Task Force on Climate-related Financial Disclosures Index

Reporting year 2022

Governance

Describe the board's oversight of climate-related risks and opportunities.

Lincoln Financial Group's (LFG's) commitment to sustainability is formalized through board and senior management oversight. The Corporate Governance Committee provides oversight of our governance, sustainability, and corporate social responsibility strategy.

Our Chief Sustainability Officer reports to the Corporate Governance Committee at least twice annually, and collaborates with business units and functional areas to develop strategies, determine priorities, address issues, and integrate Environmental, Social, and Governance (ESG) strategies aligned with the business.

As part of its oversight of the enterprise risk management function, our Audit Committee oversees risks, which can include environmental, social, and governance ("ESG") risks, including climate risk. Our Office of Corporate Sustainability and Enterprise Risk Management team work together to screen for environmental risks across the enterprise through the Enterprise Risk Self-Assessment process.

ADDITIONAL INFORMATION: LFG CSR 2022 Report, Section 4, "Responsible Business," CDP 1.1

Describe management's role in assessing and managing risks and opportunities.

Since 2012, we have had a Sustainability Advisory Group, which is a cross-functional team comprised of senior managers at the company that meets quarterly with our Chief Sustainability Officer and team to consider market developments, societal trends and the potential impact, risk and opportunity for the company related to identified issues. In addition, we have subject matter experts across the business that we brief quarterly on ESG issues and who help Lincoln disclose key ESG metrics.

The Office of Sustainability, led by the Chief Sustainability Officer (CSO) reporting up through the Chief Investment Officer and Head of Risk & Sustainability, develops and implements our sustainability strategy, through the following actions:

- Issue identification
  - We regularly gather information on sustainability issues from a broad range of industry sources and stakeholders.
- Stakeholder communication
  - We track and internally and externally report on key indicators related to our social and environmental impacts, including through responses to specific information requests and third-party questionnaires.

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

  - We have a proactive, ongoing shareholder engagement program designed to solicit shareholder perspectives on issues that are important to them, including our environmental, social and governance practices.
- Risk and opportunity assessment
  - We apply a structured, consistent process to evaluate and prioritize identified risks and opportunities across sustainability matters.
- Risk and opportunity management
  - We work together with business units and functional areas to determine priorities, address issues, and integrate strategies that make sense for the business.

We have a Corporate Enterprise Risk and Capital Committee, comprised of members of senior management and the Chief Risk Officer, that provides oversight of our enterprise-wide risk structure and of our processes to identify, measure, monitor and manage significant risks, including capital markets, product, and operational risk.

ADDITIONAL INFORMATION: 2022 LFG CSR Report, Section 4, "Responsible Business," CDP 1.2

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.

Climate change and other environmental and social impact risks are identified and assessed through the company's formal Risk and Control Self-Assessment process.

The climate-related risks identified include 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 LFG's facilities and workforce. For example, LFG'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. This is true 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. Lincoln's Business Continuity Plans (BCPs) address advance preparations and actions to be taken in response to disruptions of various magnitudes. The BCPs address the potential impact of varying risks of disruptions to Lincoln employees, equipment, computer and telecommunications systems, and office facilities. Lincoln's Business Continuity Plans are reviewed as necessary, and at least annually, to ensure they account for technology, business, operations, structure, or location.

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.

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, as a "responsible company." Because Lincoln's programs, such as the Leadership Preparation Program (LPP), focus on attracting new 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.

Climate change and climate change regulation may affect the prospects of companies and other entities whose securities we hold or our willingness to continue to hold their securities. Climate change could also impact our counterparties and other third parties, including, among others, reinsurers and derivatives counterparties. Additionally, the value of investments, including real estate investments we hold, and the broader market indices could be adversely affected, which may impact our product profitability and the ability to write new business. Although we have performed, and will continue to perform, climate change scenario analyses with respect to the investments in portions of our general account, we cannot accurately predict the long-term impacts on us or our portfolio from climate change or related regulation.

ADDITIONAL INFORMATION: CDP 2.2. 2.2a, 2.3a

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

To evaluate the potential impacts to our products 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 in the Sustainability Advisory Group and discuss these findings with the Office of Sustainability.

In addition, an initial climate scenario analysis has been completed to assess Lincoln's risk from climate change.

Through our risk assessment process, we have identified potential risks to business operations and profitability driven by physical climate change parameters, such as severe weather events.

Additionally, the head of Business Resilience is a member of multiple risk committees and workgroups, ensuring business resilience planning remains at the forefront of risk management. This ensures that planning, response and recovery risks are recognized as part of the operational risk management process.

In our SEC filings, the results of certain weather-related catastrophic events typically associated with climate change are cited as a global risk factor that could potentially affect claim liabilities and the availability of reinsurance.

Lincoln Financial has 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 that are aligned with Lincoln's long-term investment objectives.

For investments that Lincoln manages internally, specifically mortgages 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.

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 Requests for Proposals so that we can keep pace with market expectations in this regard. In the past year Lincoln has noted increased focus in some requests for proposals in this regard and has incorporated such information into established feedback loops to inform our continuous improvement process.

Many Lincoln customers look for ESG investment solutions within the product offerings we provide. As such, Lincoln makes available, across it's suite of Retirement, Annuities and Life Insurance solutions, a number of funds (proprietary and nonproprietary) with ESG/Socially Responsible mandates. By far, the largest number of ESG offerings are available within Lincoln Financial Group's Alliance Program, which is an open architecture retirement plan recordkeeping platform. The platform allows for customized solutions to be created from a universe of over 11,000 investment options, including multiple sustainable funds. Lincoln has taken significant steps to expand the number of available funds from asset managers that focus on sustainability and ESG practices.

ADDITIONAL INFORMATION: 2022 LFG CSR Report, Section 4, "Responsible Business"; ESG Investment Policy; CDP FS2.2c, FS2.2d, FS2.2e, 2.3, 2.3a, 2.4, 2.4b, 3.3, 3.4

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Climate-related risks are assessed using three specific deterministic scenarios that capture a range of potential climate change pathways through the end of the century. The Shared Socioeconomic Pathways (SSP) and Representative Concentration Pathways (RCP) from the International Institute for Applied Systems Analysis (IIASA) are used as key inputs into our assessment. The scenarios include 1) an orderly transition to a more sustainable world resulting in a 2-degree Celsius temperature change by the end of the century (SSP1 2.6), 2) a disorderly scenario where fossil fuels are relied upon for economic growth through the first half of the century with a sudden shift to global sustainability by way of aggressive policy actions through the second half of the century to achieve a 2-degree Celsius temperature change by 2100 (SSP5 2.6), and 3) a hot house scenario where the global economy continues to rely on unmitigated fossil fuel usage resulting in a 5-degree Celsius change by the end of the century (SSP5 8.5). Each scenario analyzes the physical risk impacts from increased natural disasters and the transitional risk impacts from the implementation of a carbon tax. 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.

ADDITIONAL INFORMATION: 2022 LFG CSR Report, Section 4, "Responsible Business"; CDP C3.1, 3.2, 3.2a, 3.2b

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks.

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

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

Climate change risks are identified in the company's Risk Control Self-Assessment (RCSA) process. The RCSA process surveys the Risk Liaison Network, comprised of risk representatives from across the organization, including the CSO, at least twice a year. Risks are prioritized based on likelihood and impact (financial and nonfinancial) and aggregated into a corporate view. The Enterprise Risk Management team works with the Risk Liaison Network to identify emerging risks (strategic, reputational, and competitive), including risks related to climate change. Risk Liaisons reach out to the members of their area to identify key risks facing the organization from the area's 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 Sustainability team regularly engages with consultants, associations, and Lincoln's Sustainability Advisory Committee. Discussions cover developments in the market and trends related to climate change and the potential risks and opportunities for the company.

Climate change can impact health status, although we have not noted unfavorable experience related to climate change. Insurance stress testing is completed to understand the materiality of changing health trends or shocks from abrupt impacts, such as pandemics.

The corporate Enterprise Risk Management team calculates capital requirements based on catastrophic and other extreme events, which encompasses climate-driven scenarios.

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. The financial impact associated with outages would be primarily associated with travel to an alternate location, shipment of equipment and short-term office rentals.

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 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 used, while still meeting our income objectives.

As an asset owner, Lincoln considers Environmental, Social and Governance (ESG) factors in our investment decision making, manager selection and monitoring process for both our general account and our separate account portfolios. We recognize that ESG considerations are an integral part of responsible investment practices and incorporating material ESG considerations may enhance long-term risk-adjusted returns.

ADDITIONAL INFORMATION: CDP 2.2, 2.2a, FS2.2c

Describe the organization's processes for managing climate-related risks.

Asset Level

At an asset level, Lincoln considers risks related to its physical assets and investments. 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.

Products

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

Investments

At Lincoln Financial, we recognize that ESG considerations are an important aspect of our investment decisions.

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

ADDITIONAL INFORMATION: ESG INVESTMENT POLICY; CDP 2.2, 2.3A, 2.4B

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

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

We consider climate-related information where relevant and material in the investment decision-making process.

Our external asset managers consider a number of environmental factors including climate when assessing new investment opportunities and monitoring existing investments in the portfolio. We conduct annual financed emissions analysis using external data providers where available, and we review all emission intensive investments.

Climate change can impact health status, although we have not noted unfavorable experience related to climate change. Insurance stress testing is completed to understand the materiality of changing health trends or shocks from abrupt impacts, such as pandemics.

CDP C2.1, C2.1b, C2.2, C2.2a

Metrics and Targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Risks are prioritized based on likelihood and impact (financial and nonfinancial) and aggregated into a corporate view. Using these two considerations, a substantive financial impact is considered to have a high impact (>10% impact to baseline earnings) with medium or high likelihood (>25% chance of it occurring within the next three years).

LFG CSR 2022 Report, Section 3, "Environmental"; CDP C4.2, C4.2b, C6.1, C6.2, C6.3, C6.4, C6.5, C9.1

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Please see our environmental data sheet on our ESG data center.

CDP C6.1, C6.3, C6.5

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

In 2020, we set our greenhouse gas reduction target to reduce Scope 1 and 2 emissions by 25% from a 2019 baseline by 2025. We are proud to say that we are on target to reach that goal, with a reduction of 26% in 2022. Our target aligns with the Science-Based Targets Initiative (SBTi) methodology for reducing direct emissions and is consistent with the Paris Agreement's goal to limit global temperatures from rising more than 1.5 degrees Celsius compared to preindustrial levels.

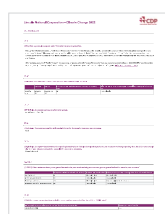
Lincoln remains committed to reducing our environmental impact in line with evolving best practices and scientific frameworks.

CDP C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b

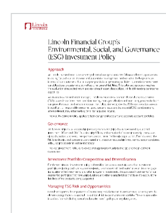
ADDITIONAL INFORMATION:

CSR Report

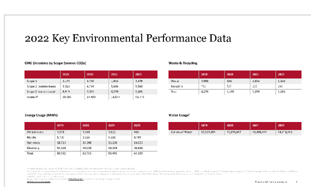
CDP



Responsible Investment Policy



Environmental Data Sheet



Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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