



WHAT WE BELIEVE

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

for the year ending December 31, 2020



SOCIAL



ENVIRONMENTAL



GOVERNANCE

WHAT WE BELIEVE

We aim to create a sustainable enterprise that delivers long-term value for our stakeholders, including shareholders, associates, independent insurance agents, policyholders and communities. It is our responsibility to be a steady, fair and responsible employer, insurance carrier and corporate citizen. We are committed to the development and financial wellness of our workforce, to managing climate risk and to ethical governance and operations.



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A MESSAGE FROM OUR CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

The concept of insurance was born out of a need to manage risk. Successful insurers understand the risks that they face and work to manage those risks effectively. These include risks related to human capital, climate change and ethical governance and operations. We wrap our view of ESG-related risks within our extensive enterprise risk management framework, embedding key ESG components across our organization. Doing so supports our desire to be a steady, fair and responsible employer, insurance carrier and corporate citizen.

We help our associates enjoy fulfilling careers that lead to long-term financial security for them and their families by providing opportunities for continuous development and by treating everyone with respect, honoring their differences and cultivating a culture of inclusivity.

We are appropriately responding to climate risk for our organization by understanding and planning for increasing weather-related catastrophes brought on by changing weather patterns. Our solid capital position and extensive abilities to model potential losses give us confidence to profitably grow our insurance business across the United States. To do our part to slow climate change, we are implementing sound environmental office and fleet practices, offering products that encourage green rebuilding options after a covered claim and encouraging paperless delivery of policy and shareholder documents.

We are being a good corporate citizen when we create jobs that provide valuable tax revenue and offer competitive compensation that allows our associates to give back to the community through the charitable organizations that ignite their passion.

We ensure that we are able to fulfill our responsibilities far into the future because we act with integrity and high ethical standards, adhere to robust cybersecurity standards, including regular training for associates and external assessments to test the effectiveness of our protocols and manage our capital and resources effectively.

In addition to this 2021 Environmental, Social and Governance Report, you'll find valuable information in our Sustainability Data Sheet and our Sustainability Disclosure Using SASB Standards for the Insurance Industry. All three documents are available on [cinfin.com/sustainability](https://www.cinfin.com/sustainability).

Best regards,

Steven J. Johnston, FCAS, MAAA, CFA, CERA



OUR COMMITMENT TO OUR ASSOCIATES AND COMMUNITIES

WHAT WE BELIEVE

For more than 70 years, the efforts and ideas of our associates have driven success for The Cincinnati Insurance Companies. More than 5,000 associates work for our company, processing business and serving our independent agents, policyholders, claimants and shareholders.

- Attracting the Best Talent
- Developing Our Workforce
- Retaining and Engaging Associates
- Supporting Our Communities

BEING YOURSELF ALLOWS YOU TO DO YOUR BEST

Diverse perspectives help us to put people first and position us to foster a workplace community that champions inclusion, creates innovation and drives better business results. We also:

- Believe it's important to provide all associates with equal access to tools, training and opportunities for development, growth and success.
- Treat agents, associates, policyholders, claimants and anyone we interact with respectfully as we deliver service excellence.
- Commit to continuous improvement, providing opportunities to value the differences among us through platforms where associates can safely connect and communicate, while supporting and learning from each other.
- Understand that creating increased perspective positively impacts our associates' lives not just professionally, but personally.
- Do not tolerate discrimination in any form and expect companies we contract with to uphold the same commitments.

We know that we're stronger for attracting, hiring and retaining talented associates with differing backgrounds, experiences, views, ethnicities, cultures, ages, physical traits, sexualities, gender identities, religions and other personal qualities. We embrace diversity, and commit to honoring, protecting and promoting inclusion and equity across our associate population and in our business practices.

4 PILLARS SUPPORT OUR DEI INITIATIVES

1. Exploring unconscious bias
2. Creating associate resource groups
3. Engaging with HBCUs
4. Increasing visibility and exposure

We are committed to providing equal opportunity for all associates, encouraging a work environment free from unlawful discrimination and harassment. This means we do not tolerate any speech or conduct that is intended to, or has the effect of, discriminating against or harassing any qualified applicant or associate because of race; creed; color; sex, including sexual orientation, gender identity and transgender status; religion; national origin; age; disability; military service; veteran status; pregnancy; AIDS/HIV or genetic information; or any other basis prohibited by law. We do not tolerate discrimination or harassment by anyone – managers, supervisors, associates or others.

ATTRACTING THE BEST TALENT

Our goal is to hire job candidates with promise, matching their strengths to positions within the company and providing resources to help them meet professional and personal goals.

Our recruiting style follows our business motto that Actions Speak Louder in Person®. We encourage interaction between entry-level job seekers and our associates at career fairs, information sessions, speaker panels or networking events held both virtually and in-person. Doing so helps those interested in a future with Cincinnati Insurance learn firsthand what it's like to work for our company and in our industry.

We use multiple channels to ensure we recruit a diverse workforce rich with ideas and knowledge:

- Partnering with career services departments, faculty and staff, and Diversity and Inclusion Offices at eight local and regional colleges and universities along with several historically Black colleges and universities to build relationships with future talent. Of our entry-level new hires in 2020, 51% graduated from these schools.
- Offering a robust college internship program that attracts college students from all over the country and provides real-world work experience. In 2021, we hired a total of 196 interns from 51 different colleges and universities. During the summer of 2021, we hosted a hybrid (virtual and in person) internship program with over 85 interns.
- Supplementing in-house talent with experienced professionals from a variety of disciplines, including insurance.

ASSOCIATE RESOURCE GROUPS



DEVELOPING OUR WORKFORCE

Steeped in a culture of lifelong learning, we encourage associates to take advantage of training and learning opportunities to help develop specific expertise and skills. Our full-service Learning & Development department provides associates with educational opportunities via classroom events, web conferences, online classes and library resources. More than 2,100 courses and resources are available to associates on topics including industry education, compliance and leadership skills. In 2020, associates completed 108,825 courses through our Learning & Development department.

In addition to tuition reimbursement for associates who wish to pursue a bachelor's or master's degree, there are 70 self-study insurance programs and professional development courses where we cover the costs for testing and study materials upfront, which means no out-of-pocket expenses for associates. We also pay bonuses for passing exams and for the successful completion of many certification and designation programs. In 2020, we paid 1,332 education bonuses and we estimate that in total our associates hold nearly 6,300 industry and professional designations.

Many associates choose to increase their insurance knowledge through The Institutes® – the leading provider of professional education for the risk management and property casualty insurance industry. The Institutes offers more than 25 designations and the Certified Property Casualty Underwriter is the most extensive.

Upon completion of this program, associates will have passed eight in-depth exams on topics including insurance law, accounting, risk management and ethics. We are proud to have more than 614 associates who have achieved their CPCU designation. In addition to paying the testing fee and cost of study materials, associates receive a \$90 award for each CPCU part they pass and a \$935 award for attaining the designation. We also pay for new CPCU holders and their spouses to go to a CPCU Annual Conference and sponsor some of the educational activities of the Cincinnati CPCU Chapter.

Our wide array of education and training programs are supplemented by opportunities to participate in our Toastmasters International® clubs, which help build leadership, presentation and public speaking skills, and information technology user groups that meet regularly to share information on the latest technology and business trends.

Planning for the future

Succession planning at all levels is critical for the long-term health of our company. Specific career tracks give associates a path forward to learn the skills they need to grow in their current position and pursue other company roles. Associates seeking direction in their professional careers are encouraged to participate in our guidance and mentoring program, which includes a personality assessment, customized development curriculum and a mentor to provide support and encouragement.



RETAINING AND ENGAGING ASSOCIATES

According to industry studies, the property casualty insurance industry is facing a highly competitive labor market resulting from business expansion and an aging workforce. We offer a base pay level for all roles that is competitive, market-based and re-evaluated on a recurring basis.

The base pay is complemented by a matching 401(k) program, annual cash bonus and stock ownership opportunities along with healthcare benefits to provide a comprehensive compensation and benefits package. In addition, we have many special programs that appeal to associates while aligning with our corporate values. Our voluntary turnover rate has been approximately 5% for the past three years. We believe this indicates overall associate satisfaction with their working environment, compensation and benefits.

Associates expressed their satisfaction and increase in work/life balance with more opportunities to work from home during the pandemic. As a result, we implemented a hybrid work schedule for most associates moving forward.

Opportunities to build long-term wealth

All full-time associates are eligible for an annual cash bonus based on our ability as a company to work together to create value for shareholders. The bonus depends on multiple factors, including our company's financial performance, how we are performing compared to peer companies and individual associate merit ratings. Company performance information is published on our intranet and discussed in quarterly town hall meetings for all associates.

STOCK OWNERSHIP OPPORTUNITIES FOR ALL ASSOCIATES

	Holiday Stock	Equity Compensation	Stock Loan
Hourly Associates	✓		✓
Salaried Associates	✓	✓	✓
Officers	✓	✓	

We offer all regular, full- and part-time associates the opportunity to participate in the CFC Savings Plan, our 401(k) plan managed by Fidelity® Investments. Most associates who qualify for the CFC Savings Plan also qualify for the company matching contribution, which means that the amount an associate contributes is matched by the company dollar for dollar, up to 6% of eligible compensation. In 2020, the company's matching contributions totaled \$21.8 million, an increase of \$3.4 million or 18.5% from 2019.

It is not a common business practice to provide stock compensation at all levels of an organization, but we firmly believe that stock ownership helps drive good decision making and encourages a long-term view by associates.

- **Holiday Stock Plan:** Each year all regular, full-time associates – salaried and hourly – are awarded one share of stock for each full calendar year of service, up to 10 shares, through our Holiday Stock Plan. Associates may choose to hold or sell these shares.
- **Equity Compensation:** Our board of directors historically grants annual stock-based compensation to full-time, salaried associates in the form of stock options and restricted stock units. Stock options begin to vest after one year of continuous employment with our company. Restricted stock units vest three years from the date of the award, assuming continuous employment with the company. When restricted stock units vest, they are converted to shares of Cincinnati Financial stock and deposited in the associate's shareholder account. The associate is only responsible for paying related tax – the shares themselves are given at no cost to the associate.
- **Stock Loan:** All nonofficer associates – whether full-time, part-time, salaried or hourly – can participate in our interest-free stock loan program. In this program, an associate can borrow up to \$3,000 interest-free to purchase shares of Cincinnati Financial stock. The loan is repaid through payroll deductions over a period of up to three years.

OPPORTUNITIES FOR LIFELONG LEARNING

2,100+

courses and resources available to associates through Learning & Development department



108,825

courses completed by individual associates through L&D

100%

associates receive training

70+

third-party, self-study insurance programs & professional development courses

1,332

education bonuses paid for successfully completed third-party courses

6,300

industry and professional designations held by associates



Tuition reimbursement for bachelor's and master's degree

Transparency in compensation practices

Our annual proxy statement provides detailed and comprehensive public disclosure about the structure and board oversight of our executive compensation program. Internally, all associates can find detailed information about salary bands for most positions on our company intranet. Since 2012, all associate bonuses have been aligned to the same performance criteria. Targets for the annual cash bonus are readily available along with a bonus estimator calculator

that allows associates to model their annual incentive bonuses.

COMPENSATION

- CEO-to-median employee pay ratio 38.1 to 1
- Adjusted gender pay gap 1.0%, in favor of men
- Adjusted ethnic minority pay gap of 1.9%, in favor of ethnic minorities

Our CEO-to-median employee pay ratio is calculated in accordance with Securities and Exchange Commission rules. In 2020, the ratio of CEO pay compared with the pay of our median employee was 38.1 to 1. Please see our 2021 Annual Shareholder Meeting

Notice and Proxy Statement, page 50, for a discussion of the CEO Pay Ratio.

We strive to offer equal pay for equal work. In 2020, we retained an independent consultant to conduct gender and ethnic minority pay equity studies examining total direct compensation, which consists of base salary, cash bonus and equity awards. Our goals were two-fold:

- gauge success at providing equal pay for equal work
- identify any pay gaps that cannot be explained by factors commonly contributing to pay differences, such as role, tenure, age, full-time/part-time status, location and performance rating.

Using a multivariate regression analysis, the independent studies showed that we administer pay fairly and equitably because the factors used to make compensation decisions, such as role, salary grade, tenure and performance do in fact drive compensation awarded to each associate. The studies also showed that there remains an adjusted gender pay gap of 1.0%, in favor of men, and an adjusted ethnic minority pay gap of 1.9%, in favor of ethnic minorities. Other variables not included in the regression analysis could account for some or all this difference. We commit to updating this analysis on a periodic basis.

Promoting a healthy lifestyle

We offer all full-time associates the opportunity to purchase health, prescription, vision and dental insurance. Associates enrolled in our health plan can receive a free biometric screening – either onsite at our headquarters or with their personal physician. The screening helps associates learn about their health and identify risk factors while earning a company contribution into their Health Savings Account.

We also offer onsite prostate-specific antigen and mammography testing throughout the year to make it convenient for associates to have these important screenings.

Recognizing the grave impact of prescription drug abuse on our society, we have enlisted the help of our healthcare partner, who covers over 80% of our associates and their families, in reducing opioid use. Efforts include enhanced care for patients who fight chronic pain and substance abuse disorders, expanded case management and targeted programs to prescribe medications that are non-addictive.

The services of our Occupational Health department are available to all associates. Along with two occupational health nurses, associates can meet in person or virtually with a certified health coach for help with a variety of issues including weight loss, stress management, smoking cessation and disease management.

Throughout the year, we provide routine nursing services and host a range of fitness and nutrition programs and contests to help associates protect their mental and physical health. We offer discounted pricing for WW®, formerly Weight Watchers, in addition to the Active&Fit Direct program through American Specialty Health Fitness Inc., one of the nation's leading fitness networks. The Active&Fit Direct program allows our associates to choose from more than 16,000 participating fitness centers nationwide for \$25 a month (plus a \$25 enrollment fee and applicable taxes), as well as access to digital workout videos, unlimited lifestyle coaching and fitness tracking.

HEALTHY, WEALTHY & WISE

- WW
- Active&Fit Direct
- Omada
- Financial Wellness Curriculum
- LifeMatters
- Lunch & Learns

Our commitment to helping associates pursue their health and lifestyle goals is backed up by services associates can use to make life better for themselves and their families.

“The posters say ‘15 Minutes Could Save Your Life,’ and in my case, that 15 minutes did save my life.”

Associates 40 and older who have health coverage through the CFC Health Plan receive preventive mammograms, regular or 3D, at no cost.

Several times a year, our company invites Mercy Health Partners of Greater Cincinnati to bring its mammography van to our Headquarters building. It's easy to schedule an appointment and the convenience is a big plus.

Several years ago, during one of the mammography van's visits, Kiara* had her first, and ultimately last, mammogram.

“The instruments are calibrated at the hospital, so I know they're accurate,” Kiara said, “and you can get 3D imaging, which they've found allows for clearer images, so cancers are found earlier. The company has probably saved several lives by offering on-site mammograms.”

Mercy reports that from 2017-2019, the mammography van made 25 on-site visits and screened 669 women.

Headquarters associates who have been with our company for at least one year are eligible to apply to a year-long multi-faceted lifestyle management program offered through our Occupational Health department.

Chloe* learned more about the program after a Lunch & Learn session and eventually decided to apply.

After going through the application process, and being selected, Chloe and others in the group met weekly for education, support and accountability.

The program does require a shift in eating patterns, including the avoidance of certain foods. Exercise also is an essential component, so the group receives a six-month membership to a local health and fitness center.

“I just kept trading the same five pounds. I'd lose and gain – nothing was really working.”

“I wanted to get off a prescription medicine, which I did after four months,” she said. Chloe also reached her goal – to no longer be considered “obese” on the BMI scale.

“When people ask how I lost the weight and I tell them it's through a wellness-at-work program, they're really impressed with our company's commitment to us.”

“I knew I needed to do something to help myself, but I was too embarrassed to fully share my situation with anyone I knew.”

LifeMatters® – our company-provided employee assistance program – offers a variety of confidential services at no cost to associates, including six counseling sessions per issue for associates and dependent members of their family.

Ava* read about the counseling services and wanted to take advantage of them, but worried about her privacy.

She learned that these services truly are confidential – our company does receive information about the number of associates using the program, but not who is using resources or why.

LifeMatters gave Ava phone numbers of several counselors, and she chose one who seemed like the right fit and was located nearby.

“I was nervous about my first appointment, but my counselor turned out to be so kind and genuinely concerned. She really listened and reassured me that I wasn't the only person in the world who was struggling with a situation like mine.”

* Names changed to protect associate privacy.

We provide a regular schedule of Lunch & Learn meetings on topics ranging from the benefits of acupuncture and essential oils to preparing for retirement and caring for aging parents. An annual health fair – held virtually in 2021 – invites vendors to share information about their services with associates.

Recognizing that our associates may need assistance with financial wellness topics, we updated our online financial wellness curriculum in 2021. Associates can access a wide variety of topics, such as tackling college debt, balancing a household budget and saving for retirement. Similar to our health fair, we continue to host a financial wellness fair virtually, welcoming vendors to provide associates with information about their product and service offerings, such as life insurance and investing. In addition, representatives from Fidelity, our 401(k) provider, are available for three days each quarter to meet with our associates and answer questions. Fidelity is an active participant in our Lunch & Learn program, sharing information about planning for health care in retirement, budgeting and savings goals.

Our company's employee assistance program through LifeMatters has counselors and consultants available to help associates and their families. In addition to mental health counseling, some of the services offered include legal or financial consultation, adoption resources, child and elder care referrals and an identity theft prevention program. Over the past year, the webinars offered by LifeMatters have been geared toward mental health and helping associates adapt to changes brought about by the pandemic.

Measuring associate engagement

Engaged associates are high performers who are focused, productive, enthusiastic, committed to service and passionate about working toward an organization's goals. Through two-way communication, training, goal setting and measurement, we've worked to encourage engagement within our company.

Our Touchpoint survey measures the effectiveness of our efforts and helps us plan for future initiatives by giving associates the opportunity to provide feedback. After three years of annual surveys, we decided to survey every few years to allow more time to consider and respond to associate suggestions in significant ways. Our 2020 results were very positive, reflecting our leaders' ability to communicate and engage associates, especially through the pandemic.

We also ask associates to complete our annual Manager Survey, which helps us evaluate a manager's performance and is used as a basis for future training and opportunities to improve.

ASSOCIATE ENGAGEMENT SURVEY RESULTS		
	Response Rate	Engagement Score
2015	72%	76%
2016	83%	87%
2017	77%	88%
2020	76%	91%

SUPPORTING OUR COMMUNITIES

Located in the northwest suburbs of Cincinnati, Ohio, we are the largest employer in the city of Fairfield and the second largest in Butler County. Approximately 64%, or 3,362, of our associates are based at our headquarters campus and support more than 1,800 field associates who live and work in our agents' local communities. We pay more than \$5 million in annual local payroll taxes to the City of Fairfield, contributing to a vibrant community with high-quality resources for those who live and work in the area.

We have longstanding relationships with many nonprofit community organizations in our headquarters community.

United Way: Since 1994, our company has proudly partnered with United Way, the nation's leading community solutions provider. We consistently rank among the top 25 campaign donors to the United Way of Greater Cincinnati. In past years, associates have participated in a variety of activities over a two-week period, including a carnival day, bake sale and Make a Difference Day and contribute through pledges and the purchase of raffle tickets. In 2020, we held all raffles, contests and Make A Difference Day virtually and resumed some in-person activities in 2021.

ArtsWave: Greater Cincinnati's local arts agency and the nation's first and largest community campaign for the arts supports more than 100 arts and community organizations. Since 1976, our associates have supported ArtsWave by participating in various art-related contests, including a competition that includes artwork from associates and their children.

Insuring the Children: In 1998, associates from our company helped form Insuring the Children, the united effort of the Southern Ohio and Northern Kentucky insurance industry to raise awareness of child abuse and neglect.

ITC supports social agencies that provide prevention programs, emergency care and other assistance to abused and neglected children in Ohio, Indiana and Kentucky. We donate 25% of the proceeds from our paper recycling program to ITC each month.



Crayons to Computers: Since 2017, we have participated in the Corporate Crayon Challenge to benefit Crayons to Computers, a nonprofit organization that provides school supplies to 600 schools in the Cincinnati area. During one-week campaigns in 2020 and 2021, our associates donated a combined total of more than 8,000 24-count boxes of Crayola® crayons. We also contribute old and unused company office supplies to the organization throughout the year.

Hoxworth Blood Center: For more than 20 years, we have hosted regular blood drives for associates at our headquarters. Hoxworth Blood Center, University of Cincinnati, is the only blood center for the greater Cincinnati area, serving 31 hospitals in 18 counties in Southwestern Ohio, Northern Kentucky and Southeastern Indiana.

Volunteer Council: An associate-led Volunteer Council organizes support for various initiatives, including the Corporate Crayon Challenge and an annual holiday food drive benefiting a local school.

OUR COMMITMENT TO MANAGING CLIMATE RISK

WHAT WE BELIEVE

We manage enterprise risk through formal risk management programs overseen by an executive officer of the company. We continue to study emerging risks, including climate change risk and the potential financial impact on our operations, agents and policyholders. Detailed information about our enterprise risk management program is available beginning on page 33 of our [2020 Annual Report on Form 10-K](#).

- Responding to Climate Risk
- Estimating Potential Losses
- Maintaining Eco-Friendly Operations
- Reducing Energy Consumption and Emissions
- Helping Policyholders and Shareholders Go Paperless
- Conserving a Precious Natural Resource
- Doing Green Business

RESPONDING TO CLIMATE RISK

With any risk, we aim to identify the extent of our exposure and possible actions to mitigate the negative effects at an enterprise level. For our company, risks related to climate change include regulation, extreme weather events and risk to our headquarters facility.

Changes in climate change regulation could increase our cost of doing business or restrict our ability to conduct business. Regulatory changes could result in unexpected or unintended issues related to reporting, insurance pricing, claims and coverage. Adverse implications for our business include impeding our ability to obtain adequate rates for covered risks, extending coverage beyond underwriting intent or by increasing the frequency or severity of claims. We rely on our regulatory review team and participation in the property casualty industry trade association to keep our company at the forefront of regulatory and statutory changes. In addition, we maintain strong and healthy relationships with state insurance regulators.

Climate change is likely to influence extreme weather events, including hurricanes, tornadoes, windstorms, hailstorms, severe winter weather and wildfires. As a result, insured losses for our property casualty insurance business could negatively affect our financial performance and condition if the level of losses exceeded our actuarially determined expectations.

ESTIMATING POTENTIAL LOSSES

The extent of losses from a catastrophe is a function of both the total amount of insured and reinsured exposure in the area affected by the event and the severity of the event. According to the catastrophe models we regularly use, probable maximum loss estimates from a single hurricane event that combine the effects of property casualty insurance

PROBABLE MAXIMUM LOSS ESTIMATES

- Once-in-a-100-year hurricane event: \$326 million
- Once-in-a-250-year hurricane event: \$459 million

written on a direct basis by The Cincinnati Insurance Companies, the Cincinnati Re[®] reinsurance portfolio and risks insured by our Lloyd's of London syndicate, Cincinnati Global Underwriting Ltd.[™], include the following amounts, net of amounts recoverable through reinsurance ceded and also income taxes, and



including the effects of estimated reinstatement premiums: \$326 million for a once-in-a-100-year event and \$459 million for a once-in-a-250-year event or 3% and 4% of 2020 GAAP Shareholders' Equity, respectively.

We continue to refine our comprehensive, enterprise-level catastrophe management program, including risks from extreme weather-related events, to identify an overall tolerance for catastrophe risk and regional guidelines that work with our underwriting and reinsurance efforts. Actions we have taken include:

- Developing additional models to better understand risk exposures and correlations
- Diversifying our catastrophe exposure by expanding our operations geographically
- Obtaining reinsurance from highly rated reinsurers to mitigate underwriting risk

Approximately 64% of our workforce is based at our headquarters in Fairfield, Ohio, north of Cincinnati. To mitigate the impact of an extreme weather event resulting in property damage at our headquarters, we have implemented and continue to enhance business continuity actions, including contingency plans for operations and back-up facilities. These facilities include an information technology back-up data center and a furnished back-up office site.

Examining opportunities of climate risk

As we evaluate risks associated with climate change, we also recognize opportunities that may be available to us. Regulation changes that result in stronger building codes could change loss cost trends from weather-related events. To the extent that our underwriting and pricing models appropriately identify loss cost attributes, we could offer lower rates, benefitting policyholders while still growing our business to the benefit of our independent agents and shareholders. New product development would also provide opportunities for expanded revenues.

MAINTAINING ECO-FRIENDLY OPERATIONS

Our campus consists of 102 acres, which includes 42 acres of green space. We follow a holistic grounds management program that addresses the impacts of our hardscape, as well as sustainable landscaping initiatives to maintain our campus. When we expand or update the campus, we have used environmentally responsible features for energy consumption and recycling of materials.

Our 48,000 square-foot business continuity center received LEED® gold certification. The LEED (Leadership in Energy & Environmental Design) rating system is the recognized authority for measuring “green” buildings.

Our headquarters earned its 2021 ENERGY STAR® certification for superior energy performance driven by efforts to save energy, reduce pollution and increase efficiency. To receive this certification, commercial buildings must perform in the top 25% of similar buildings nationwide, based on key metrics such as energy performance, occupancy, hours of operation and more.

In addition, a carpooling program for associates helps ease traffic congestion and pollution near our Fairfield, Ohio, headquarters. We reimburse the associate who drives \$1 per passenger per day.

ENVIRONMENTAL STEWARDSHIP

- 2021 ENERGY STAR Main Building
- LEED Gold Certification Business Continuity Center



REDUCING ENERGY CONSUMPTION AND EMISSIONS

The ability to manage our energy consumption with greater precision and efficiency has helped achieve reductions in electricity and natural gas. 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.

The facility consumption and emissions graphs on the next page show trends over time.

Our electricity supplier, Duke Energy, offers an incentive rebate program, which we use to help fund future energy-related projects. We also have participated in demand response programs since 2013, successfully transferring our electrical load from the power grid to company generators during the required testing period. Such transfers, upon request by our electric supplier, can provide stability to the power grid and reduce the need for expansion of utility generation facilities.

In addition to reducing energy consumption, we improved 2020 fuel efficiency (miles per gallon) of our company automobile fleet by approximately 16% since 2010, reducing emissions as more fuel-efficient vehicles are added to the fleet and less efficient vehicles are retired from service. We added a gas-electric hybrid option to our fleet vehicle program in 2016 and currently offer the Ford Escape Hybrid and the Ford Fusion Hybrid. Drivers selecting a hybrid model receive a credit to help offset the price difference between the traditional and hybrid models.

Fuel efficiency in 2020 was less than in recent years due to more associates working from home during the pandemic. As a result, mileage for our company automobile fleet included a higher proportion of personal mileage versus business mileage. Personal mileage includes more city driving, relative to more efficient highway driving for business mileage that is more typical without the effect of more people working from home.

During 2020, emissions from the fossil fuels used to heat our facilities and power vehicles in our company automobile fleet, in combination, were 29% lower than in 2010. Emissions during 2020 resulting from the generation of electricity used in our facilities declined 49% compared with 2010, which was the first year we tracked emissions from fossil fuels.

Striving to recycle, reuse and donate

Recycling of paper, cardboard, cans and bottles reflect our associates’ efforts to find ways of incorporating environmental awareness into our daily operations.

During 2020, we completed a project to integrate recycling bins into the design of community kitchenettes that are located on each floor of our headquarters office buildings. We believe that making it more convenient to recycle will encourage even more associate participation.

Associates also organized an annual community shred day in conjunction with ARMA International, a nonprofit professional association for records managers and administrators. The 2019 event collected 4,300 pounds of paper for recycling. We did not hold community shred day in 2020 or 2021 due to the pandemic.

In addition to these associate-led efforts, our corporate activity in the area of electronics recycling in 2020 included:

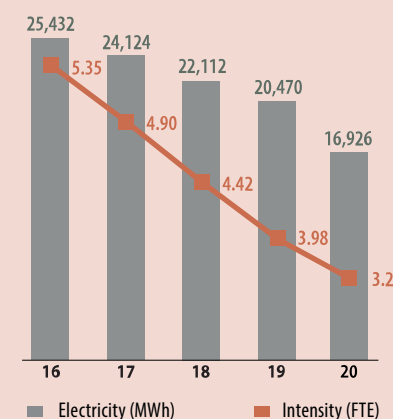
- 6 tons of electronic equipment
- 560 pounds of printer toner
- 105 tons of paper
- 23 tons of cardboard

We focus on being environmentally responsible in our document printing operations. As a 10-year member of the Forest Stewardship Council, we use 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% post-consumer waste included.

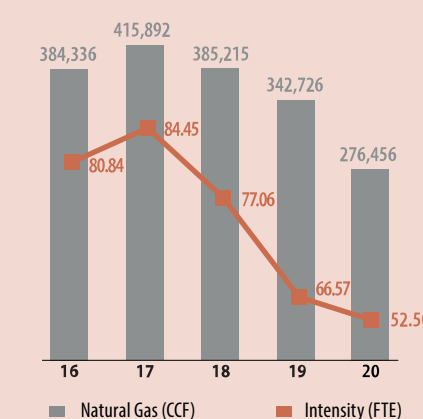
Our initiatives to reduce the amount of paper we use are wide-ranging and have included eliminating old printers, fax machines and copiers in favor of centrally located multi-function devices capable of printing, copying, scanning and faxing documents. Our corporate copy paper usage has declined 27.3% since 2017.

IMPROVING ENERGY TRENDS

Facility Electric Consumption

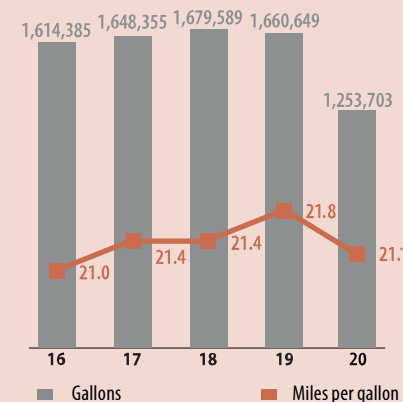


Facility Natural Gas Consumption

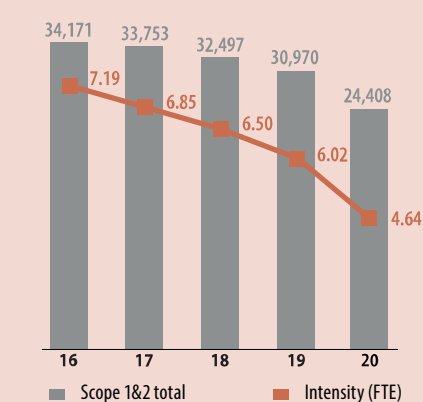


Company Auto Fleet

Gasoline Consumption & Miles per Gallon



Scope 1 & 2 Emissions Trend



The graphs above illustrate our progress in reducing consumption of electricity and natural gasoline in our facilities and gasoline for our auto fleet.

HELPING POLICYHOLDERS AND SHAREHOLDERS GO PAPERLESS

Converting policyholders to the paperless option eliminates the need to print and mail multi-page policy documents, avoiding postal mailing and related emissions. Beginning in 2017, we intensified our efforts to encourage personal lines policyholders to go paperless and receive policy information via a secure online portal or through the MyCincinnatiSM mobile app for AndroidTM and Apple[®] devices. As of year-end 2020, nearly 20% of our personal lines policyholders had gone paperless.

Along with the mobile app, we introduced a mobile wallet program in early 2018. Using Android and Apple devices, personal lines policyholders can view a statement summary and access their accounts. The mobile wallet program supplements online payment, pay-by-phone and electronic funds transfer options and has more than 8,800 subscribers.

In 2021, we implemented paperless policy delivery for nearly all our business insurance policies. Instead of automatically receiving paper copies of a clients' business insurance documents, our independent agents now have options to manage their clients' policy delivery preferences. We also introduced an online portal for business policyholders in 2021, making it easier to make payments, view billing history and select options for paperless billing delivery and notifications.

As a public company, we publish an annual report to shareholders, which includes our Annual Report on Form 10-K and a letter to shareholders, and our Annual Shareholder Meeting Notice and Proxy Statement. We have steadily decreased the number of copies that are printed and mailed as more shareholders choose to receive these materials electronically.

Shareholders who opt for e-delivery enjoy quick access to information as well as reducing the amount of paper received and the environmental impact associated with U.S. postal mailings.



Updating our indoor office environment

We recognize that a quality indoor office environment increases productivity by keeping associates healthy and comfortable. We have used a certified green janitorial service and prohibited tobacco use on our campus for a number of years.

In 2021, we completed a multiyear, floor-by-floor renovation of the oldest of the three office buildings that comprise our headquarters. Built in 1985, floors that are renovated receive brand-new restrooms and kitchenettes as well as new ceilings, LED lighting, carpeting, wall coverings and office furniture.

Benefits of the renovation for indoor environmental quality include:

- air diffusers
- LEED-qualified office furniture
- increased natural lighting

Enhancements to our HVAC systems in 2021 will result in improved air quality and safety in our office buildings:

- Adding UVC lighting to air handlers
- Increased humidification

UPGRADING PLUMBING FIXTURES

- Filtered drinking water systems to replace all water fountains
- 2020 installations to prevent the spread of COVID-19
 - Touchless faucets and towel dispensers
 - Automatic flush valves

CONSERVING A PRECIOUS NATURAL RESOURCE

During 2020, our water consumption declined 35% to 13.3 million gallons as most of our associates worked from home. We expect to maintain that reduction in 2021 due in part to our hybrid work schedules.

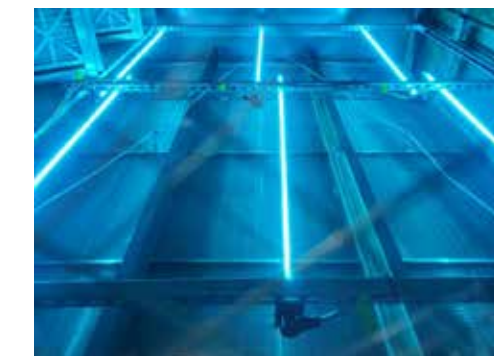
DOING GREEN BUSINESS



Our Executive CapstoneTM homeowner insurance policy automatically provides some coverage for the reasonable costs to repair or replace covered, damaged property with green alternatives. A Green Upgrade coverage endorsement is also available and offers broader benefits, such as coverage for green upgrade expenses after a covered loss.

We have offered a commercial property green endorsement since 2013. Our green endorsement 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



In 2021, we added UVC lighting to our air handlers – an enhancement that is 99.9% effective in reducing the spread of airborne contagions.

USING LESS AND RECYCLING MORE

6

tons of recycled electronic equipment and one ton of printer toner



During 2020, we recycled:

105

tons of paper

23

tons of cardboard

20%

of personal lines policyholders enrolled in paperless delivery

70%

reduction in print production of business insurance policies

27.3%

decline in corporate copy paper usage since 2017



OUR COMMITMENT TO GOVERNANCE AND ETHICAL OPERATIONS

WHAT WE BELIEVE

Our company's mission is to grow profitably and enhance the ability of local independent insurance agents to deliver quality financial protection to the people and businesses they serve. As we work to fulfill our mission, our business model is built on our determination to operate ethically and treat people the way we would want to be treated.

- **Governing with Integrity and Operating with Purpose**
- **Committed to Ethical Business Practices**
- **Information Security and Data Privacy**
- **The Cincinnati Ethic**

GOVERNING WITH INTEGRITY AND OPERATING WITH PURPOSE

As of our 2021 Annual Shareholder Meeting, the board of directors of Cincinnati Financial Corporation includes 14 directors, 11, or 79%, of whom are independent. Each director brings extensive management and leadership experience gained through service as executives and, in several cases, chief executive officers of diverse businesses. In addition, each director has civic and community involvement that mirrors our company's values emphasizing personal service, relationships and local decision making. All of our directors are elected annually at the Annual Shareholder Meeting.

Our primary governance policies and practices are included in our Corporate Governance Guidelines, Code of Ethics for Senior Financial Officers and Code of Conduct for all associates. These documents are available in the Governance section of cinfin.com/investors and are reviewed annually by the nominating committee of the board.

COMMITTED TO ETHICAL BUSINESS PRACTICES

One of our company's most valuable assets is our reputation for integrity, professionalism and fairness. A formal Ethical Business Practices Plan administered by our compliance officer ensures that associates understand the importance of conducting business activities to the highest ethical standards. The compliance officer is assisted by two multi-departmental teams – the compliance oversight board and the insurance operations compliance committee. Department managers are responsible for day-to-day compliance activities in their business units. Throughout the year we conduct awareness campaigns designed to reinforce business ethics and compliance, information security and data privacy.

GOVERNANCE POLICIES & PRACTICES

- **Corporate Governance Guidelines**
- **Code of Ethics for Senior Financial Officers**
- **Code of Conduct for All Associates**
- **Vendor Code of Ethics and Business Conduct**

BOARD OF DIRECTORS OF CINCINNATI FINANCIAL CORPORATION



- Male Directors
- Female Directors



- Independent Directors
- Non-Independent Directors

Online compliance training courses through our Learning & Development department are mandatory for all associates. We encourage associates to report any suspected violations promptly and do not tolerate retaliation or retribution for reports or complaints regarding misconduct. Multiple methods of communication are available to associates to share concerns or violations, including a confidential toll-free reporting hotline, 877-470-8328. We also maintain a fraud reporting link on our corporate website to allow any individual to report fraud.

INFORMATION SECURITY AND DATA PRIVACY

Cincinnati Financial Corporation and its U.S. affiliates and subsidiaries abide by and support a comprehensive information security program implemented to protect the confidentiality, integrity and availability of our information systems. We educate associates about techniques used by cybercriminals with the use of online courses, regular phishing tests and a dedicated email address to report potential cyberthreats. The results are provided to our board's audit committee.

OUR SECURITY RESPONSIBILITY

- Protect policyholder, claimant and proprietary information
- Maintain a robust and mature cybersecurity program

Highlights of our program include:

- **Adherence to Standards** – We operate in a heavily regulated industry, and our cybersecurity program, which is aligned to ISO 27001, helps us comply with numerous laws, regulations and standards. These include but are not limited to: Gramm-Leach Bliley Act, NIST Cyber Security Framework, New York State Department of Financial Services Cybersecurity Regulation, California Consumer Privacy Act, General Data Protection Regulation, Health Insurance Portability and Accountability Act, and Payment Card Industry Data Security Standard.

- **Governance** – Our cybersecurity program delivers regular, structured reporting and receives oversight at both the executive management and board level.
- **Incident Response** – We have documented plans in place to respond to a variety of possible incidents and crises. These plans are periodically reviewed and tested.
- **Business Continuity** – Our cybersecurity controls are supported by a formal business continuity program and regular timed disaster recovery testing.
- **Internal Audits** – Each year, we conduct internal audits of our company's cybersecurity controls.
- **External Assessments** – We regularly engage with leading external consultants to test the effectiveness of our cybersecurity program.
- **Required Training** – We educate associates about techniques used by cybercriminals with the use of online courses, regular phishing tests and a dedicated email address to report potential cyberthreats. We also offer data security training and resources to our agents through our voluntary Agency Phishing Training Program.
- **Vendor Risk Assessment** – It is our standard to consider the cybersecurity risks associated with each new vendor relationship.
- **Peer Comparison** – We subscribe to independent third-party services that compare our cybersecurity practices to those of our peers. We regularly score at or near the top of our peer group.

A formal privacy program is designed to protect confidential information, which includes personal information about applicants, policyholders, account holders, claimants, beneficiaries, associates and other individuals. The program is coordinated by our privacy officer, who is assisted by a team that includes associates from the Information Security Office and compliance areas throughout the company, and department privacy and security coordinators.

All associates are required to complete an online course about our privacy program. A formal incident response plan outlines specific steps for associates to take if confidential information is exposed. Our privacy practices are described in our privacy notices, which are available on our corporate website, cinfin.com/privacy.

THE CINCINNATI ETHIC

Our company fosters integrity, responsibility and active engagement, well beyond any requirements, guidelines or rules. We refer to the core set of values we have practiced over the years as The Cincinnati Ethic.

We put people first. Insurance serves people, and when it serves well, profits follow. Relationships, not transactions, are our building blocks.

We live the Golden Rule every day. It guides us as we interact with each other, with agents, policyholders and claimants, investors, peer companies and suppliers. We respect and serve others. It is our privilege to listen and respond genuinely to ideas and concerns, to recognize and honor each other's talents, efforts, motives, interests and potential. Within and across departments and assignments, we team with others who complement our strengths and offset our shortcomings, expecting no less of us in return.

We invest in ourselves and one another. We welcome lifelong learning that leads to excellence in personal and professional performance. Our true leaders are those at all levels of our organization who model this excellence, passing on their knowledge, skills and good judgment to others. We allow mistakes, and we learn from them. We anticipate the need for change, setting the stage so our personal and company capabilities can evolve within a stable environment.

We make the effort to do the little things that make a big difference. This means the extra step we take to assure quality or to respond fully and promptly, the attention we pay to daily opportunities for thrift, the moment it takes to make a thoughtful comment of encouragement or instruction – these add up to the Cincinnati difference.

We believe long-term financial stability is an attainable goal. We fully accept our responsibility to be a steady, fair and responsible employer, insurance carrier and corporate citizen. This means it's our job to create long term value for those who invest their time, efforts, funds or trust in our organization. Further, we believe we owe our stakeholders open and honest discussion of our financial condition and decisions.

We know the risks we accept and work to manage them effectively. Every new relationship with an associate, agent, policyholder, claimant, investor, security issuer or supplier is a source of both risk and reward. It's up to each of us to study both sides of that equation, applying our work ethic, technical skills and best judgment to turn risk into reward. We recognize that healthy competition contributes to this process.

We think it's important to be where our customers are. The local people who represent us within their communities are the source of the responsiveness that differentiates us. Their daily actions achieve selectivity, flexibility and customization, branding us as the company for agents and policyholders who embrace value propositions and reject commoditized approaches. Their specific knowledge, flexibility and local decision making can never be replaced by any survey, focus group, committee report, objective study or conventional wisdom. Our headquarters operation supports our field operation, not vice versa.

We pay claims. The Cincinnati Insurance Companies are in the business of helping people recover financially after losses, working to preserve their dignity in the process. We believe that we will prosper as a company by responding to claims person to person, paying what is due under each policy, preventing false claims from unfairly adding to overall premiums and building financial strength to meet future obligations.



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