



The Cincinnati Insurance Companies
2013 Environmental Stewardship







A Message From Our Chief Executive Officer:

All of us at The Cincinnati Insurance Companies believe that caring for the environment is important. Environmental factors, including climate change, influence products and services we offer to insurance policyholders, how we deliver policy-related information and how we manage our facilities. We seek to recycle, reduce use of and reuse resources appropriately and increase awareness of environmental issues among our associates. A team of company officers considers our environmental risk and sustainability efforts while also ensuring that we conduct our business in accord with the letter and spirit of applicable laws and regulations.

A sustainable energy management strategy has multiple benefits, including reducing the amount of energy required for company operations and influencing future decisions such as considering more benign forms of energy.

We also recognize the importance of managing enterprise risk, including the risk of insured losses from extreme weather events, in part influenced by climate change. In recent years, the U.S. property casualty industry has experienced elevated levels of weather-related insured losses, and our company is no exception.

Preserving our environment is everyone's responsibility. While we consider our service-based industry of property casualty and life insurance to be a relatively low contributor to emissions, we are committed to making steady progress towards reducing our impact on the earth:

- reducing consumption of electricity and gas at our headquarters facility
- improving the fuel efficiency of our company automobile fleet
- introducing additional paperless options for policyholders
- reducing postal mail when possible
- serving our customers locally, placing field associates – approximately one-third of our total employees – near the agencies and policyholders they serve. This business model reduces their need for planes and trains and eliminates the need to maintain regional branch buildings

Together, we can keep our planet healthy for generations to come.

Best regards,

A handwritten signature in black ink that reads "Steve".

Steven J. Johnston, FCAS, MAAA, CFA, CERA
President and Chief Executive Officer

Environmental Stewardship Mission Statement

We promote environmental stewardship by recycling and reusing resources appropriately, recognizing that reduced usage contributes to a healthy natural environment and cost-efficient operations. We work to keep our community and company healthy by:

- increasing our awareness of environmental issues affecting our company, our industry and community*
- creating a culture that encourages recycling, reducing and reusing in our daily decisions*
- developing, implementing and measuring the recycling, reducing and reusing programs offered to our associates, shareholders, agents and policyholders*

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Our Environmental Stewardship

Our company has been working diligently since 2009 to implement and track strategies to reduce our impact on the environment at our corporate headquarters. We employ a management approach that focuses on five major areas of environmental stewardship:

1. Sustainable Site
2. Energy and Atmosphere
3. Materials and Resources
4. Indoor Environmental Quality
5. Water Efficiency

Sustainable Site

Recent expansions to our headquarters campus have used environmentally responsible features for energy consumption and recycling of materials. To maintain our approximately 55-acre headquarters campus, we use a holistic grounds management program to address the impacts of our hardscape, as well as sustainable landscaping initiatives. Using native plants and adapted species and conserving the natural habitat around our headquarters buildings all contribute to the quality of our environment and the beauty of our campus.

A carpooling program for associates eases traffic congestion and pollution near our Fairfield, Ohio, headquarters campus. We reimburse the associate who drives \$1 per passenger each way.



ENERGY STAR

The U.S. Environmental Protection Agency awarded our headquarters office building a rating of 83 in 2013, placing our energy use in the top quartile in our category nationally for the second consecutive year. ENERGY STAR® certified buildings average 35 percent less energy with 35 percent less carbon dioxide emissions than typical buildings.

Leadership in Energy & Environmental Design® Certification (LEED®)

In 2010, Cincinnati Financial completed the renovation of a 48,000-square-foot business continuity center. Keeping environmental responsibility at the forefront of the process, we were able to apply for, and receive, a LEED Gold Certification for the CFC Winton Center.



We are now pursuing LEED certification for our headquarters building.

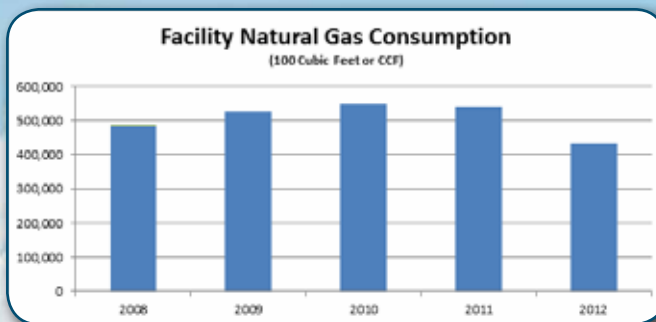
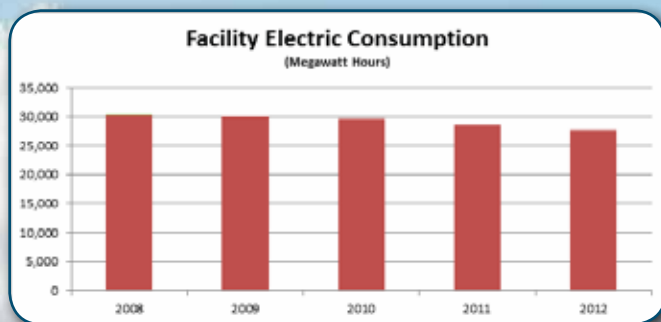
Energy and Atmosphere

We have reduced electricity usage 8 percent below our 2008 level. We are consuming less energy and reducing emissions due to enhanced HVAC and lighting controls and better management. We continue to invest in additional control devices over time, section by section, in our headquarters building. We also continue to increase our use of virtual servers to reduce the energy needed to cool our computers.

Consumption of energy at our headquarters facility shows an improving trend as indicated by the graphs below. While weather patterns influence consumption for purposes of facility heating and cooling, we believe a significant portion of the improvement is due to our environmental stewardship efforts.

In addition to reducing energy consumption, we improved 2012 fuel efficiency (miles per gallon) of our company automobile fleet by approximately 4 percent compared with 2010, reducing emissions as more fuel efficient vehicles are added to the fleet and less efficient vehicles are retired from service.

We have participated in the Carbon Disclosure Project (CDP) since 2009. In 2013, we improved our disclosure score to 71 from 54. Emissions during 2012 from fossil fuels, known as Greenhouse Gas (GHG), consumed to heat our facilities or to power vehicles in our company automobile fleet, in combination, were approximately 5 percent lower than in 2010. Emissions during 2012 resulting from the generation of electricity used in our facilities were approximately 15 percent lower than in 2010.



***We have reduced electricity usage
8 percent below our 2008 level.***



In 2012, we recycled 384 tons of paper, 21 tons of cardboard, 1,800 pounds of aluminum cans and 1,500 pounds of plastic bottles.

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Materials and Resources

During 2012, we recycled 384 tons of paper, 21 tons of cardboard, 1,800 pounds of aluminum cans and 1,500 pounds of plastic bottles. Our recycling results reflect efforts of our associates in looking for ways to incorporate environmental awareness into our daily operations. We also recycled approximately 11,000 pounds of electronics equipment and media through a vendor specializing in that activity. In addition, our associates organized a community shred day event resulting in recycling approximately 5,000 pounds of paper and 2,000 pounds of electronic media.

We focus on being environmentally responsible in our document printing operations. We are a two-year member of the Forest Stewardship Council (FSC), which certifies that forestry is practiced in an environmentally responsible and socially beneficial manner. This means that we purchase paper that comes from mills with certified sustainability programs, including reforestation and chain of custody requirements. In addition, where

practical and not cost-prohibitive, paper purchases are made with 10 to 30 percent post-consumer waste included. During 2013, we reduced environmental waste by implementing a new plate system in our printing operation, replacing the former plate making system that required specialized chemical disposal. Furthermore, we have reduced use of copy paper by 28 percent since 2009.

We regularly recycle used motor oil, batteries, iron and light bulbs. Used office supplies are first considered for internal re-use (versus purchasing new) with the remainder donated to Crayons to Computers a local re-use facility for teachers. In addition, we make donations to Restore for Humanity, a group of nonprofit home improvement stores and donation centers that sell new and gently used furniture, home accessories, building materials and appliances to the public at a fraction of the retail price. Proceeds are used to build homes, community and hope, locally and around the world.

Paper purchases are made with 10 percent to 30 percent post-consumer waste included.



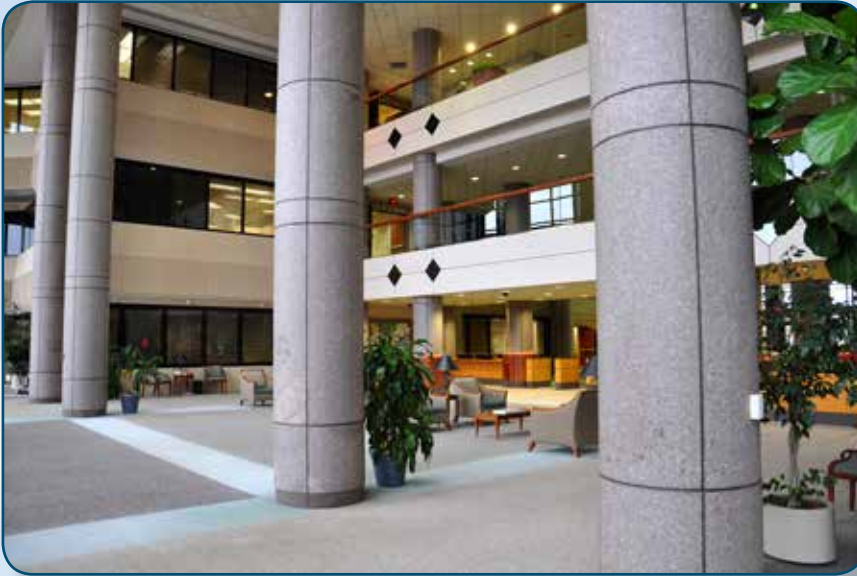
Indoor Environmental Quality

We recognize that a quality indoor environment increases productivity by keeping associates healthy and comfortable. While we are reviewing additional ways to assess the quality of our headquarters building environment, we have already improved the air quality by:

- using a certified green janitorial service
- prohibiting tobacco use on our campus

Water Efficiency

We have recently conducted an audit of all water fixtures and fittings within our headquarters building. Next, we'll investigate the costs and benefits of replacing older fixtures with newer and more water-efficient ones. We'll also analyze the audit to consider appropriate water-usage reduction goals.



Doing Green Business

A countrywide focus on environment stewardship has influenced our business opportunities, including product development and service delivery. We've seen an increasing demand by insurance policyholders for insurance coverage for green buildings related to renewable energy or reduced greenhouse gas emissions.

During 2013, we introduced a commercial property green endorsement that provides policyholders with:

- additional coverage, at no additional charge, to cover the increased cost of repairing a building insured at replacement cost values with a current green certification
- coverage, at an additional premium charge, to repair a building not currently green certified using green materials and building techniques to help it qualify for green certification in the future

Commercial, personal and life insurance clients, our independent agents, associates and shareholders appreciate options to reduce the use of paper and to reduce the carbon footprint associated with mailing policies and other communications. Online policyholder services allow our personal lines policyholders to review policy documents, view auto insurance IDs, pay bills and review account details at their convenience while

also reducing paper mailings. The Association for Postal Commerce indicates that each piece of U.S. first-class postal mail generates an estimated 87 grams of carbon dioxide equivalent. With approximately 1 million policies for personal automobiles or homes and related coverages, we believe reducing those mailings can add up to a significant environmental impact.

Cincinnati Financial Corporation shareholders may choose to enroll in the electronic delivery program and receive emails from the company instead of hard-copy mailings of financial reports, proxy statements, proxy ballots and other information. Shareholders who participate in the program enjoy receiving information more quickly than waiting for standard mailings, reducing the amount of paper they receive and reducing the environmental impact associated with U.S. postal mailings.

A Cleaner Tomorrow

Working together, we'll expand our environmental stewardship program creating new initiatives to preserve the Earth's resources and reduce waste. We'll update our report on a yearly basis to track the progress we've made and to share our ideas for a cleaner tomorrow.



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