Lincoln Financial has promoted the spirit and value of giving back. This is particularly evident in our employees’ financial and volunteer support for United Way. In 2018, our employees nationwide donated more than $1 million to United Way and its partner agencies, the sixth consecutive year that employee giving has surpassed that level. During the annual United Way Days of Caring event, hundreds of employees across the company volunteer their time at local nonprofit agencies.

Tomorrow’s leaders give back today
We encourage the value of volunteering among even our newest employees, including those who participate in our Lincoln Preparation Program. In addition to teaching leadership, networking and career development, our program reinforces Lincoln Financial’s commitment to improve the communities in which we live. For example, during an annual Day of Service, participants from each location partnered with a nonprofit in a service project.
Workplace culture

Taking time away from work is important for employees to maintain health and well-being. 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.

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. We look to exemplify this belief throughout all 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 his or her contribution to the attainment of Lincoln Financial's goals and objectives.

We conduct business in a manner consistent with the principles expressed in the Universal Declaration of Human Rights. 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 and well-being of the individuals in the communities where we live and work.*

View our Code of Conduct >

*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.
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 the essential functions of 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 strengthens our organizational culture, helps us attract the best and brightest talent, and creates a rewarding, vibrant work experience for all.

Lincoln Financial is also committed to diversity in our supplier base. We collaborate with minority supplier networks to help us identify potential suppliers from various minority- and women-owned businesses.

View our Equal Employment Opportunity statement >

Our commitment to gender pay equity is set forth in a statement available here.
Caring for the environment

Protecting the environment builds a brighter future for all of us. In ways small and large, we’re committed to making our actions count, for a healthier environment, more resilient communities and a stronger business.
Our environmental goals

We believe that what’s good for our communities is good for our business. We’re committed to reducing our impact on the environment and helping improve people’s lives.

In every aspect of our business, Lincoln Financial works to meet the long-term needs of our policyholders, shareholders, employees and communities. Even our actions related to the environment focus on ensuring the strength of our organization, so that we can deliver on all our promises. We strive to balance effective and efficient management of our operations with responsible environmental stewardship.

We have established goals to reduce negative impacts resulting from our business operations and measure our progress against these goals annually to assess our environmental performance.

Goal: Reduce electricity use

We have committed to reduce the electricity we use at two of our largest locations, which are in Greensboro, NC, and Omaha, NE.

In 2018, we surpassed our goal of reducing electricity use by 10% across our location in Greensboro with a reduction of 17.68% since 2014. This achievement is a result of extensive renovations during which we introduced many energy efficiency improvements, such as conversion to LED lighting, relocation of a cooling tower and digital control upgrades to improve building performance. We have identified more energy efficiency opportunities and expect to reduce our electricity use even further. As a result, we have revised and expanded our goal to achieve an overall 35% reduction in electricity consumption by 2022 against a 2014 baseline. Learn more about the renovation >

We have set a new goal to reduce our electricity consumption at our Omaha location by 8% by 2022 against a 2014 baseline. To achieve this, we are converting to LED lighting, upgrading energy management systems and installing new air handling units.
Goal: Reduce greenhouse gas emissions

We are working to reduce our greenhouse gas emissions intensity per employee from purchased electricity (Scope 2) by 20% by 2020 against a 2014 baseline. So far, we have reduced our emissions per employee by 5.9% through a variety of energy management measures. We have achieved 30% of our goal in 2018 based on shifts in the size and location of our workforce that were not anticipated when we set this goal, as well as expanded use of a call center to better support our customers. We expect to make continued progress and are actively working toward achieving this goal in the next two years.

We publicly report our carbon emissions management efforts and performance annually through CDP, a global disclosure system for self-reporting environmental data. We also calculate our carbon footprint inventory annually and obtain external assurance from an independent third party to verify our greenhouse gas emissions data. For more information on our response to climate change, see the Managing Risk section on page 51 of this report.

View our Environmental Policy >

2018 Greenhouse gas (GHG) emissions by source

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>55.58%</td>
</tr>
<tr>
<td>Business travel*</td>
<td>35.19%</td>
</tr>
<tr>
<td>Stationary combustion</td>
<td>7.46%</td>
</tr>
<tr>
<td>Chilled water</td>
<td>0.76%</td>
</tr>
<tr>
<td>Mobile combustion</td>
<td>0.06%</td>
</tr>
<tr>
<td>Fugitive emissions</td>
<td>0.95%</td>
</tr>
</tbody>
</table>

*Includes air, personal vehicle and rental car travel. Does not include rail travel.
A responsible workplace

Every action counts when it comes to caring for the environment. We encourage our employees to consider the environmental impacts and risks of their work activities and offer new ideas for improvement.

During 2018, several Lincoln Financial departments continued their efforts to build a stronger company, improve customer service and conserve natural resources by reducing the use of paper throughout our operations. By capitalizing on technology, responding to regulatory changes and considering customer preferences, Lincoln Financial teams gave employees and customers the opportunity to take personal action to conserve natural resources.

More employees go paperless

By the end of 2018, nearly 63% of Lincoln Financial’s more than 11,000 employees had chosen to reduce their environmental impact by receiving their W-2 forms electronically. Our annual tax-time “Go Paperless” challenge continues to motivate employees, and we are focused on helping even more employees make the switch in 2019. 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 designed to reduce paper usage as well as the related costs and environmental impact. The goal is to use company assets efficiently and deliver value to our customers and shareholders. The policy establishes enterprise-wide standards and promotes behavior change by encouraging the Lincoln Financial community to think about making smarter printing decisions, reduce waste in our operating environment and support sustainability in the workplace.

E-delivery reduces paper use

During 2018, Lincoln Financial Group’s Individual Annuity Operations continued transitioning to online delivery of individual annuity quarterly statements. Now more than half of advisors receive these documents electronically. We estimate that since the 2017 introduction of this delivery method, which offers current and archived statements, we have reduced paper consumption for these quarterly statements by more than one third.

Through creativity and careful planning, Lincoln Financial has maintained or increased outstanding customer service and operational excellence while reducing our environmental impact.
Making events more sustainable

Each year, thousands of Lincoln Financial employees, agents and other stakeholders gather at company functions across the country to stay current on important corporate initiatives and build in-person relationships.

There are business benefits to these meetings, but environmental impacts as well. Lincoln Financial’s Events team continues to research and implement sustainable event best practices, often selecting destinations that minimize travel distance for most participants and encouraging the use of local mass transit services.

The Events team works closely with venue management to minimize food waste, water consumption, laundry use, plastic water bottles and other impacts. Through technology adoption, including mobile apps, the team has reduced printed event agendas and materials significantly since 2014. These digital tools have been used nearly 100 times since then, providing an interactive mobile platform from which attendees can access everything they need for the conference. The apps also provide environmentally conscious tips and reward users for opting out of housekeeping services.

When implemented across an entire enterprise, separate initiatives can collectively make a big environmental impact. At Lincoln Financial, we continue our work to further reduce our environmental footprint while enhancing our business performance.
Conserving resources through recycling

**Achieving 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 2018**

- **521 tons** paper and cardboard
- **185 tons** scrap metal
- **7 tons** electronics
- **0.6 tons** batteries
- **5,869** light bulbs
- **400** 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 2018, employees participated in a variety of activities, including community and park cleanups, recycling drives and environmental education events.

Earth Day 2018

In 2018, we invited all employees to celebrate Earth Day through our second annual “Make a Pledge, Plant a Tree” campaign. More than 400 employees responded by making a personal commitment to take charge of their impact and improve their environmental footprint. For each employee pledge, Lincoln Financial donated to the Arbor Day Foundation's Trees in Celebration program, which plants trees in national forests.
2018 Environmental performance data

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

<table>
<thead>
<tr>
<th>Greenhouse gas (GHG) emissions by scope (tonnes CO2e)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>3,830</td>
<td>3,702</td>
<td>2,665</td>
<td>2,928</td>
<td>2,905</td>
</tr>
<tr>
<td>Scope 2</td>
<td>12,695</td>
<td>12,600</td>
<td>11,155</td>
<td>11,099</td>
<td>10,406</td>
</tr>
<tr>
<td>Scope 3</td>
<td>30,845</td>
<td>30,597</td>
<td>28,082</td>
<td>26,074</td>
<td>29,651</td>
</tr>
<tr>
<td>Total</td>
<td>47,370</td>
<td>46,899</td>
<td>41,902</td>
<td>40,101</td>
<td>42,962</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Waste and recycling (US tons)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landfill</td>
<td>4,349</td>
<td>1,424</td>
<td>1,888</td>
<td>2,355</td>
</tr>
<tr>
<td>Recycling</td>
<td>848</td>
<td>965</td>
<td>832</td>
<td>1,033</td>
</tr>
<tr>
<td>Waste to energy</td>
<td>92</td>
<td>155</td>
<td>106</td>
<td>108</td>
</tr>
<tr>
<td>Total</td>
<td>5,289</td>
<td>2,544</td>
<td>2,825</td>
<td>3,497</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Energy usage (MWh)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chilled water</td>
<td>459</td>
<td>418</td>
<td>2,107</td>
<td>2,000</td>
<td>2,114</td>
</tr>
<tr>
<td>Mobile</td>
<td>8,927</td>
<td>7,057</td>
<td>5,712</td>
<td>6,766</td>
<td>5,274</td>
</tr>
<tr>
<td>Stationery</td>
<td>18,134</td>
<td>15,718</td>
<td>14,855</td>
<td>13,596</td>
<td>16,882</td>
</tr>
<tr>
<td>Electricity</td>
<td>64,564</td>
<td>63,358</td>
<td>61,098</td>
<td>57,976</td>
<td>56,502</td>
</tr>
<tr>
<td>Total</td>
<td>92,083</td>
<td>86,552</td>
<td>83,773</td>
<td>80,338</td>
<td>80,772</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water usage (gallons)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total for sites with actual data</td>
<td>43,276,240</td>
<td>48,370,974</td>
<td>46,975,965</td>
<td>37,250,478</td>
</tr>
<tr>
<td>Estimate for other sites</td>
<td>8,500,800</td>
<td>8,654,800</td>
<td>8,681,200</td>
<td>17,899,200</td>
</tr>
<tr>
<td>Total</td>
<td>51,777,040</td>
<td>57,025,774</td>
<td>55,657,165</td>
<td>55,149,678</td>
</tr>
</tbody>
</table>

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

1 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.

2 For all years, Scope 3 includes commercial and charter air travel, personal vehicle travel and upstream leased assets. In 2018, data for rental car travel was added. None of the data includes rail travel. Scope 3 emissions reported in 2018 increased due to the addition of rental car travel data (business travel) and employees from the acquisition of Liberty Life Assurance Company of Boston (upstream leased assets). See page 6 of this report for more details on the acquisition.

3 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.

4 Data accuracy improved with the availability of more actual (vs. estimated) data in 2018 and adjustments that have been made to previously reported data based on new information received after the last reporting period. The increase in landfill waste in 2018 relates to construction waste from capital projects in Greensboro and Fort Wayne and an increase in the number of employees.

5 2018 estimated water use increased due to an increase in the number of employees included in the estimated data. Water use for sites with actual data decreased in 2018 as a result of a water leak repair and efficiency improvements.
Responsible business practices

Acting with integrity is foundational to our success. We know that every action counts. We dedicate ourselves to upholding high ethical standards while working to provide exceptional services and products to our customers.
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; it is a roadmap to ethical decision-making and behavior that ensures we remain on the path to 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 and related policies throughout the year. All of our employees also receive annual training in the prevention of harassment and workplace violence, as well as privacy/cybersecurity. Many of our employees also receive role-based training as needed.

**Communicating our expectations**

Lincoln Financial has developed an ethics and compliance communications plan through which we continually reinforce the tenets of our Code of Conduct along with our expectation that our employees and agents will behave in accordance with our shared values and principles. We have also designed support systems to make it easy for employees to "do the right thing" every time. For example, in 2018 we launched an internal ethics and compliance social media channel along with an article series called *What Would You Do* that brings our updated Code of Conduct to life with stories based on actual events at Lincoln Financial.

**Managers' responsibilities**

Through our Code of Conduct policy and training, we emphasize the special role of managers and their additional responsibilities, including our expectation that they understand all applicable anti-harassment laws and 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. In 2018, we improved the Hotline to add live chat functionality and other improved methods of communicating with reporters, even those who choose to remain anonymous. [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, and policies related to improper payments and the Foreign Corrupt Practices Act.

**Annual compliance risk assessment**

Each year, an enterprise compliance risk assessment is conducted to update our understanding and prioritization of risk areas. Matters related to bribery, anti-fraud, collusion, anti-kickback regulations, unfair practices, conflicts of interest and corruption are included as part of this risk assessment.
Ongoing compliance monitoring

To ensure colleagues are acting in accordance with internal guidelines, Lincoln Financial regularly collects information regarding compliance with the Code of Conduct and our policies. This information is analyzed and the matters raised are investigated and resolved through the Office of the General Counsel. The legal and compliance department meets quarterly 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 our processes and key controls, including policies and training should be should be revised.

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 Conduct of Conduct >

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.

The Board follows Corporate Governance Guidelines to promote the functioning of the Board and our committees. These guidelines also set forth a common set of expectations as to how the Board should perform its functions.

Our Board maintains independence standards, which are included in the guidelines. These independence standards require that a majority of our directors must 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.

Lincoln Financial’s efforts focus on promoting sustainable communities and business practices through philanthropy and volunteerism and our environmental, social and governance practices. The Office of Corporate Responsibility is responsible for developing and implementing the company’s 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 related to identified issues for our company.
Our sustainability management system

Lincoln Financial recognizes the importance of regularly evaluating environmental, social and governance (ESG) factors that may impact the business.

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.

Managing risk

Enterprise risk management is an integral part of our business processes. Senior management is primarily responsible for establishing policies and procedures designed to assess and manage the Company’s significant risks.

We also have a Corporate Enterprise Risk and Capital Committee, made up of members of senior management and the Chief Risk Officer, which 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 and the Emerging Risk Task Force. 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.

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. Many of Lincoln's third-party asset managers are signatories to the United Nations' Principles for Responsible Investment (UN PRI), with the majority having formal ESG investment statements or policies. In addition, to enhance our internal understanding of these factors, designated individuals are required to participate in ESG training on an annual basis.

Climate change factors may also result in additional risk to our investment portfolio. These risks can include operational, market, liability, policy and regulatory.

Read our ESG Investment Policy >

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™ group variable annuities and other retirement plan solutions.

View a list of these funds >
Privacy and data security

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

Protecting customer privacy
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 has also adopted an incident response program.

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, we introduced phishing simulation training to build employee ability to detect dangerous emails and prevent data breaches. We also provide mandatory privacy training annually to help employees understand the important role they play in ensuring that confidential information is accurate, relevant, current and protected.

Account security
Lincoln Financial is committed to safeguarding customer data and protecting their accounts. In 2018, we enhanced this program by adding extra layers of security at several points:
- Knowledge-based authentication has been added to the registration process for all new online users. Two-factor authentication is now mandatory for all customer logins online.
- We deployed innovative anti-fraud controls in our call centers.

As cyberfraud schemes continue to evolve, Lincoln Financial continues to work to protect our customers. A new 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 >

Safeguarding customer privacy
Lincoln Financial is subject to both federal and state legislation and regulation governing the protection of the nonpublic personal financial and health information we receive about our customers. Proper handling of confidential information, including nonpublic personal information, which consists of medical, financial and employment information, and strategic business and financial information, is important to Lincoln Financial. We have adopted policies and procedures that we believe are reasonably designed to comply with all applicable federal and state privacy legislation and
Awards-winning annuity and life customer service

Lincoln Financial's Annuity and Life Operations Call Centers were both named 2018 Top Call Centers in North America by BenchmarkPortal for demonstrating customer experience excellence. The recognition is based on objective, metrics-driven performance evaluating more than 200 Lincoln Financial service professionals interacting with over 2.5 million customers.

In further recognition of our customer service excellence, our Annuity Operations service teams earned the top ranking among annuity carriers in the 2018 Operations Managers’ Roundtable annual survey. Lincoln Financial has earned the top position for four consecutive years and placed first in all seven categories in the 2018 survey, a first in the survey’s history.

Our accomplishments reflect our teams’ commitment to hearing the voice of the customer and using feedback to continuously enhance the customer experience.
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 a superior customer experience, streamline efficiencies and help us respond swiftly to changing market conditions.

Many of these advances are the result of the innovative uses of information technology (IT) and digitization of processes. In 2018, we continued and accelerated investments in our IT and digital capabilities as we enhanced the customer experience, improved the way we work and innovated with digital and data.

Enhancing the customer experience

In 2018, we used technology to introduce new products, services and tools, many of which empower our customers to interact with Lincoln Financial using whichever communication channel they prefer.

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. Launched in 2018, the new technology platform will simplify access for employer partners by providing streamlined administration, enhanced flexibility and expanded billing options.

Life Insurance advances

Lincoln Financial was the first life insurance carrier 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. Users can choose from public and secure chat options and have the option to transfer to a live representative during normal business hours.

We were recognized for our innovation in technology that changes the way insurance is purchased. Our new online LincXpress Tele-App® telephone application scheduling tool and text message reminders help provide consumers with an end-to-end electronic life insurance purchasing. These new technologies have reduced wait time and deliver a better experience for both our agents and customers.

During 2018, Lincoln Financial rolled out Lincoln i-Claim, one of the industry's first digital claims experiences for annuities. i-Claim provides personalized service while allowing for faster turnaround, improved accuracy and a simplified customer experience.
Retirement Plan Services enhancements
Lincoln Financial’s high-touch, high-tech model continues to make it easier for participants to navigate their benefits, increase their contributions and track their progress against retirement goals. New in 2018 was Lincoln WellnessPATH®, a financial wellness tool that retirement plan sponsors can offer to help participants pave a path to financial wellness and reach their retirement savings goals.

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 lives. From every day 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.

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 desires and our commitment to helping Americans build retirement income for life. This understanding is based on our ongoing market research.

Our 2017 Employee Benefits Study revealed that most consumers are self-taught regarding personal finance. Based on these insights, Lincoln Financial produced a new video and provided tips to help educate consumers so they can feel more empowered to make decisions and create a holistic financial plan for their future.

Saving for retirement is the number one financial stressor, according to our 2018 Employee Perspectives on Financial Wellness. As part of our commitment to helping Americans achieve a lifetime income, Lincoln Financial marked National Retirement Security Week by helping consumers improve their ability to retire. We offered simple but effective steps to boost customers’ savings and shared an online animated calculator that shows the impact that delaying saving can have.

Planning for a lifetime Income
We believe that each American deserves protected retirement income that will last the rest of their life. And we believe it’s our responsibility to help Americans get the facts. To that end, Lincoln Financial has joined with leading retirement thinkers, advocates and providers in our industry as a founding member of the Alliance for Lifetime Income to help ensure that customers have the resources to plan for reliable retirement income. The Alliance provides education on retirement income planning and how annuities can fit into those plans.

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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 2018, 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, 2018, 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 2018 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.