Lincoln National Corporation - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Through its affiliated companies, Lincoln National Corporation offers: annuities; life, group life, disability and dental insurance; 401(k) and 403(b) plans; savings plans; and comprehensive financial planning and advisory services. All business units are included in the company's GHG inventory. Their contributions to emissions are based on whether operations are conducted from leased facilities (Scope 3) or company-owned facilities (Scope 2), and whether, for the relevant larger facilities, they have direct Scope 1 emissions.

With headquarters in the Philadelphia region, the operating companies of Lincoln National Corporation had assets under management of $365.948 billion as of December 31, 2020. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliated entities.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Investing (Asset owner)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board of Directors has delegated to the Corporate Governance Committee (the "CGC") authority to take a leadership role in shaping corporate governance of Lincoln. At Lincoln, corporate governance means the responsibility to ensure the company is governed by an independent board, is managed in the best interests of our shareholders, and is accountable as a good corporate citizen. The CGC advises the board on corporate governance matters, including an oversight role in the company's strategy and reputation related to sustainability, including climate change, and corporate social responsibility. The CGC members have familiarity in corporate governance matters generally and in the company's responsibilities in the communities in which it makes an impact. The CGC is informed by the Office of Corporate Responsibility (OCR), regarding relevant sustainability issues and trends, including new GHG emissions targets, and other climate-related matters as they emerge.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations The impact of our own operations on the climate	The Chief Sustainability Officer (CSO) reports to the Board on at minimum an annual basis. The CSO provides the Corporate Governance Committee of the Board of Directors with information about Lincoln's management of environmental, social and governance risks and opportunities consistent with the company's Sustainability Management System. The report also includes information on competitive positioning, progress relative to goals, and future strategy. Questions and feedback from the CGC are provided through these meeting mechanisms and are generally communicated by the CSO to the Sustainability Advisory Group and management team as warranted. Questions and feedback from the CGC are provided through these meeting mechanisms and are generally communicated by the CSO to the Sustainability Advisory Group and management team as warranted.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Other, please specify (Chief Human Resources Officer)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	Annually

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Chief Sustainability Officer (CSO) reports to the Executive Vice President and Chief Human Resources Officer who reports directly to the CEO. The CSO oversee enterprise-wide integration of sustainability practices along with climate change risk and opportunity assessment. The office was created to provide centralized oversight and management of Corporate Sustainability and Responsibility (CSR) activities and reporting across the enterprise. 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.

Among other things, the CSO has been charged with collecting information and coordinating responses to disclosure requests and RFP's, as well as supporting the development of voluntary communications regarding social and environmental impacts and actions. The CSO is a subject matter expert whose portfolio and resulting oversight responsibility is corporate responsibility and sustainability. As such the CSO also manages the coordination with various other business units and subject matter experts throughout the company to implement an integrated sustainability strategy aligned with Lincoln's overarching business goals.

The CSO, with support from team members and consultants, regularly reviews information pertaining to the impact of climate change on business and the risks and opportunities related to climate change for life insurance and financial services companies, in particular. Information is gathered from a variety of sources such as Ceres, NAIC, UNPRI, and Bloomberg and is reviewed with information from other published articles, research reports, company reports, conferences, and conversations with experts. Identified areas of risk and opportunity are reported to and discussed quarterly with the Sustainability Advisory Group, a cross functional team comprised of senior management that represent a majority of Lincoln's business units. Areas of opportunity and risk related to climate change are also reported and discussed directly with members of individual business units, such as the investment team, facilities team, compliance, and product groups as appropriate.

The Chief Risk Officer (CRO) also supports climate-related issues as part of the enterprise risk management (ERM) program. The underlying ERM framework identifies, monitors, and manages risks holistically, and therefore climate-related considerations can be captured through the various underlying processes and procedures established under this framework.

Climate change risks are identified using the company's Risk Control Self-Assessment (RCSA) process. The RCSA process surveys the risk liaison network at least twice a year. The Risk Liaison Network has been established with key partners from various departments, including the CSO, that aid in executing the Enterprise Risk Management Framework across the organization. The network is comprised of vice presidents and assistant vice presidents from the business segments and functional areas, 2nd line of defence partners, and subject matter experts. During the RCSA process, risks are prioritized based on likelihood and impact (financial and non-financial) and aggregated into a corporate view. Enterprise Risk Management works with the risk liaison network to identify emerging risks (strategic, reputational, and competitive) including climate change. This comprehensive approach that combines quantitative and qualitative analysis ensures that material risks to the organization are being identified, mitigated, and brought to the attention of senior leaders as needed. This process is continually evolving to develop a better understanding of risks facing the organization.

Through Lincoln'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. Severe weather has the potential to impact Lincoln's facilities directly. Risk assessments are also conducted at specific sites with greater exposure to natural risks, such as severe winter weather (ex. Hartford, CT site) and tornadoes (ex. Omaha, NE site). To mitigate the impact of such events, business continuity and disaster recovery plans are in place for critical business units.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Sustainability Officer (CSO)	Monetary reward	Company performance against a climate-related sustainability index	General sustainability, including management of climate change risks and opportunities. A component of the annual compensation formula for the Chief Sustainability Officer is based on sustainability performance.
Facilities manager	Monetary reward	Emissions reduction project	Merit increases for facilities managers are tied to performance evaluations, which include goals related to Energy Star performance and energy management in buildings.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No	None of our retirement plans appear to directly meet the specific wording of the questions and responses provided. However, we offer a 401(k) plan to all employees containing a self-directed brokerage account which permits the individual employee the ability to select from essentially any stock, bond or mutual fund including those representing ESG principles, including climate change. In addition the process for selecting the core 401(k) plan investment options takes into consideration aspects of such principles within regulatory guidelines. This includes obtaining from the investment managers their individual ESG policies.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	
Medium-term	3	6	
Long-term	6	30	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Risks are prioritized based on likelihood and impact (financial and non-financial) and aggregated into a corporate view. Likelihood is considered high if there is a >50% chance of it occurring within the next three years, medium if there is a 20%-50% chance of it occurring within the next three years, and low if there is a <20% chance of it occurring within the next three years. High (>10% impact to baseline earnings), medium (5-10% impact to baseline earnings), or low impact (<5% impact to baseline earnings) is defined relative to each business unit based on sales, earnings, and statutory capital. Using these two considerations, a substantive financial impact is considered to have a high impact with medium or high likelihood.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
General Risk Identification Climate change risks are identified in the company's Risk Control Self-Assessment (RCSA) process. The RCSA process surveys an internal network of risk partners, comprised of risk representatives from across the organization including CSR, at least twice a year. Risks are prioritized based on likelihood and impact (financial and non-financial) and aggregated into a corporate view. The Enterprise Risk Management (ERM) team works with the network to identify emerging risks (strategic, reputational, and competitive) including climate change. Members of the network reach out to the members of their area to identify key risks facing the organization from the areas perspective. This process is continually evolving to develop a better understanding of risks facing the organization. The CSO provides key information on climate change risks and opportunities during this process. To gather this information, Lincoln's CSR team regularly engages with consultants, associations and a cross functional, senior level, internal committee. Discussions cover developments in the market and trends related to climate change and the potential risk and opportunity for the company. At an asset level, Lincoln considers risks related to its physical assets and invested assets. For physical asset risks, sites with a higher likelihood of being impacted by severe weather are assessed. From an investment perspective, Lincoln requires its third-party asset managers to consider ESG factors, including climate-related risks, in their selection and review process as appropriate. For investments managed internally (mortgage and real estate holdings), Lincoln incorporates ESG and climate change factors into a range of factors in its investment management process. We review environmental assessments on all real estate securing our mortgage loan investments. We also consider opportunities such as investments in renewable energy companies and projects. Once a risk has been identified, it is reported to the company's Sustainability Advisory Group, which consists of senior level executives from all business units and functions. Depending on the discussion and response from the Sustainability Advisory Group, the CSR team may continue evaluation and planning discussions outside of the meeting with the appropriate individuals, whether that be the facilities team, the investment team, a product team or other function. The process for managing opportunities is the same as for managing risks. Transition Risk Case Study The risk with the greatest level of impact on company operations to date is "Reputation: Increased stakeholder concern or negative stakeholder feedback". Increased stakeholder communication is one of the primary drivers behind Lincoln's decisions to establish its Office of Corporate Responsibility, report to CDP, and publish a CSR report on the company website. Over the last few years, the number of stakeholder questions related to the impact of climate change on Lincoln and its associated management practices has increased. The CSR team presents and discusses these inquires at every quarterly Sustainability Advisory Group meeting as well as regularly between meetings with internal business unit leaders and other relevant internal stakeholders. To proactively address the increased interest, Lincoln has published a CSR report that describes Lincoln's approach to managing issues of interest such as the integration of ESG considerations, including climate change, into enterprise risk management and investment management processes; progress against our GHG targets; and business continuity planning. Physical Risk Case Study Extreme weather events such as tornadoes, hurricanes and floods have the potential to impact Lincoln's facilities and workforce. To understand these impacts, we contemplate multiple scenarios during our continuous business impact analysis process. Local and specialized incident management teams reside in our facilities, business and technology areas led by subject matter experts. If a severe event occurs, these teams feed critical information to a dedicated crisis management team. For severe weather events, Lincoln has dedicated resources who use a situational awareness tool along with information gleaned from local teams to track and respond. We use an emergency notification and crisis management tool to keep teams engaged and updated throughout the event. Using Hurricane Isaias (2020) as a recent example, Lincoln began tracking the storm and its potential impact a week in advance. Teams completed report outs, which summarized the impacted areas with specific focus on employees, assets and locations. Lincoln has enhanced the reporting to now contemplate the dispersed risk that comes with a large portion of our staff working from home. The company also has the capability to monitor ad-hoc locations for large employee meetings, reducing the risk of being unaware of incidents in places where we had a concentration of employees, often times key decision makers.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	For example, Lincoln is required to report climate change information to the National Association of Insurance Commissioners annually. This request and the questions therein are reviewed by the Office of Corporate Responsibility (OCR) and discussed with the appropriate Lincoln business units, including the Public Policy group.
Emerging regulation	Relevant, always included	The OCR monitors the industry and the national and local political environment for emerging environmental regulation, such as, for example, carbon tax or building codes, and other regulatory proposals and initiatives. The OCR and Risk Management teams further assess these risks. The OCR confers with Enterprise Risk Management, the internal network of risk partners, and the Public Policy group to evaluate a risk of emerging regulation.
Technology	Not relevant, explanation provided	Lincoln's products do not result in any emissions and Lincoln does not incur the cost of transitioning to lower emission technology directly. Lincoln periodically reviews opportunities related to solar, but it is not considered a risk because of our low energy spend.
Legal	Relevant, always included	Risks related to increased climate change disclosure requirements are reviewed on an annual basis by the Office of Corporate Responsibility (OCR), such as, for example, mandatory public disclosure related to climate change risks. The OCR determines whether the risk warrants discussion with Enterprise Risk Management, the internal network of risk partners, and the Public Policy group. Lincoln's Legal and Compliance Group monitors these risks and ensures that our public reporting is in compliance.
Market	Relevant, always included	For example, the potential impacts to our product assumptions based on climate change. Our product and underwriting teams evaluate a wide range of data resources, participate in industry studies, and closely monitor the mortality and morbidity of our insured population. In addition, critical assumptions for these liabilities are evaluated on an annual basis through a governance structure that ensures consistency across the enterprise and elevation of experience analysis, sensitivity testing, and impacts on liabilities to executive leadership. Climate change can impact health status but, to date, we have not noted unfavorable mortality or morbidity experience related to climate change. For that reason, climate change has not impacted product pricing or assumptions. Product and risk representatives within Lincoln participate on the Sustainability Advisory Group and discuss these findings with the Office of Corporate Responsibility.
Reputation	Relevant, always included	The risk of not meeting, or not being perceived as meeting, expectations of investors and/or customers regarding managing climate change impacts. For example, there has been an increase in climate-related inquiries from customers and investors. These risks are assessed on a quarterly basis by the OCR, and subsequently discussed with the Investor Relations team as needed. The OCR also discusses this risk, when warranted, with members of the internal network of risk partners.
Acute physical	Relevant, always included	Extreme weather events such as, for example, tornadoes, hurricanes and floods have the potential to impact Lincoln's facilities and workforce. To mitigate the risk of a business disruption based on a weather-related event, business continuity and disaster recovery plans are in place for critical business units. Risk assessments are conducted at sites with greater exposure to natural risks such as severe winter weather (ex. Hartford, CT site) and tornadoes (ex. Omaha, NE site). Plans are completed based on three key loss scenarios: loss of building, data, and people. Additionally, the Chief Resilience Officer is a member of the Operational Risk Committee. This ensures that planning, response and recovery risks are recognized as part of the operational risk management process.
Chronic physical	Relevant, always included	For example, the potential health impacts of climate change on morbidity and mortality of our customers. We routinely monitor general population (CDC), industry and company specific mortality and morbidity patterns. This monitoring includes mortality trends along with cause of death analysis. Climate change can impact health status although we have not noted unfavorable experience related to climate change. Product and risk representatives within Lincoln participate on the Sustainability Advisory Group and discuss these findings with the Office of Corporate Responsibility.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	As outlined in our ESG Investment policy, Lincoln and its asset managers consider a range of relevant ESG factors into due diligence, monitoring, and investment decision making. Please see our ESG Investment Policy. https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Majority of the portfolio	Qualitative and quantitative	As outlined in our ESG Investment policy, Lincoln and its asset managers consider a range of relevant ESG factors into due diligence, monitoring, and investment decision making. https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf and below:
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Majority of the portfolio	As outlined in our ESG Investment policy, Lincoln and its asset managers consider a range of relevant ESG factors into due diligence, monitoring, and investment decision making. https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf and below:
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	<Not Applicable>	

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Majority of the portfolio	As outlined in our ESG Investment policy, Lincoln and its asset managers consider a range of relevant ESG factors into due diligence, monitoring, and investment decision making. https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	<Not Applicable>	

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Not applicable	Lincoln Financial is not an active asset manager for financial clients/investees.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description

The risk of disruption originating from a weather-related event resulting in loss of revenue, impact to reputation and cost associated with reconstituting and/or recovering business operations. Extreme weather events such as tornadoes, hurricanes and floods have the potential to impact Lincoln's facilities and workforce. For example, Lincoln's offices located in the southeastern United States, such as Greensboro, NC and Atlanta, GA may be vulnerable to increased flooding as a result of the severity, duration and frequency of seasonal storms. In the event of a disaster such as a natural catastrophe, unanticipated problems with our disaster recovery systems could have a material adverse impact on our ability to conduct business and on our results of operations and financial condition, particularly if those problems affect our computer-based data processing, transmission, storage and retrieval systems and destroy valuable data. In addition, in the event that a significant number of our managers were unavailable following a disaster, our ability to effectively conduct business could be severely compromised. These interruptions also may interfere with our suppliers' ability to provide goods and services and our employees' ability to perform their job responsibilities. To mitigate the risk of a business disruption based on a weather-related event, business continuity and disaster recovery plans are in place for critical business units. During COVID-19, we assessed our key suppliers to ensure continued availability or the need to identify backup alternatives. Although not specific to a natural disaster, we do now have a process to utilize in other circumstances that we can pull from. The company's planning, procedures and training are tailored to each location and its specific risks. Risk assessments are conducted at sites with greater exposure to natural risks such as severe winter weather and tornadoes. Lincoln uses a tiered structure for incident management which helps empower the appropriate level of leadership to manage an Incident. It also helps make sure applicable decision-makers are involved throughout the process. https://www.lfg.com/wcs-static/pdf/4Q2020%20LNC%2010-K.pdf https://www.lfg.com/public/legal/businesscontinuity

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
30000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Lincoln calculates the cost by averaging hourly cost of the enterprise core team (exec leadership, planning team and SMEs from facilities, corporate communication, HR and LOB support). This includes the per event cost of Lincoln personnel against the average of 10 disruptive events that require involvement by the business resilience SMEs. The use of standard enterprise risk management and planning tools (i.e. emergency notification, business continuity planning and situational awareness tools) is not included, as these are considered standard operating needs for a properly resourced program. Lincoln has offices only in the US and does not have a large coastal or West Coast office presence, limiting the impacts from events that cause significant wind and water damage.

Cost of response to risk
30000

Description of response and explanation of cost calculation
Lincoln's Business Continuity Plans focus on proactive planning, agile solutions and recovery procedures aimed to reduce the impact of an incident. The corporate Enterprise Risk Management team calculates capital requirements based on catastrophic and other extreme events, which encompasses climate-driven scenarios. One of four standard planning scenarios examines the impact of weather events on facilities, functions and staff. Each key city location has a resident Crisis Management Team charged with planning for and managing disruptions occurring at a local level. These teams are supported at a corporate level by a senior leadership Enterprise Crisis Management Team that handles escalation of events that may span multiple location and/or business units. Because Lincoln is geographically dispersed and many functions can be moved between sites, the likelihood of any significant financial impact is low. We have a strong real estate risk process that evaluates typical impacts to offices. The process takes into account the impact of outages when leases come up for renewal. The majority of offices that would likely be impacted by the defined risk (tropical cyclones, hurricanes and typhoons) are leased sites meaning the cost associated with reconstituting an office would not be borne by Lincoln. We did not experience any disruptions in 2020, but based on disruptions in prior years, the financial impact associated with outages would be primarily associated with travel to an alternate location, shipment of equipment and short-term office rentals.

Comment
Time horizon: also long term and unknown

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Reputation	Stigmatization of sector

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
For financial services companies, there are some climate risk drivers that could impact the reputation of the entire sector. One example might be the ability to attract and retain talent. There is a risk of losing or being unable to attract talent, particularly among millennials, if they do not view the industry or Lincoln in particular as a "responsible company." Because Lincoln's programs, such as the Leadership Preparation Program (LPP), focus on attracting early talent, the company could be affected by this risk. A reduced supply of early talent might hinder the company's ability to compete for talent and require us to rethink strategy and restructure our talent acquisition program.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
55000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The $55,000 represents the cost estimate of losing 10% of our high potential early talent. The financial impact is based on the cost of recruiting new college graduates and employees in the leadership rotational program, which would increase if Lincoln were to face a reputational risk affecting talent acquisition and retention.

Cost of response to risk
450000

Description of response and explanation of cost calculation
Lincoln's Corporate Social Responsibility (CSR) team engages with current employees on Lincoln's sustainability initiatives, including climate change management across the company's locations. 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. Throughout the year, across our 11 locations, we provide resources and information to help employees create a cleaner, healthier world and promote appreciation and awareness at events like Earth Day. In concert with our locations' Employee Activities Committees, we plan a variety of earth-preserving activities such as community and park cleanups, recycling drives and environmental education events. In 2020, 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. We share current information with our employees through our internal communications channels including the company's intranet and newsletters, hold in-person strategy meetings, and launch the annual Corporate Social Responsibility report which highlights our sustainability achievements and future goals. (CSR Report) The CSR team also works with the external communication team and recruiting business units to ensure their work is communicated to potential employees, stakeholders and the press. The cost ($450k) related to managing this risk was calculated by totaling the cost of staff, consulting, report creation, software, and third-party verification expenses.

Comment
N/A

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
In certain business segments, which include Group Protection and Retirement Plan Services, existing and potential customers may be looking to assess climate change related risks in their supply chain. Were they to use climate change risk as a primary or secondary criterion for selecting an insurance or retirement plan partner, and were they to find Lincoln unprepared, this may impact their decision to do business with us. Lincoln continuously monitors requests for climate-related information in RFPs so that we can keep pace with market expectations in this regard. In the past year Lincoln has noted increased focus in some RFPs in this regard and has incorporated such information into established feedback loops to inform our continuous improvement process. Lincoln recognizes that our customers are thinking about ESG factors in their investments. For this reason, a variety of socially responsible investment options are available within the subaccounts of our products, including our individual and group variable annuities, variable universal life, and other retirement plan solutions. In addition, Lincoln's proprietary ESG fund, the LVIP Delaware Social Awareness Fund is one of the longest tenured ESG funds in the insurance industry and is available across our products. There are currently 330 socially-conscious/sustainable funds (as categorized by Morningstar) available to plan participants available in Lincoln Financial Group's Alliance Product offering. The Alliance product is a mutual fund based 401k product sold through advisors and pension consultants to medium and large size 401k plans. Within Lincoln's Investor Advantage, ChoicePlus Variable Annuity, Variable Universal Life, Group Variable Annuity 403b, and 401K (MultiFund and Director) product lines, ESG fund choices are also available. Sources: https://www.lfg.com/wcs-static/pdf/ESG%20Funds%20PDF.pdf https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
2050000

Potential financial impact figure – maximum (currency)
4100000

Explanation of financial impact figure
The estimated financial impact would range from approximately $2.05M – $4.10M. This number was calculated assuming the risk would affect less than 1% of Lincoln's Group Protection and Retirement Plan Services businesses. The range represents a loss between .5% and 1% of the income from operations in 2019. This timeframe was maintained to avoid underestimating the impact due to income reductions from COVID-19.

Cost of response to risk
450000

Description of response and explanation of cost calculation
As part of its process for continuous improvement and its commitment to understanding and meeting customer expectations, Lincoln established the Office of Corporate Responsibility and the senior level Sustainability Advisory Group to assess and manage climate related risks and to communicate the results of that work to stakeholders both publicly, through CDP, our annual report, and our CSR report, and directly through RFPs. We have set specific, measurable climate-related goals and use a variety of metrics so that we are able to measure and communicate our commitment to the environment. The OCR works with the business units to track and assess ESG related questions in customer RFPs and industry trends, all of which inform areas of focus going forward. Lincoln continuously monitors requests for climate-related information in RFPs so that we can keep pace with market expectations in this regard. In the past year Lincoln has noted increased focus in some RFPs in this regard and has incorporated such information into established feedback loops to inform our continuous improvement process. As a result, Lincoln has earned a number of accolades, including: Newsweek's 2020 America's Most Responsible Companies list recognized Lincoln as #37 overall and #3 based on Environmental Score. This ranking evaluates 2,000 public companies to determine which firms rank highest when it comes to doing good. For the fourth consecutive year, Lincoln was named to the prestigious Dow Jones Sustainability Index (DJSI) North America. The cost ($450k) related to managing this risk was calculated by totaling the cost of staff, consulting, report creation, software, and third-party verification expenses.

Comment
N/A

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
No

C2.4b

(C2.4b) Why do you not consider your organization to have climate-related opportunities?

	Primary reason	Please explain
Row 1	Opportunities exist, but none with potential to have a substantive financial or strategic impact on business	The process for identifying potential opportunities begins with the office of Corporate Social Responsibility. The team regularly reviews industry and sustainability related research reports and market analysis and discusses the potential emerging trends that may impact a company offering life insurance, group protection, annuity and retirement plan services. Opportunities that warrant further review are discussed in the cross functional, senior level, Sustainability Advisory Group meetings. Based on this assessment process, Lincoln does not foresee any new opportunities that have the potential to generate a substantive change in our business operations, revenue or expenditures in the next 3-6 years. We are a U.S. company subject to all states' unfair trade practices laws and regulations. We do not consider the location of our customers in determining the amount we charge for insurance coverage. Lincoln has evaluated the following as potential opportunities and in all cases the likelihood or magnitude or both were below the threshold of significant: • The potential for a carbon tax or carbon cap and trade program in the US. • The potential for greater SEC requirements on reporting on non-financial material issues, such as greenhouse gas emissions. • The degree to which the company's level of preparedness for the physical impacts of climate change could impact the company's reputation. • If increased communication about this level of preparedness could positively influence the purchasing or investment decisions of some of the company's stakeholders who are factoring climate change into their decision-making process. • If the company's communications on management of risks and opportunities related to climate change, or its calculation and management of carbon emissions, might positively influence consumer choice for insurance and retirement service. In all cases, the potential to impact the company substantively were deemed insignificant. For example, if a mandatory cap and trade program, within which Lincoln would be regulated, were instituted in the US in the next six years, it is highly likely that Lincoln's emissions would fall below the regulated level. This could provide Lincoln with an opportunity for additional revenue through the sale of carbon credits or tax benefits. However, given the relatively low level of spend on energy, these opportunities were estimated as not likely to substantively influence operations.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 2.6 RCP 8.5	Lincoln has completed an initial analysis that takes into consideration extreme and baseline scenarios to qualitatively identify the key risk categories associated with these scenarios. Potential for risk mitigation actions in scenarios were also considered during the evaluation, though opportunities were excluded for conservatism. Current enterprise stress testing for each identified risk was leveraged to understand the materiality of the risks.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	No	We have not seen any material changes in morbidity, mortality or the competitive landscape due to climate change that would impact how our products and services are structured.
Supply chain and/or value chain	No	Lincoln has not received any requests to manage climate change issues for its suppliers, nor has there been any climate related event that has prompted concern regarding suppliers. Given the nature of Lincoln's spend being primarily services based in the US, it is not anticipated that any climate change related event will increase supply chain costs by more than a fractional amount in the next 3-5 years.
Investment in R&D	No	We have not seen any material changes in morbidity, mortality or the competitive landscape due to climate change that would impact how investment in R&D for products and services are structured.
Operations	Yes	The Office of Corporate Responsibility has a well-established process for collecting and reporting data and information related to the company's environmental impacts, including climate change and GHG emissions. The impact has been moderate and has included administrative and staff costs. Activities and related goals have included and continue to be focused on improvements to facilities to improve energy management and reduce GHG emissions, including occupancy optimization strategies, energy efficiency improvements to equipment, and conservation efforts. For example, if the expected ROI for a newly proposed energy reduction project is within 12-18 months, the project will be funded from the current year's energy budget. If the ROI period exceeds 18 months, projects are reviewed as part of the annual company-wide strategic planning process. All decisions regarding the purchase of equipment, changes to building structures and or systems or processes are evaluated based on the financial cost and benefit to the organization. For every project, various methods of accomplishing the goal will be evaluated. Energy efficiency is among the factors considered in the decision-making process. Upon undergoing a renovation in our facilities, Lincoln explores opportunities to integrate energy efficient technologies and compares this with the cost of standard technology. For example, Lincoln made the decision to use energy efficient technologies, such as chillers and lighting equipment, in several of its locations, including Greensboro, Omaha and Fort Wayne. Many of these are capital expenditure projects for which capital is allocated based on analysis of both first cost and cost savings over time, as well as reductions in Scope 1 and Scope 2 GHG emissions. The magnitude of this impact is moderate and has been a predominant source of our Scope 2 emission reduction thus far.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures Assets	Upon undergoing a renovation in our facilities, Lincoln explores opportunities to integrate energy efficient technologies and compares this with the cost of standard technology. For example, Lincoln has used energy efficient technologies, such as chillers and lighting equipment, in several of its locations, including Greensboro, Omaha and Fort Wayne. Many of these are capital expenditure projects for which capital is allocated based on analysis of both first cost and cost savings over time, as well as reductions in Scope 1 and Scope 2 GHG emissions. The magnitude of this impact is moderate and has been a predominant source of our Scope 2 emission reduction thus far. Activities and related goals have included and continue to be focused on improvements to facilities to improve energy management and reduce GHG emissions, including occupancy optimization strategies, energy efficiency improvements to equipment, and conservation efforts. For example, if the expected ROI for a newly proposed energy reduction project is within 12-18 months, the project will be funded from the current year's energy budget. If the ROI period exceeds 18 months, projects are reviewed as part of the annual company-wide strategic planning process. All decisions regarding the purchase of equipment, changes to building structures and or systems or processes are evaluated based on the financial cost and benefit to the organization. For every project, various methods of accomplishing the goal will be evaluated. Energy efficiency is among the factors considered in the decision-making process. The Office of Corporate Responsibility has a well-established process for collecting and reporting data and information related to the company's environmental impacts, including climate change and GHG emissions. The impact has been moderate and has included administrative and staff costs. Lincoln recognizes the importance of considering environmental, social, and governance (ESG) factors in its investments. Our portfolio management professionals, as well as our internal and third-party asset managers, integrate ESG considerations into due diligence, monitoring, and investment decision making. The impact to the company is the allocation of resources within the investment team and of designated individuals to participate in ESG training. As a result, Lincoln continues to review the ESG Investment Policy annually.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

i. The Office of Corporate Responsibility leads the collection of information and the coordination of responses to disclosure requests, as well as supporting the development of voluntary communications regarding social and environmental impacts and actions. Lincoln's Corporate Responsibility department is the primary collector of information related to climate change. The Chief Sustainability Officer, with support from team members and consultants, regularly reviews information pertaining to the impact of climate change on business and the risks and opportunities related to climate change for life insurance and financial services companies, in particular. Information is gathered from a variety of sources such as Ceres, NAIC, G&A Institute, and Bloomberg and is reviewed with information from other published articles, research reports, company reports, conferences, and conversations with experts. Identified areas of risk and opportunity are reported to and discussed quarterly with the Sustainability Advisory Group, a cross functional team comprised of senior and middle level management that represent a majority of Lincoln's business units. Areas of opportunity and risk related to climate change are also reported and discussed directly with members of individual business units, such as the investment team, Enterprise Risk Management team, the facilities team, compliance, and product groups as appropriate.

ii. In 2021, Lincoln commits to reduction of scope 1 and 2 emissions by 25% from 2019 level by the year 2025 and we expect 5% reductions year on year.

iii. The aspects of climate change that have influenced Lincoln's business strategy include greater awareness of stakeholder interests regarding climate change, identification of risks and opportunities related to energy efficiency and carbon reduction, a recognition that greenhouse gas inventories have the potential to shed light on missed opportunities for cost savings and increased efficiency for the company, an increased understanding of the potential for climate change to impact investment holdings in certain industries, such as utilities and industrials, and an awareness of new investment opportunities such as green bonds. In 2020, Lincoln brought in a variety of interested stakeholders and experts to talk about their perspectives on climate change risks and opportunities in the insurance sector, as well as public reporting. This information is considered carefully by the corporate responsibility team and informs the company's sustainability strategy.

iv. The most significant aspects of the short term (1-3 years) strategy influenced by climate change are efforts to improve collection, coordination, and communication of climate risk and opportunity information through the department of Corporate Responsibility. A significant component of this pertains to improving our understanding and management of carbon emissions information and data. In support of this, the decision was made to switch to a more robust sustainability data collection tracking system that will improve the quality and usefulness of information gleaned from the greenhouse gas inventory process, and the company initiated an internal audit of the greenhouse gas inventory.

v. In assessing its position relative to its competitors, the company does see a potential advantage in enhanced reputation, attraction and retention of talent, enhanced employee engagement, and addressing customer and investor preference based on communicating about its ESG management strategies.

vi. The most substantial business decisions made that were influenced by climate change factors have been the decision to report externally on climate change risks, to track and report greenhouse gas emissions, and, most recently, the decision set a carbon emission reduction target. These decisions were made primarily in an effort to better understand, track, and manage the company's impacts on greenhouse gas emissions and the related risks and opportunities.

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, climate-related issues are integrated into our general policy framework that relates to our financing activities

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Sustainable/Responsible Investment Policy Investment policy/strategy	Majority of the portfolio	As outlined in our ESG Investment policy, Lincoln and its asset managers consider a range of relevant ESG factors into due diligence, monitoring, and investment decision making. Please see our ESG Investment Policy: https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	Please select	

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for some assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Review asset manager's climate-related policies	

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Base year
2019

Covered emissions in base year (metric tons CO2e)
12093

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2025

Targeted reduction from base year (%)
25

Covered emissions in target year (metric tons CO2e) [auto-calculated]
9069.75

Covered emissions in reporting year (metric tons CO2e)
9051

% of target achieved [auto-calculated]
100.620193500372

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
This target covers scope 1 and scope 2 (market-based) and is aligned with the 1.5°C methodology from the Science Based Targets initiative. Due to the Covid-19 pandemic, our emissions have significantly decreased compared to the 2019 baseline, which explains the high percentage of target achieved.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2015

Target coverage
Site/facility

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	kWh

Target denominator (intensity targets only)
<Not Applicable>

Base year
2014

Figure or percentage in base year
24265377

Target year
2022

Figure or percentage in target year
15772495

Figure or percentage in reporting year
15990016

% of target achieved [auto-calculated]
97.4387846198734

Target status in reporting year
Underway

Is this target part of an emissions target?
Int1

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
This goal applies to the electricity usage in our Greensboro campus. In 2018, we exceeded our previously reported target and restated our goal to achieve further emissions reductions, which are currently underway.

Target reference number
Oth 2

Year target was set
2018

Target coverage
Site/facility

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	kWh

Target denominator (intensity targets only)
<Not Applicable>

Base year
2014

Figure or percentage in base year

4597728

Target year
2022

Figure or percentage in target year
4229910

Figure or percentage in reporting year
2923872

% of target achieved [auto-calculated]
455.077239286821

Target status in reporting year
Achieved

Is this target part of an emissions target?
Int1

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
This goal applies to the electricity usage in our Omaha campus.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	4	177.08
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
37.06

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
18472

Investment required (unit currency – as specified in C0.4)
401850

Payback period
16-20 years

Estimated lifetime of the initiative
21-30 years

Comment
These initiatives are the continuation of projects started in 2019.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
82.22

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
28000

Investment required (unit currency – as specified in C0.4)
1093000

Payback period
11-15 years

Estimated lifetime of the initiative
16-20 years

Comment
These initiatives are the continuation of projects started in 2019.

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)
6.17

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2100

Investment required (unit currency – as specified in C0.4)
273980

Payback period
16-20 years

Estimated lifetime of the initiative
21-30 years

Comment
These initiatives are the continuation of projects started in 2019.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
51.63

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
86507

Investment required (unit currency – as specified in C0.4)
429230

Payback period
4-10 years

Estimated lifetime of the initiative
21-30 years

Comment
These initiatives are the continuation of projects started in 2019.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal finance mechanisms	If the expected ROI for a newly proposed energy reduction project is within 12-18 months, the project will be funded from the current year's energy budget. If the ROI period exceeds 18 months, projects are reviewed as part of the annual company wide strategic planning process.
Financial optimization calculations	All decisions regarding the purchase of equipment, changes to building structures and or systems or processes are evaluated based on the financial cost and benefit to the organization. For every project, various methods of accomplishing the goal will be evaluated. Energy efficiency is among the factors considered in the decision making process.
Employee engagement	Through the Ideas@Work program, employees are engaged to shape the future of Lincoln Financial Group by submitting ideas for improvements that will Increase productivity /efficiency, reduce costs /generate revenue, or enhance customer and employee satisfaction. Employees who submit ideas are recognized and they receive promotional items. Employees whose ideas are implemented are recognized for their contribution within the organization.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2011

Base year end

December 31 2011

Base year emissions (metric tons CO2e)

4357.13

Comment

Scope 2 (location-based)

Base year start

January 1 2011

Base year end

December 31 2011

Base year emissions (metric tons CO2e)

16182.23

Comment

Scope 2 (market-based)

Base year start

January 1 2011

Base year end

December 31 2011

Base year emissions (metric tons CO2e)

16182.23

Comment

The location based figure has been used as a proxy since a market based figure is not available for 2011.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
1750.16

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
We are only able to access electricity supplier emission factors for 2 of our Scope 2 market-based figures.

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
6733.77

Scope 2, market-based (if applicable)
7301.02

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
57.3

Emissions calculation methodology
Data on purchased paper (accounting for 90% of purchased paper) was obtained from Lincoln's Procurement Department. The Environmental Paper Network's calculator was then used to calculate the emissions savings. It uses custom GWPs that are calculated for each paper type by assuming 80% landfill and 20% waste to energy for non-recycled paper and using the EPA's conversion efficiency factors to calculate the associated grid electricity from the combustion of landfill gas and heat produced in WTE plants.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Paper comprises less than 1% of all purchased goods by spend.

Capital goods

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
At this time, the calculation of other aspects of Scope 3 has been prioritized based on data accessibility.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
At this time, the calculation of other aspects of Scope 3 has been prioritized based on data accessibility.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
While there may be some emissions associated with the transportation involved with the mailing of paper statements, the amount is very small and is decreasing every year due to the transition to electronic statements.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
362

Emissions calculation methodology
Data on waste was obtained from Lincoln's facility managers for 2020, including metric tons per waste stream for landfill, recycling and waste-to-energy. Emission factors from DEFRA 2020 - Waste Disposal were applied to calculate waste-related emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
This year, Lincoln revised our methodology to use DEFRA 2020 for calculating waste which explains the decrease in emissions, as well as less trash generation due to the work from home environment. The new methodology is more transparent and enables us to better understand our waste-related emissions.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2866.28

Emissions calculation methodology
Business travel includes commercial air travel, personal vehicle travel and rental car travel. It doesn't include rail travel. Air travel and car rental mileage was obtained from the corporate travel department. Personal vehicle travel was based on accounting records of reimbursement for personal vehicle use. WRI emissions factors, AR5 GWP's.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Due to the Covid-19 pandemic, this category significantly decreased compared to 2019.

Employee commuting

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Due to the Covid-19 pandemic, this category has not been calculated

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
10406.26

Emissions calculation methodology
Actual electric and fuel usage was obtained for leased spaces where possible, when provided by the utility company. When not possible, a mix of CBECS energy intensity benchmarking figures and emissions factors from EPA eGrid, TCR and WRI were used to generate emissions estimates based on the square footage of the leased spaces. All use AR5 GWP's.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Calculated areas include the electricity associated with office space leased by Lincoln Financial Group. Emissions calculated do not include vehicles leased by Lincoln Financial Group to transport customers.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is not relevant to our business as Lincoln Financial Group is a provider of financial instruments and doesn't distribute any products that need transportation.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is not relevant to our business as Lincoln Financial Group is a provider of financial instruments and doesn't produce any goods.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is not relevant to our business as Lincoln Financial Group is a provider of financial instruments and doesn't produce any goods.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is not relevant to our business as Lincoln Financial Group is a provider of financial instruments and doesn't produce any goods.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Lincoln Financial Group leases a very small percentage of its owned office space, which is expected to be a very insignificant percentage of the overall Scope 3 emissions.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is not relevant as Lincoln Financial Group does not have any franchises.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other upstream categories have been identified.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other downstream categories have been identified.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
4.865e-7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
8484

Metric denominator
unit total revenue

Metric denominator: Unit total
17439000000

Scope 2 figure used
Location-based

% change from previous year
31.1

Direction of change
Decreased

Reason for change
There was an input error in the 2020 CDP questionnaire and the correct 2019 intensity figure is 0.0000007061 instead of 7.061. Based on this corrected figure, there is a 31.1% decrease between 2019 and 2020. Indeed, absolute Scope 1 and Scope 2 emissions decreased by 30.38% in 2020 compared to 2019. Our Scope 2 emissions, which represent 79% of these emissions, decreased by 25.29% in 2020 compared to 2019. This decrease was primarily due to emissions reduction initiatives, such as digital control upgrades and ongoing LED lighting retrofits as well as the impact of the Covid-19 pandemic. Over the same time period, Lincoln's total revenue increased by 1.05%.

Intensity figure
2.78

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
8484

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
3051

Scope 2 figure used
Location-based

% change from previous year
31.59

Direction of change
Decreased

Reason for change
Absolute Scope 1 and Scope 2 emissions decreased by 30.38% in 2020 compared to 2019. Our Scope 2 emissions, which represent 79% of these emissions, decreased by 25.29% in 2020 compared to 2019. This decrease was primarily due to emissions reduction initiatives, such as digital control upgrades and ongoing LED lighting retrofits as well as the impact of the Covid-19 pandemic. Over the same time period, Lincoln's FTEs increased by 1.77%.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	No change in renewable energy consumption
Other emissions reduction activities	2715.32	Decreased	22.28	In 2020, 2,715.32 mtCO2e were reduced due to our emissions reduction initiatives in our Greensboro and Omaha locations. Our total S1 and S2 emissions in the prior reporting year accounted for 12,186 mtCO2e. Formula: (-2,715.32/12,186)*100 = -22.28%
Divestment	0	No change	0	No divestment
Acquisitions	0	No change	0	No acquisition
Mergers	0	No change	0	No mergers
Change in output	0	No change	0	No change in output
Change in methodology	0	No change	0	No change in methodology
Change in boundary	0	No change	0	No change in boundary
Change in physical operating conditions	0	No change	0	No change in physical operating conditions
Unidentified	0	No change	0	No unidentified change
Other	987.14	Decreased	8.1	In 2020, 987.14 mtCO2e were reduced due to the impact of the Covid-19 pandemic on our operations. Our total S1 and S2 emissions in the prior reporting year accounted for 12,186 mtCO2e. Formula: (-987.14/12,186)*100 = -8.1%

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	18680	18680
Consumption of purchased or acquired electricity	<Not Applicable>	0	44936	44936
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	63616	63616

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
63615

Metric numerator
MWh

Metric denominator (intensity metric only)

% change from previous year
19.94

Direction of change
Decreased

Please explain
This decrease in energy usage was primarily due to the impact of the Covid-19 pandemic on our operations as well as to energy reduction initiatives, such as digital control upgrades and ongoing LED lighting retrofits at our Greensboro location.

Description
Waste

Metric value
841.16

Metric numerator
U.S. tons

Metric denominator (intensity metric only)

% change from previous year
75.17

Direction of change
Decreased

Please explain
This only includes landfill waste. The decrease in landfill waste in 2020 relates to the impact of the Covid-19 pandemic on our operations.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance
Moderate assurance

Attach the statement
2020_07_30_LFG_Assurance_Statement_Final.pdf

Page/ section reference
Pages 1-2

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance
Moderate assurance

Attach the statement
2020_07_30_LFG_Assurance_Statement_Final.pdf

Page/ section reference
Pages 1-2

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Upstream leased assets

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance
Moderate assurance

Attach the statement
2020_07_30_LFG_Assurance_Statement_Final.pdf

Page/section reference
Pages 1-2

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Other, please specify (Suppliers must report compliance issues to Lincoln and implement corrective actions in a timely and sensitive manner.)

% of suppliers by number
85

% total procurement spend (direct and indirect)
80

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Lincoln focuses engagement efforts with suppliers representing 80% of total procurement spend. Such relationships are governed by contract language and our Supplier Code of Conduct whereby suppliers are expected to protect the environment by meeting industry best practices and standards with respect to the waste management, recycling, reduction of energy use, greenhouse gas and carbon emissions, waste, and water use.

Impact of engagement, including measures of success
Lincoln recently implemented a comprehensive supplier risk management system that continuously monitors suppliers against environmental/social, legal/regulatory, financial and operational standards. LFG's supplier risk management system flags issues, pushes risk alerts to relationship managers, and establishes for each supplier a risk score tied to specific performance criteria.

Comment
LFG reinforces expectations with our supply base through multiple channels including contract language and our Supplier Code of Conduct containing a dedicated section on "Environmental Stewardship" and requirements for suppliers to disclose issues to LFG. In addition, LFG proactively manages supplier engagements via a recently implemented supplier risk system that continuously monitors suppliers for various issues including environmental and social risks.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

As outlined in our ESG Investment policy, Lincoln and its asset managers consider a range of relevant ESG factors into due diligence, monitoring, and investment decision making.

Please see our ESG Investment Policy: https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf

In particular:

Lincoln recognizes the importance of considering environmental, social, and governance (ESG) factors in its investments. We recognize that climate change factors may result in additional risk to our investment portfolio. These may manifest in various forms including operational, market, credit, policy, and regulatory risks. In order to maintain the balanced approach described above, Lincoln and its asset managers consider a range of relevant ESG factors into due diligence, monitoring, and investment decision making. ESG factors are incorporated into an overall analysis in the manner described below and are considered in the recommendations as appropriate. In addition, to enhance our internal understanding of these factors, designated Lincoln individuals are required to participate in ESG training on an annual basis.

Public Fixed Income Asset Managers:

The ESG landscape is evolving and we believe that those managing our fixed income investments are best suited to determine the relative importance of ESG factors in making investment decisions. Where relevant and appropriate, third-party asset managers are expected to use reasonable efforts to favor investments in firms that the third-party asset manager considers to have higher ESG ratings while adhering to Lincoln's Fixed Income portfolio guidelines.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

American Council of Life Insurers (ACLI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

This Association monitors and opines on state, federal and international climate related legislative, regulatory, and policy matters of interest to the insurance industry at the direction of its membership. At the state level, this includes matters such as the National Association of Insurance Commissioners (NAIC) Insurer Climate Risk Survey questions where the focus is on ensuring a uniform process. The ACLI also reports to members on the NAIC committee activities and specific state activity, such as the various California fossil fuel initiatives.

How have you influenced, or are you attempting to influence their position?

Any issues are vetted through the Association's committee process for member company comment and direction, such as the accounting and investment committees. Lincoln representatives serve on these various groups. Policy positions are ultimately set at the ACLI Board level.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The company has an internal, multi-disciplinary Sustainability Advisory Group that monitors and advises on key issues, including sustainability strategy and communications. The SVP and Head of Government Relations is a member of that group. Key public policy matters are monitored and directed by a senior management group.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Underway – previous year attached

Attach the document
LFG-CSR19-IDE001_Z01_FINAL.pdf

Page/Section reference
Page 34

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
N/A

Publication
In mainstream reports

Status
Complete

Attach the document
LNC 2020 10K.pdf

Page/Section reference
Item 1A Risk Factors

Content elements
Risks & opportunities

Comment
N/A

Publication
In other regulatory filings

Status
Underway – previous year attached

Attach the document
2019 Climate Risk Disclosure Response.pdf

Page/Section reference
All

Content elements
Governance
Strategy
Risks & opportunities

Comment
Publicly available here - https://interactive.web.insurance.ca.gov/apex_extprd/f?p=201:3:::NO:RP:P3_NAIC_YEAR:2019%20%2065676&cs=1825C5D0A6AB74F241318ED9AA09BE1E7 2020 report is currently underway.

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Please select	
Industry initiative	Please select	
Commitment	Please select	

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No	<Not Applicable>	The ESG Investment Policy guides our third party asset managers on ESG considerations. Please see our ESG Investment Policy: https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	<Not Applicable>	

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

The ESG Investment Policy guides our third party asset managers on ESG considerations. Please see our ESG Investment Policy:https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf and key paragraphs below:

Approach:

At Lincoln, invested assets are an integral part of our operations. We follow a balanced approach to investing for both current income and prudent risk management and we act in the long-term best interest of our customers. Our primary emphasis is on generating sufficient current income, net of income tax, to meet our obligations to customers, as well as other general liabilities. This balanced approach requires the evaluation of expected return and risk of each asset class utilized, while still meeting our income objectives.

Investment Portfolio Composition and Diversification:

Fundamental to our investment policy is diversification across asset classes. Our investment portfolio, excluding cash and cash equivalents, is composed of fixed maturity securities, mortgage loans on real estate, alternative investments, and other long-term investments. We purchase investments for our segmented portfolios that have yield, duration, and other characteristics that take into account the liabilities of the products being supported.

Managing ESG Risk and Opportunities in Our General Investment Account:

Lincoln recognizes the importance of considering environmental, social, and governance (ESG) factors in its investments. We recognize that climate change factors may result in additional risk to our investment portfolio. These may manifest in various forms including operational, market, credit, policy, and regulatory risks.

In order to maintain the balanced approach described above, Lincoln and its asset managers consider a range of relevant ESG factors into due diligence, monitoring, and investment decision making. ESG factors are incorporated into an overall analysis in the manner described below and are considered in the recommendations as appropriate. In addition, to enhance our internal understanding of these factors, designated Lincoln individuals are required to participate in ESG training on an annual basis.

In addition to considering risks in our investment management process, we also consider related ESG opportunities. Senior members of the investment team participate periodically in both internal and external educational sessions and discussions regarding sustainable investment trends and opportunities.

We have a dedicated strategy within our alternative investments portfolio to invest in equity and debt of renewable energy companies and projects. These investments include wind, solar, and other renewable energy strategies which are aligned with Lincoln's long-term investment objectives.

For investments that Lincoln manages internally, specifically mortgage and real estate holdings, Lincoln incorporates a range of factors in its investment management process. We require and review environmental assessments on all real estate securing our commercial mortgage loan investments and routinely conduct environmental assessments for real estate we acquire.

The ESG Investment Policy is reviewed annually and approved by the Chief Investment Officer and the Investment Committee.

Third-Party Asset Manager Requirements:

At Lincoln, a variety of third-party asset managers manage the investments for the general account. Lincoln requires its third-party asset managers across all asset classes to consider ESG factors, including climate-related risks, in their selection and review process for investments in Lincoln's accounts as appropriate. On an annual basis, Lincoln requests that its third-party asset managers supply Lincoln with their policies and procedures related to the incorporation of ESG factors. Additionally, when vetting subadvisors for funds, prospective managers are expected to disclose how they specifically mitigate risk from potential financial, legal, and/or regulatory liabilities related to ESG issues during their securities selection and portfolio construction processes. Many of Lincoln's third-party asset managers are signatories to the United Nations' Principles for Responsible Investment (UNPRI), with the majority having formal ESG investment statements or policies.

Public Fixed Income Asset Managers:

The ESG landscape is evolving and we believe that those managing our fixed income investments are best suited to determine the relative importance of ESG factors in making investment decisions. Where relevant and appropriate, third-party asset managers are expected to use reasonable efforts to favor investments in firms that the third-party asset manager considers to have higher ESG ratings while adhering to Lincoln's Fixed Income portfolio guidelines.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No	As outlined in our ESG Investment policy, our asset managers consider a range of relevant ESG factors into due diligence, monitoring, and investment decision making. Please see our ESG Investment Policy: https://www.lfg.com/wcs-static/pdf/ESG%20Investment%20Policy%20Statement.pdf
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	N/A

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please state the main reason why you are declining to respond to your customers

Prefer to work directly with customer, not through a third party

Please confirm below

I have read and accept the applicable Terms