2022 Corporate Sustainability Report

PROGRESSIVE

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About the Artwork

A selection of artwork from Progressive's extensive Art Collection is presented throughout this report. The Progressive Art Collection showcases exceptional artistic achievement in line with Progressive's Core Values. It offers a dynamic work environment that promotes an open mind to what is unknown and different.
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About the Cover

Amy Casey paints precarious worlds composed of the natural and human-made environments she has encountered, especially within the Rust Belt region. Her work explores how we create (or recreate) structure, stability, and community in our towns and cities. While these worlds often look like they are on the brink of falling apart, they are not negative visions. Instead, the human-made and natural environments are strung in such a way as to portray a mutual resilience and interdependence that will remain after catastrophe.

Amy Casey

Hanging Forest

2013

acrylic on Ampersand Cradled Clayboard

24" x 30"

About This Report

This report includes financial and nonfinancial information from The Progressive Corporation and its subsidiaries (collectively referred to as Progressive) about environmental, social, and governance (ESG) activities for the 2022 calendar year, unless otherwise noted.

This report is informed by elements from various reporting frameworks, namely the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). For further information about how our existing disclosures align with these standards, please refer to the applicable indices in the Appendix. This report uses certain terms, including those that the reporting frameworks, SASB and TCFD, refer to as "Material Topics" to reflect the issues of greatest importance to Progressive and our stakeholders but is not intended to communicate any material investment information. Used in this context, these terms should not be confused with terms such as "material" or "materiality," as defined by or construed in accordance with U.S. securities laws or as used in the context of U.S. GAAP financial statements and financial reporting.

An internal Steering Committee oversaw this report's preparation with guidance from the Nominating and Governance Committee of The Progressive Corporation's Board of Directors, executive leadership, and various subject matter experts.

All numerical figures in this report corresponding to 2022 data, including, without limitation, those relating to emissions data, reflect methodologies and assumptions believed to be reasonable and accurate. The data in this report are not guarantees of future performance and no assurances can be given that any plan, initiative, projection can or will be achieved. The data also remains subject to change as a result of, among other things, new information or subsequent developments.

Forward-Looking Information

This report provides an overview of some of Progressive's long-term goals and aspirations, and efforts in support of these goals and aspirations. Investors are cautioned that certain statements in this report, including those relating to our goals and aspirations, not based upon historical fact are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These statements often use words such as "estimate," "expect," "intend," "plan," "believe," "goal," "target," "anticipate," "will," "could," "likely," "may," "should," and other words and terms of similar meaning, or are tied to future periods, in connection with a discussion of future operating or financial performance. Forward-looking statements are not guarantees of future performance, are based on current expectations and projections about future events, and are subject to certain risks, assumptions, and uncertainties that could cause actual events and results to differ materially from those discussed herein. For a discussion of the assumptions, risks, uncertainties, and other important factors that could cause actual events and results to differ materially from those discussed in this report, see our most recent reports and other documents filed with the United States Securities and Exchange Commission, including, without limitation, the Risk Factors section of our Annual Report on Form 10-K for the year ending December 31, 2022. Any forward-looking statements are made only as of the date presented. Except as required by applicable law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

A Message From Our CEO

In my 35 years at Progressive, I've always known it was a special company. From our Core Values to our strong culture to our business results, I believe Progressive has been a leader in our industry. Sustainability has been an integral part of our business because it's part of who we are and as such, we've had many sustainability programs in place long before "ESG" became a buzzword. Of course, our tenets of sustainability have evolved naturally over time as we work not only to grow our business, but also to support our customers, community, and employees. Despite embarking down this road for our own reasons, it's been gratifying to see external parties come to acknowledge our progress in sustainability, including seeing our progress reflected in independent ESG ratings. There's always more to do, but it's great to see Progressive emerging as a leader in yet another category.

This year's Corporate Sustainability Report—our fourth—is especially meaningful for me, because we recently announced our new Purpose statement: "We exist to help people move forward and live fully." We want this statement to not only guide our own actions, but also to define for those outside our company why we exist—and to help us share our vision of what an insurance company should be with the world around us. We believe the effort we put into sustainability is one of the many key areas to helping others live fully.

Our ongoing commitment to renewable energy and our goals of becoming carbon neutral by the end of 2025 for Scope 1 and 2 and setting the path to net-zero in the following decade are, of course, central to this report. This past year, we wanted to ensure our efforts in these areas are completely transparent, so we completed the Carbon Disclosure Project (CDP) climate-change questionnaire and plan to continue disclosing our efforts through the CDP moving forward. I'm also thrilled to say that the most visible example of our sustainability efforts—the solar array at our campus in Mayfield Village, Ohio—is now complete and fully operational. As I've said before, I know I'm not alone in feeling a sense of pride when I see the solar array on my way to the office.

I'm also very proud to say that we're making great progress on our Diversity, Equity, and Inclusion (DEI) initiatives. A few years ago, for instance, we introduced an ambitious aspiration to double the representation of people of color in our company's senior leadership from 10% to 20% by the end of 2025. We set this aspiration to help measure the success of our efforts to attract, retain, and develop a broad and diverse pool of exceptional talent. I'm pleased to share that, as of December 2022, people of color represent 17% of Progressive's senior leadership ranks. DEI has been central to our culture for well over a decade now, and it's exciting to see our investments continue to pay off.

This past year, we also made improvements to our Supplier Code of Conduct, which outlines the standards of behavior we expect from our suppliers, namely those providing goods or services to Progressive. We also enhanced the disclosures and transparency in this report around our Ethics and Compliance program.

These new disclosures shed more light on the strong program we've nurtured over decades at Progressive.

I'll close here by highlighting another milestone: We celebrated the 10th year of our Keys to Progress® veteran vehicle giveaway program. I'm sure I speak for our 55,000 plus employees when I say this accomplishment fills me with pride and emotion. Seeing how this program has evolved and expanded over the years—as well as the smiles and tears of joy from our recipients across the country—is incredibly fulfilling, and a testament to what I think makes our people so special as we continue striving for a better tomorrow.

Tricia Griffith
President and Chief Executive Officer

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Introduction

Chris Duncan

The Repercussions of Cho Seung-Hui

2007

wood putty, paint, gouache, marker, graphite, colored pencil on panel

71 ¾" x 95 ¾"

At Progressive, we see sustainability as part of the value we bring to our customers, communities, employees, agent partners, and shareholders. We're dedicated to creating a better world for all of our stakeholders.

Reflecting on Our Sustainability Journey

The 2022 Corporate Sustainability Report marks Progressive's fourth annual publication. This year we will take the opportunity to reflect on how far we've come since our first Sustainability Report in 2019. That initial effort was a great start to reporting on our sustainability journey, and we acknowledge the commitment we made to continuous improvement at that time. When reading the Corporate Sustainability Reports in order, the growth across the ESG spectrum is evident. We believe our focus on sustainability has become more robust, our disclosures broader, and throughout all of the reports, Progressive's strong culture continues to drive our mission forward. We aim to take a forward-looking approach to everything we do, from the products we offer to the way we interact with the world around us. As our efforts evolve with the world around us, we expect to adapt our sustainability reporting.

Our 2022 Corporate Sustainability Report maintains the practice of continuous improvement. This year, we have expanded our Ethics and Corporate Decision-Making section to augment our governance story, which is grounded in our Core Values. Also, in early 2023, we published a revised Supplier Code of Conduct, which clarifies our expectations for our suppliers, namely those providing goods or services to Progressive. Finally, throughout this Corporate Sustainability Report, we've expanded our discussion and shared new stories to highlight how sustainability is embedded in our business and culture.

As we've said frequently in the past, we are proud of our accomplishments, but acknowledge there's more work to do and that we'll continually seek ways to expand upon our sustainability impact. Our 2022 Corporate Sustainability Report represents a moment in time but is an opportunity to celebrate our wins and realign our goals for the coming year. We encourage readers to periodically review our financial statements, press releases, and governance documents for other disclosures as the year unfolds.

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Supporting Our Strategic Pillars Through Sustainability

Ensuring our people and culture collectively remain our most powerful source of competitive advantage

- Attracting and hiring new talent
- Supporting our people and culture
- Developing our people
- Fostering a diverse and inclusive workplace
- Maintaining our strong Corporate Ethics program

Maintaining a leading brand recognized for innovative offerings and supported by experiences that instill confidence

- Leveraging strong governance practices
- Driving social good for our communities
- Investing in superior mobile and online customer service, and best-in-class 24-hour claims service
- Building a brand with relevant messages that resonate with consumers

Meeting the broader needs of our customers throughout their lifetimes

- Being available where, when, and how our customers want to interact with us
- Helping customers select the best insurance for their needs and keeping them apprised about their coverages
- Supporting our communities
- Meeting the evolving needs of our customers through investments across our Three Horizons
- Practicing sound risk management so Progressive can be there in our customers' times of need

Offering competitive prices driven by industry-leading segmentation, claims accuracy, and operational efficiency

- Reducing expenses while supporting better environmental outcomes
- Applying procurement policies that support the right combination of price, service, and value

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Corporate Governance

Eamon Ore-Giron

Infinite Regress XLVIII

2018

Flashe on linen

10" x 8"

To us, Corporate Responsibility is akin to living our Core Values. These values guide our actions and behaviors. We work to drive sustainable change for our shareholders, employees, communities, and the millions of customers who trust us to protect what is important to them.

Our Approach to Reaching New Horizons

Progressive's Corporate Governance Guidelines describe the Board of Directors' ("Board") views on a wide range of governance topics. The Nominating and Governance Committee annually reviews these guidelines and submits any changes deemed appropriate to the full Board for its consideration. Please see our 2023 Proxy Statement for a discussion of significant corporate governance practices, which we designed to support sustained value creation for our shareholders.

The Board works with management to set the short- and long-term strategic objectives of Progressive based on our Three Horizons (execute, expand, and explore) and to monitor progress on those objectives.

The Board generally discusses strategic topics at each Board meeting, and the Board and management annually participate together in a separate strategy session. In setting and monitoring strategy, the Board, along with management, considers the risks and opportunities that impact the long-term sustainability of our business model and whether the strategy is consistent with our Core Values, culture, and risk appetite.

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Board Oversight and Monitoring Process

Our Board of Directors is ultimately accountable for overseeing Progressive's risk profile and its risk management processes. To facilitate these oversight responsibilities, the Board assigns certain risk oversight to each of its main committees through each committee's charter, which enables the Board to function more effectively. The whole Board is required to focus only on those risk issues deemed most critical by the applicable committee. The committees provide a deeper focus on overseeing management with respect to the full range of risks we confront.

Each committee regularly reports to the full Board on the risks that it oversees. The Board's Chairperson consults with the committee Chairs, as necessary, to ensure that significant risk issues are brought to the attention of the full Board. Our full committee charters can be found in the Governance Documents section of our Investor Relations website.

Other than the Executive Committee, each committee's specific risk oversight responsibilities are summarized on the following page.

> **Progressive has a very well-developed risk management process and risk framework that is used to identify and monitor the risks in the business, articulate risk appetites and track risk mitigation activities. It is a living document under constant review and amendment as conditions change.**

Lawton Fitt Chairperson of the Board, Letter to Shareholders, March 2023

Geoff McFetridge

Image Based Gamelan 12: Encryptedecrypted

2020

acrylic on canvas

41 ½" x 35 ½"

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Our Committees

Audit Committee

The Audit Committee oversees risks relating to financial statements, financial controls, internal and external audit functions, and external reporting. In addition, the committee oversees our Enterprise Risk Management (ERM) program which is conducted by our Management Risk Committee (MRC) and the full Board receives an update at least annually. These responsibilities include the review of the guidelines, policies, and procedures that govern how we assess and manage our exposure to risk, and meeting periodically with management. This includes meeting with leaders and other representatives of the risk management department, compliance and ethics group, law department, internal audit, physical and information security group, external auditors, and other business units, as necessary, to review our major operational, financial, reputational, and other risk exposures, as well as the steps management has taken to identify, monitor, assess, and mitigate such exposures. While the oversight of ERM and the MRC entails a broader focus than the other committees, the Audit Committee is not responsible for risks that are overseen by the other committees.

Risk Oversights

- Financial statements
- Financial controls
- Internal and external auditing
- External reporting
- ERM program and MRC
- Major risk exposures not covered by another committee

Compensation Committee

The Compensation Committee regularly reviews any major risks arising from our compensation plans and programs, and executive and director compensation decisions. The committee also oversees several aspects of our human capital management strategies as well as our Diversity, Equity and Inclusion (DEI) efforts and related risks. They exercise this responsibility through discussions with management on these topics.

Risk Oversights

- Companywide compensation plans and programs
- Executive officer compensation
- Director compensation
- DEI

Investment and Capital Committee

The Investment and Capital Committee oversees our investment policy, which is designed to enable us to meet our business and financial objectives with a reasonable balance among risk, return, and cost. The committee is also responsible for ensuring we have a capital plan that takes risk factors into consideration and ensuring risk is appropriately taken into consideration in connection with proposed strategic investments, including mergers and acquisitions. They exercise this responsibility through discussions with management on these topics.

Risk Oversights

- Investment operations
- Capital plan and structure
- Strategic investments

Nominating and Governance Committee

The Nominating and Governance Committee is responsible for overseeing and addressing risks relating to the Board's and Progressive's governance practices, stakeholder concerns, and environmental (including climate change), and social factors and initiatives impacting us. They exercise this responsibility through discussions on current corporate governance issues, risk oversight, shareholder engagement processes, and environmental and social issues, as well as Progressive's current ESG efforts and reporting. The committee further coordinates efforts relating to succession planning of executives and directors, assesses the qualifications and diversity of directors, and makes recommendations to the Board on potential candidates for election to the Board. The committee also monitors the risk allocation among the committees.

Risk Oversights

- Corporate governance
- Board composition
- Succession planning
- Public policy activities
- Stakeholder concerns
- ESG activities, including climate change

Technology Committee

The Technology Committee oversees the use of technology in Progressive's business strategy as well as the related technology and information security risks, including digital and data strategies, legacy systems, technology investments, data privacy, cybersecurity programs, operational performance, and technology-related business continuity and disaster recovery programs. The committee also oversees management's effort to mitigate these risks.

Risk Oversights

- Use of technology in executing the company's business strategies
- Data privacy
- Cybersecurity

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Board Diversity

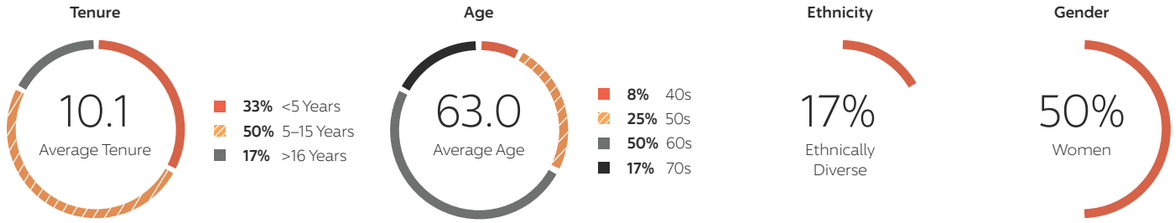
The Nominating and Governance Committee evaluates each director candidate individually when considering whether they should be nominated to serve on the Board. The Board's policy is to include individuals with a wide variety of tenure, talents, skills, experiences, and perspectives, in addition to considering demographic criteria such as race, ethnicity, sexual orientation, gender, nationality, age, and disability, whenever possible. The Board believes that such diversity provides the Board with broader perspectives, a wide array of thoughts and ideas, and insight into the views and priorities of our diverse investor, customer, agent, and employee bases. The committee's work in recruiting new members will continue to reflect their commitment to achieve such diversity.

> **It is the Board's job both to oversee the "here and now" and to focus on longer-term opportunities and challenges, and our work in 2023 reflects those dual responsibilities...at the same time, our annual program of work ensures that we spent ample time on three critical areas of long-term Board oversight: strategy, the evolving risk environment, and the bench of leadership talent for the future.**

Lawton Fitt Chairperson of the Board, Letter to Shareholders, March 2023

Board Diversity[1]

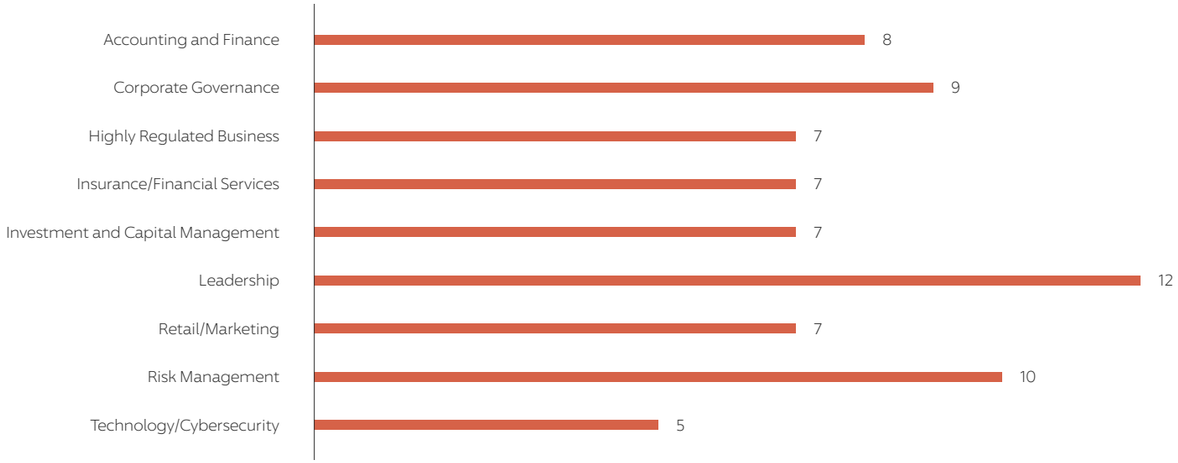
We're one of a few companies in the Fortune 500 with a female CEO, as well as a female independent Board chairperson. Our directors include an appropriate mixture of long-tenured and newer directors.



[1] Based on data as of March 27, 2023 for 12 director nominees at the May 12, 2023 Annual Meeting of Shareholders.

Skills and Experiences[1]

The Board believes that it is desirable that the following experiences, qualifications, attributes, and skills be possessed by one or more of its Board members because of their particular relevance to Progressive's business and structure.



[1] Based on data as of March 27, 2023 for 12 director nominees at the May 12, 2023 Annual Meeting of Shareholders.

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Progressive's Board of Directors[1]

Tricia Griffith
President and Chief Executive Officer,
The Progressive Corporation

Lawton W. Fitt,
Chairperson of the Board,
The Progressive Corporation;
Retired Partner, Goldman Sachs
Group (financial services)

Danelle M. Barrett
Retired Rear Admiral
United States Navy (military)

Philip Bleser
Retired Chairman of Global
Corporate Banking, JPMorgan
Chase & Co. (financial services)

Stuart B. Burgdoerfer
Retired Executive Vice President
and Chief Financial Officer,
L Brands, Inc. (retailing)

Pamela J. Craig
Retired Chief Financial
Officer, Accenture PLC
(global management consulting)

Charles A. Davis
Chief Executive Officer,
Stone Point Capital LLC
(private equity investing)

Roger N. Farah
Retired Executive Director,
Tory Burch LLC (retailing)

Devin C. Johnson
President, The SpringHill
Company (global consumer
and entertainment)

Jeffrey D. Kelly
Retired Chief Operating Officer
and Chief Financial Officer,
RenaissanceRe Holdings Ltd.
(reinsurance services)

Barbara R. Snyder
President, The Association
of American Universities
(higher education)

Kahina Van Dyke
Global Head, Digital Channels
and Client Data Analytics,
Standard Chartered PLC
(international banking)

For additional information regarding our current directors, review the information included in our 2023 Proxy Statement.

[1] Based on data as of March 27, 2023 for 12 director nominees at the May 12, 2023 Annual Meeting of Shareholders.

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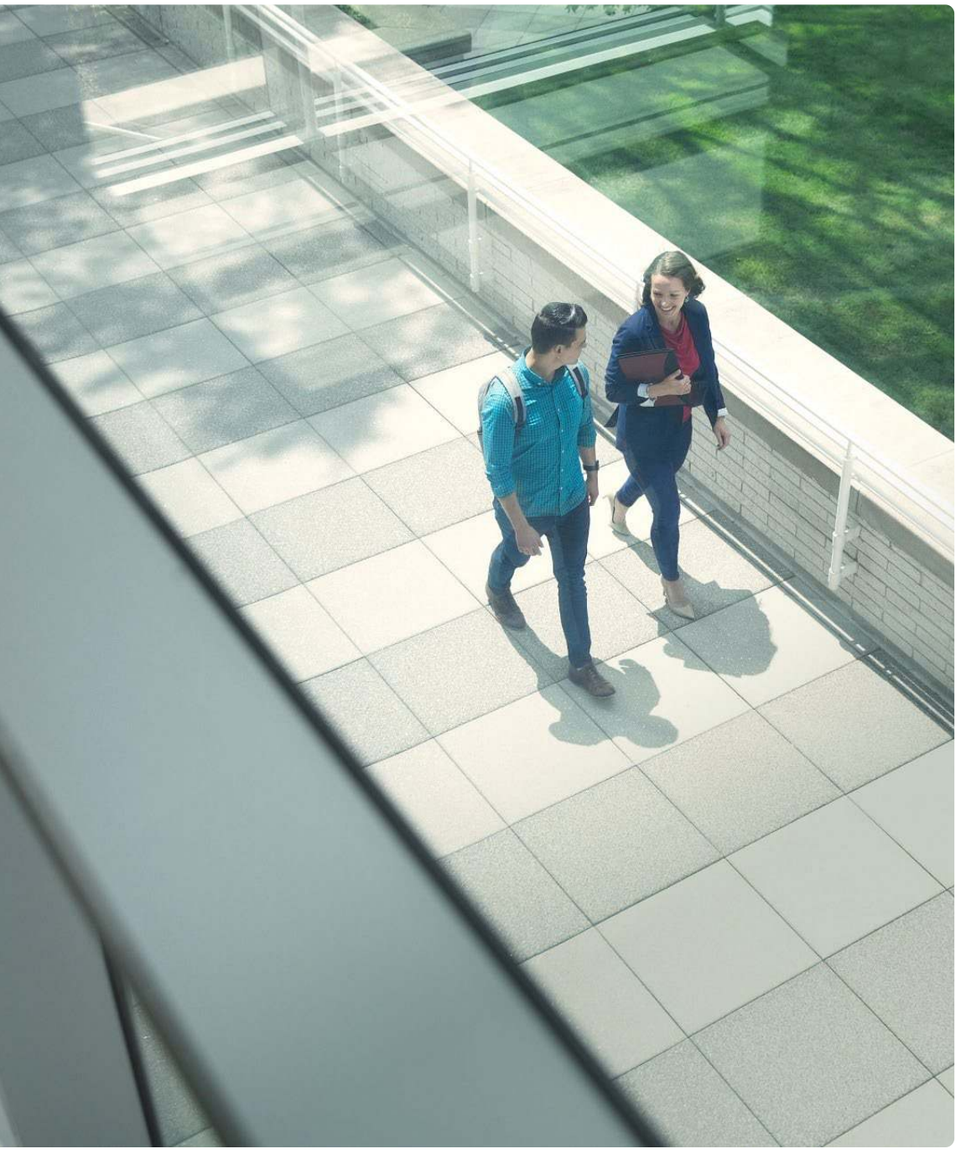
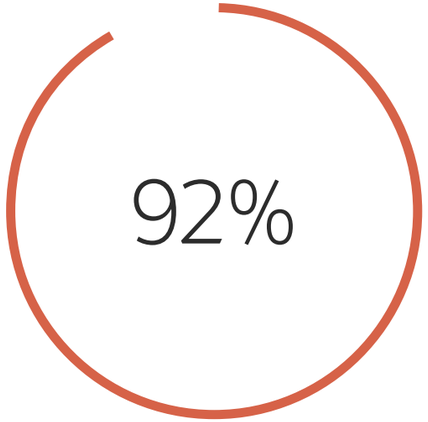


Board Independence

As described in our 2023 Proxy Statement, the Board determined that each of our current directors is independent under the New York Stock Exchange (NYSE) listing standards, other than Tricia Griffith, our CEO. Additionally, the Board determined that each director on our Audit and Compensation Committees also satisfies the additional requirements for independence under applicable SEC and NYSE rules.

Board Independence[1]



[1] Based on data as of March 27, 2023 for 12 director nominees at the May 12, 2023 Annual Meeting of Shareholders.

Lawton Fitt currently serves as Chairperson of the Board. Ms. Fitt is independent from management under NYSE listing standards. She has a strong business background, executive management experience, and additional experience as a member of a number of public company boards.

All committees are comprised of independent directors, other than the Executive Committee, on which Mrs. Griffith serves. To further ensure effective independent oversight, our non-management directors meet in executive session periodically throughout the year, typically at the conclusion of regularly scheduled Board meetings. Each committee also has the ability to meet in executive sessions at its discretion.

For additional information on our Board structure and the role of the independent Chairperson, see our Corporate Governance Guidelines and our 2023 Proxy Statement.

Multistakeholder Framework

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of Progressive and its shareholders in governing and guiding Progressive to achieve its long-term strategy.

In discharging that obligation, directors owe Progressive the duties of loyalty and due care. In addition, in exercising their business judgment, our directors may consider the interests of other stakeholders, including Progressive's customers, employees, and vendors, as well as those of the broader communities in which Progressive operates.

Other Corporate Governance Practices

We are committed to meeting high standards of ethical behavior, corporate governance, and business conduct. Please see our 2023 Proxy Statement for additional information with respect to our corporate governance structure, practices, and policies.

Shareholder Rights

Progressive's Articles of Incorporation and Code of Regulations, available on the SEC's website, as well as the Ohio General Corporation Law, define our shareholders' rights. Our Corporate Governance Guidelines include additional information with respect to our interactions with shareholders. Please see our 2023 Proxy Statement for additional information with respect to shareholder rights and communications.

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Ethics and Corporate Decision-Making

Sound governance is an organizing principle at Progressive, starting with the Board and extending to management and all employees.

Our Approach

We promote an ethical culture by raising awareness of and modeling our ethical performance expectations at all levels throughout Progressive, starting at the top. With oversight from the Board, our CEO and senior leaders consistently reinforce an ethical culture, demonstrate appropriate conduct, model accountability within the organization, and empower our employees to make ethical decisions and escalate issues. Our Core Values are the foundation for our Code of Business Conduct and Ethics (Code of Conduct), which provides clear expectations for all our people and confirms our commitment to high ethical standards and compliance with legal requirements. We provide ethics training, as well as regular communications, video series, and outside speakers presenting themes such as Celebrate Disagreement and Courage at our Core, to emphasize our commitment to our ethical and legal responsibilities.

Upon joining Progressive, employees are required to acknowledge that they have read and will comply with our Code of Conduct. All employees are required to participate in an ethics awareness training event at least twice a year.

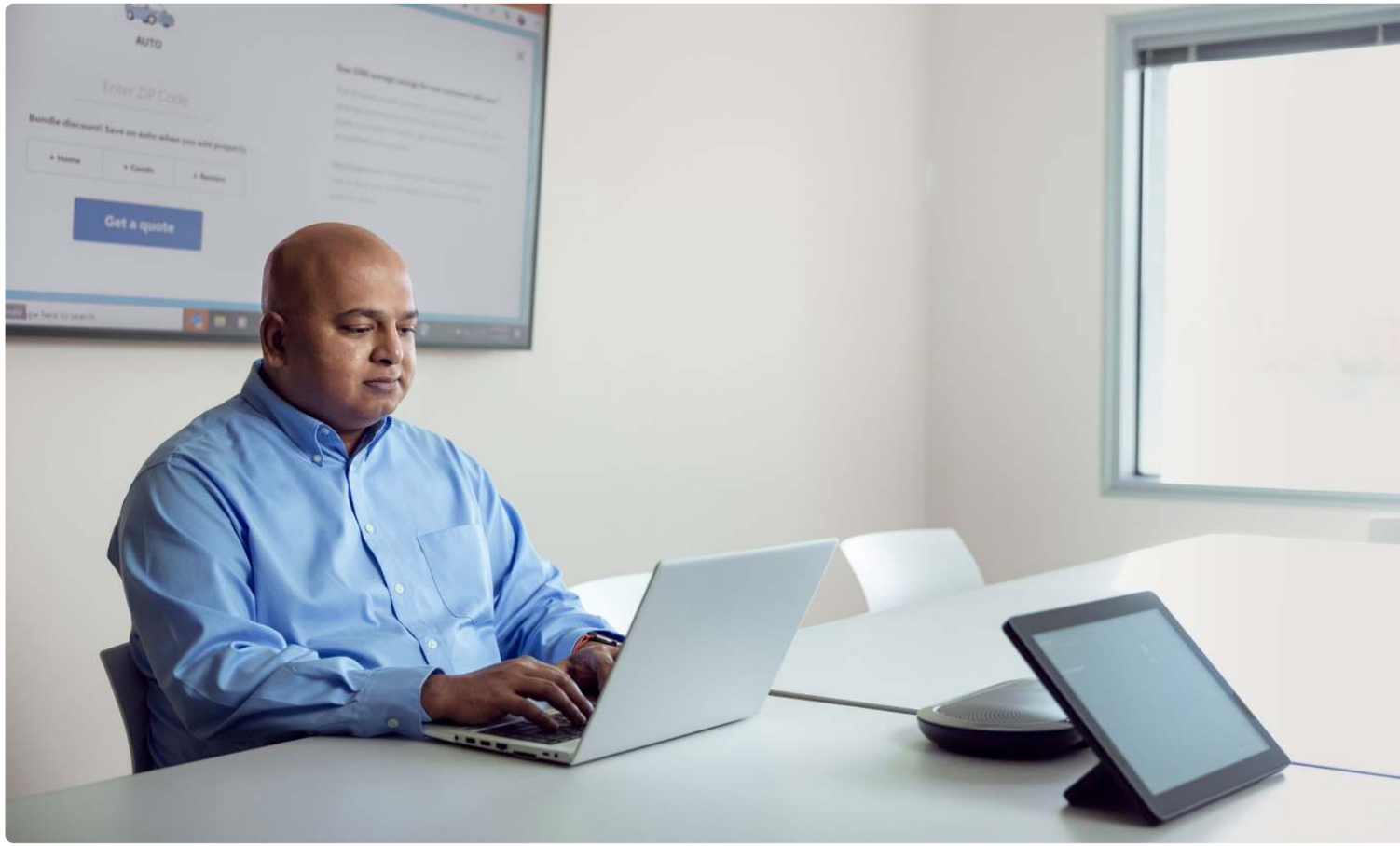
Ethics and Compliance Training and Awareness

We strive to maintain an effective ethics and compliance program.

We work to foster an ethical culture by embedding expectations for behavior throughout the organization. We develop companywide training and communication initiatives designed to help Progressive people honor our Core Values, adhere to our Code of Conduct, and sustain a strong ethical culture. Examples of recent mandatory companywide programs include:

- **Celebrate Disagreement (2022):** Designed to help people understand the important role disagreement plays in preventing mistakes, identifying risks, improving products and services, avoiding groupthink, promoting innovation, and harnessing the full value of our diverse workforce, this required program also provided practical guidance on how to express and embrace disagreement through four key skills: curiosity, honesty, empathy, and inclusion.
- **Core Conversations (2023):** Created in response to data showing how leader-led discussions of ethics and compliance topics help strengthen key cultural attributes, this mandatory, companywide program encourages leaders to have these discussions regularly. The program includes scenario-based discussion modules that incorporate a variety of case studies and include comprehensive facilitator guides for managers.

Our Courage at our Core initiative focuses on the theme of courage, especially moral courage, and the important role that courage plays in promoting a strong ethical culture and empowering employees to think differently, express diversity, offer new ideas, report bad news, express disagreement, and raise concerns about potential misconduct. We believe that this initiative sets an inspirational tone of courage, developing positive momentum to acknowledge and overcome fears.



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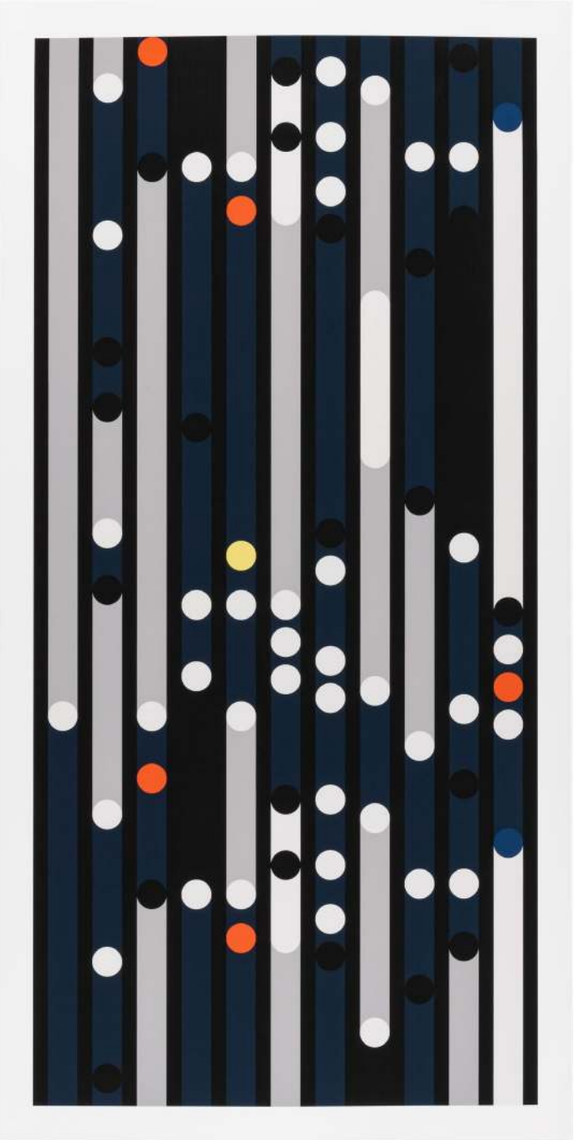

Sarah Morris

One Can't Be Aggressive and Think

2018

six color silkscreen on Coventry rag paper

35" x 18"

Speaker Series

We host speakers, in person and by livestream, to provide diverse perspectives on the theme of courage. These have included:

- Applying courage in everyday situations and emphasizing the importance of diversity of thought in spearheading innovation and progress.
- Building leadership skills founded on ethics and values.
- Addressing conflict and its underlying causes.
- Innovating with integrity.
- Embracing differences and working together to achieve more creative business solutions.
- Reporting concerns about potential misconduct.

Employee Resource Group (ERG) Partnership

Our Ethics and Compliance team partners with our ERG's to pursue shared goals, including building an inclusive environment and sustaining a strong ethical culture.

Art Exhibit and Discussion Groups

Our Ethics and Compliance team partnered with the Art Education department to curate exhibits and develop educational curricula relating to our Courage at Our Core theme and the importance of good ethical decision-making.

Innovative Tools to Enhance Transparency

Progressive has various ongoing efforts to raise awareness and educate employees on compliance and ethics issues including topics on relevant subjects such as speaking up, Information Security, "Ask Cody Conduct" (a fictional compliance officer who answers questions about ethical dilemmas), and "Tales from The Code," which features real situations that have been addressed and anonymized for publication. The goal is to communicate relatable situations and offer concrete guidance on how employees should act in various situations.

One of the tools we use to assess our ethics and compliance program is a company-wide, annual, anonymous Ethical Culture Assessment. We use the Assessment to evaluate awareness of ethics and compliance expectations, perceptions of ethics and compliance training and communications, and willingness to report misconduct without fear of retaliation. This Assessment also focuses on the key components of a strong ethical culture, including organizational justice and perceptions of peers, managers, and senior leaders.

Ethical Culture Assessment

The annual, anonymous Ethical Culture Assessment is our principal tool for evaluating our culture through data-driven evidence to emphasize the importance of fostering, assessing, and monitoring an ethical culture. We benchmark our results to compare the Progressive program to peer companies and gain actionable insights into the program, including the identification of potential risks. The annual cadence allows us to monitor progress and organizational change.

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Code of Business Conduct and Ethics

Progressive's Code of Business Conduct and Ethics is a comprehensive document that sets behavioral standards for Progressive people, states clearly what we expect of ourselves and each other, and confirms our commitment to high ethical standards and compliance with legal requirements. Progressive's Core Values serve as the foundation for the Code of Conduct.

Progressive Employees Who Reported They Are Familiar With Our Core Values[1]

[1] Based on Progressive employee responses to the 2022 Ethical Culture Assessment.

Of equal importance is the Code of Conduct's message about the manner in which we interact with our customers, agents, regulators, co-workers, shareholders, suppliers, and others.

The Code of Conduct emphasizes Progressive's commitment that, in all of our dealings, we will act with fairness, decency, and integrity, and in accordance with high ethical standards. We vigorously investigate and address Code of Conduct violations, which may include terminating employees who violate our Code of Conduct.

Our Code of Conduct addresses a variety of topics, including:

- Voicing concerns
- Commitment to nonretaliation
- Diversity and inclusion
- Equal employment and nondiscrimination
- Protecting employee information
- Privacy of customer information
- Integrity of business records and financial reporting
- Records and information management
- Protecting Progressive assets
- Conflicts of interest
- Insider trading
- Gifts and entertainment
- Antitrust
- Competition and fair dealing
- International business practices
- Protecting third-party property rights

Daina Higgins

Gone to Seed

2006

spray paint, panel

8" x 8"

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Whistleblowing and Reporting Concerns

Each member of our workforce plays a critical role in reporting business and ethical concerns so that they can be addressed quickly and effectively. Our Code of Conduct provides an overview of the types of misconduct and concerns that require reporting, the resources available for employees to do so, and a link to the Progressive policy which provides even more information for employees about reporting requirements.

Our Open Door Policy empowers every employee to reach out to their supervisor or any manager or human resource (HR) representative when they have a question or concern or they want to share an idea. We want an open environment at Progressive, and our Open Door Policy encourages everyone to report any inappropriate behavior or work-related issue or concern. While most issues can be resolved through open discussion with a manager, if discussion with a manager does not resolve the issue, the issue can be reported to a higher-level manager or to an HR representative.

Progressive's Alertline is a confidential, toll-free ethics and compliance hotline. It provides a way for employees and others to raise a concern anonymously.

We encourage our people to speak up, and when they do, we give timely attention to their concerns, take remedial action where appropriate, and do not tolerate discrimination or retaliation against them for reporting any concerns to us in good faith.

We are committed to fostering a culture of integrity and accountability within the organization. As part of the Speak Up awareness activities, companywide communications emphasized the importance of speaking up, the Open Door Policy and the Alertline using signage, intranet postings, newsletter articles, and videos. The communications are published on a regular basis with at least four communications in 2022.

The Progressive Alertline

The Progressive Alertline is available 24/7 to ensure a safe and respectful workplace that aligns with our Core Values as well as our Code of Business Conduct and Ethics.

The Alertline is accessible by internet using progressivealertline.com, by telephone at 1-800-683-3604, or by QR code included below that links users directly to a mobile version of the Alertline intake site, designed for accessibility.

The Alertline is managed by an outside vendor to maintain confidentiality. The reporter can provide their contact details or report an issue anonymously.

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Gianna Commito

Darrow

2018

casein and marble dust ground on panel

16" x 12 3/4"

Available Governance Information

Progressive's Corporate Governance Guidelines, committee charters, Code of Business Conduct and Ethics for directors, officers, and employees, and Chief Executive Officer/Senior Financial Officer Code of Ethics for our CEO, Chief Financial Officer (CFO), Chief Accounting Officer, Treasurer, and Audit Business Leader are available in the Governance Documents section of our Investor Relations website.

Complaint Procedures

We take complaints very seriously and address them in a proper and timely manner. Visit the Governance Documents section of our Investor Relations website to access the following information on how individuals and various parties can file a complaint about Progressive:

- Procedures for Handling Complaints Regarding Claims Handling or Other Claims-Related Issues
- Procedures for Handling Complaints Regarding Accounting, Internal Controls, and Auditing Matters
- Federal Securities Law Whistleblower Protection

Anti-Bribery and Anti-Corruption

Progressive maintains an anti-bribery and anti-corruption compliance program, including due diligence and training on international bribery and corruption. Our policy documents are not public, but the Progressive Code of Business Conduct and Ethics includes a section on International Business Practices. We deliver anti-bribery and anti-corruption training to certain business groups, including, Legal, information technology (IT), and employees who work with vendors outside of the United States. The training is required every three years on a rolling basis. At Progressive, we have a screening program to comply with the Office of Foreign Assets Control sanctions and requirements and applicable laws. We frequently screen customers, vendors, employees, and claimants for specially designated nationals and blocked persons.

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Risk Management

To inform our thoughts and actions, Progressive relies on four cornerstones: our Core Values, Purpose, Vision, and Strategy. Our Core Values define who we are; our Purpose expresses why we're here; our Vision guides where we're headed; and our Strategy articulates how we'll get there. Because these cornerstones provide the context for our internal environment, they impact our risk management philosophy, risk appetite and tolerance, and key strategic activities. We embed a risk culture within our company, ensuring that everyone is responsible for the management of risk. We document risks that we are willing to take and the parameters that we will work within and ensure that management, as well as the Board, clearly understands our risk profile.

Our risk culture and supporting framework embrace this continuously improving, growth-oriented mindset while ensuring diligence and prudence in the pursuit of our strategic goals.

Enterprise Risk Management (ERM) Program Overview

Our clear vision, values, and objectives empower our employees to take the necessary steps to protect our company and execute our strategy. With formal processes to identify, catalog, prioritize, and communicate risk exposures across the organization, Progressive's ERM program exemplifies this intersection of risk protection and strategy.

Using our risk framework, we have defined our risk tolerances, identified roles and responsibilities for managing risk and implemented a risk review and reporting structure. Together, these risk management components ensure that all of Progressive's people understand the shared responsibility we have to manage the risks we face. Further, these components emphasize the connection between our responsibility and our continued success.

We review risks our business faces and, where possible, estimate its potential impact on Progressive's capital. We assess how these risks may affect our financial condition, cash flows, and results of operations, as well as our ability to achieve our business objectives.

Paolo Arao

A Moment of Stillness

2006

graphite on paper

11" x 14"

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Our risk categories include:

- **Insurance:** Risks associated with assuming, or indemnifying for, the losses or liabilities incurred by policyholders;
- **Operating:** Risks stemming from external or internal events or circumstances that directly or indirectly may affect our insurance operations;
- **Market:** Risks that may cause changes in the value of assets held in our investment portfolios;
- **Liquidity:** Risks that our financial condition will be adversely affected by the inability to meet our short-term cash, collateral, or other financial obligations; and
- **Credit and Other Financial:** Risks that the other party to a transaction will fail to perform according to the terms of a contract, or that we will be unable to satisfy our obligations when due or obtain capital when necessary.

We identify areas of risk within each of these categories and use models to quantify the amount of economic capital required. We quantify economic capital because it is an important input in assessing the adequacy of our capital resources.

A key goal of Progressive's capital management activities is to ensure that we have enough capital to continue serving our customers and delivering on our promises through even the most difficult economic and operational challenges.

We developed formal risk appetite and tolerance statements and aligned our statements with our strategy and key activities. The risk tolerances and risk limits assist line managers in their day-to-day decision-making and include profitability targets, investment policy guidelines, operating and financial leverage limits, and loss-reserving variation tolerances. Risk owners monitor and typically report quarterly on adherence to our established risk tolerances. A member of the Internal Audit team verifies and compiles risk owner reports into the quarterly Risk Appetite Score Card, which is distributed to select members of the Executive Team including the CEO and CFO, and Audit Committee of the Board of Directors. We review and update our risk appetite and tolerance statements at least annually, or as needed, to keep up with our evolving business.

As part of the strategic planning process, business unit risk assessments are completed annually to identify risks that have the potential to impede strategic priorities or significantly impact operating results.

These risk assessments are managed by the respective business unit Controller, each of whom is a member of our Management Risk Committee (MRC), assisted by a member of the Internal Audit team. The process approach is tailored to the needs of each business unit's strategic planning process, but generally includes a deep-dive evaluation to ensure significant risks are captured and ranked according to criticality and trend. Business unit action plans are developed for areas with high residual risk (i.e., risk that remains after controls are in place). Enterprise-level critical risks identified in the business unit assessment process will automatically move to the Enterprise Risk Report. Critical risks are those risks having the potential to alter our strategic objectives, impede our strategic activities, or materially impair our access to capital.

Although our ERM program is mature and effective, we continuously work to improve the quality of the models we use and the processes we have in place to identify and quantify current and emerging risks. We report progress and changes we make to our ERM program annually to regulators and rating agencies.

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Risk Governance

Our Executive Team and Board of Directors has established clearly defined risk management accountabilities to ensure we effectively address risk.

Our MRC coordinates risk management activities, including risk assessments and oversight of key risk-related initiatives. Several members of the MRC conduct, and all of the MRC participates in, our annual enterprise risk assessment and, with input from executive management, identifies the most critical risks facing the company. The MRC then formulates recommendations for managing identified risks and presents these recommendations to the Audit Committee for review. The MRC's membership, comprised of members of management representing a cross-section of business units and functions, is intentionally multidisciplinary, ensuring strong risk management across Progressive. The MRC is co-chaired by our Audit Business Leader, Treasurer, and Corporate Ethics and Compliance Officer. Our Chief Financial Officer, Chief Legal Officer, and Chief Investment Officer serve as executive sponsors.

The Treasurer and Audit Business Leader provide an annual overview of the ERM program and our progress in managing key risks to the Audit Committee and the full Board of Directors. Meanwhile, our Executive Team is tasked with the annual review of the enterprise risk assessment process itself, approving and ensuring the execution of action plans that have been developed to manage, mitigate, or transfer identified enterprise risk areas, and defining strategic initiatives.

Climate Change Risk Management

As an insurer of weather-related losses, we take a serious interest in our climate and its changes. Changing climate conditions—whether due to global climate change or other causes—may change how often severe weather events and other natural disasters occur, how long they last, how much insured damage they cause, and where the events occur. Therefore, the possibility of increasingly frequent or severe weather events is part of our risk-based pricing process. The risk management processes previously outlined include climate change.

Having short durations for policy periods (six and 12 months), our claims inventory, and our investment portfolio means we can assess our risks frequently (see our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q for a full discussion of risk factors).

Climate risk may often manifest as weather risk and as part of our risk management practice, we run both internally-built and third-party vendor catastrophe modeling tools to help estimate our exposure to weather risk by line of business, as well as on a per-occurrence and aggregate basis. Our modeling process generates exceedance probability curves, and we evaluate our modeled net retained weather risk against specific probable maximum loss (PML) return periods.

We manage climate risks through our ERM Program. Our MRC is charged with understanding our climate-related risks, among other things. In the MRC's annual risk assessment process, we evaluate the longer-term effects of climate change and attempt to evaluate the impact on capital, pricing, our customers, and investments. Because we integrate this activity into our enterprise-wide risk framework, we believe climate risk assessment and all the other risks we assess, could affect the long-term strategy of the company as we continue to react to new information and adjust our plans.

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Susan Schroeder

Blue Monolith

1994

pieced cotton

38 ¼" x 47"

Assessment of Risk Capital

At Progressive, we balance operating risk with investing and financing activity risk to ensure there is sufficient capital to support all the insurance we can profitably underwrite and service. Because risks arise in all operational and functional areas, we assess them holistically to account for the offsetting and compounding effects of the separate sources of risk within Progressive.

We seek to deploy our capital in a prudent manner and use multiple data sources and modeling tools to estimate the frequency, severity, and correlation of identified exposures, including, but not limited to, catastrophic and other insured losses, natural disasters, and other significant business interruptions, to estimate our potential capital needs. Management views our capital position as consisting of three layers, each with a specific size and purpose:

1. The first layer of capital is the amount we need to satisfy state insurance regulatory requirements and support our objective of writing all the business we can write and service, consistent with our underwriting discipline of achieving a combined ratio of 96 or better. This first layer of capital, which we refer to as "regulatory capital," is held by our various insurance entities.
2. While our regulatory capital layer is, by definition, a cushion for absorbing financial consequences of adverse events, such as loss reserve development, litigation, weather catastrophes, and investment market changes, we view that as a base and hold a second layer of capital for even more extreme conditions. The modeling used to quantify capital needs for these conditions is extensive, including tens of thousands of simulations, representing our best estimates of such contingencies based on historical experience. This capital is held either at a non-insurance subsidiary of Progressive or in our insurance entities, where it is potentially eligible for a dividend to Progressive.
3. The third layer is capital in excess of the sum of the first two layers and provides maximum flexibility to fund other business opportunities, repurchase stock or other securities, and pay dividends to shareholders, among other purposes. This capital is largely held at a non-insurance subsidiary of Progressive.

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Sustainability in Our Investment Portfolio

An important consideration for corporate responsibility at Progressive is how we choose to invest our capital. For our investment team, we've laid out goals of first, protecting our balance sheet in order to support our operating business and second, earning a strong risk-adjusted total return. Our investment portfolio is comprised of a passive replication strategy of the Russell 1000 for our equity exposure and an actively managed fixed-income portfolio.

In our actively managed fixed-income portfolio, we believe that, in addition to many traditional considerations of fixed-income investing, there is less risk in securities that score higher across various ESG factors. Therefore, we consider these assessments when evaluating investment decisions.

We believe that we need to have a strong understanding of the long-term risks associated with fixed-income investments that score low on dimensions of corporate sustainability. For example, we believe that companies with strong, diverse management teams tend to perform better over the longer term. To further our understanding of long-term risk related to corporate sustainability, we recently began tracking our investment mix as it relates to ESG risk, where available.

We use MSCI ESG Research,[1] a globally recognized leader in corporate ESG evaluation, to monitor our ESG corporate bond portfolio risk. MSCI ESG Research ratings consider several aspects of ESG, including corporate governance, climate-related environmental information, workforce and management diversity, and ESG controversies to provide a single score for an organization. As of December 31, 2022, about $8.2 billion, representing over 91% of our corporate bond portfolio with an MSCI rating, was invested in companies with an MSCI ESG Research Corporate Rating of BBB or better. The median MSCI ESG Research Corporate Rating of our corporate bond portfolio is A. Our corporate bond portfolio includes $40.1 million in green bonds/loans.[2]

Similarly, we recently began tracking our investments in environmentally friendly buildings in our commercial-mortgage-backed securities (CMBS) portfolio. To evaluate our investments, we have leveraged the U.S. Green Building Council's LEED®[3] green building program, which is the preeminent program for the design, construction, maintenance, and operations of high-performance green buildings.

[1] Certain information in this section (c) MSCI ESG Research LLC. See msci.com/disclaimer.

[2] Green bonds are identified by indicators on Bloomberg terminal machines.

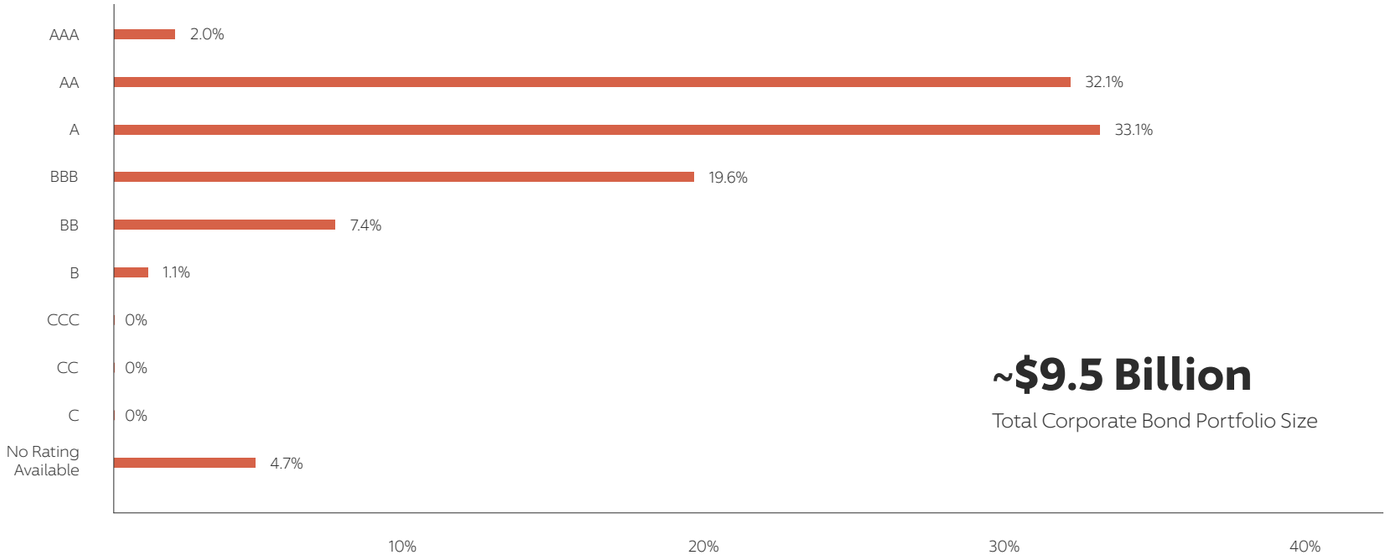
[3] LEED—an acronym for Leadership in Energy and Environmental Design™—is a registered trademark of the U.S. Green Building Council.®

As of December 31, 2022, our CMBS portfolio has $1.6 billion (approximately 34% of the CMBS portfolio) directly invested in securities backed by LEED Certified® buildings.[4]

Tracking and evaluating ESG aspects in an investment portfolio is rapidly evolving. We continue to monitor developments in this space.

[4] Includes only investments in which the full collateral is LEED certified as identified by LEED data or individual security prospectuses.

MSCI ESG Research Rating Detail for Corporate Bonds (as of December 31, 2022)[5]



[5] Each bar represents the dollar percentage of bonds in each rating group.

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Purchasing/Procurement

We believe that partnering with our suppliers and clearly conveying our expectations that they comply with our Supplier Code of Conduct give us a competitive advantage in the marketplace and supports our ability to bring innovative products to our consumers. Our Procurement organization focuses on identifying suppliers who offer quality products and services at a market competitive price. In addition, we endeavor to engage with suppliers who we believe will value and maintain high standards of social responsibility as outlined in our Supplier Code of Conduct.

Our Supplier Code of Conduct outlines our expectations for suppliers to follow applicable laws and regulations, including, without limitation, those related to employment, fair competition, and antitrust. We ask our suppliers that are subject to this code, namely those providing goods or services to Progressive, to acknowledge our Supplier Code of Conduct during their onboarding process. Additionally, we inform our suppliers that we stand against all forms of forced, compulsory and child labor and will not accept any such labor. We encourage them to report any violation of our Supplier Code of Conduct, including any potential or actual conflicts of interests, using our confidential, 24-hour Alertline (1-800-683-3604 or progressivealertline.com).

Additionally, we generally also ask any authorized representatives of our suppliers who are granted access to our data and/or systems to acknowledge our Contract Worker Standards of Conduct. This document outlines the expectations we have of contract workers and provides them with ways to report any inappropriate behavior that may be observed or experienced in the course of our relationship. In general, contract workers include supplier employees who work at a Progressive location or who work closely with Progressive employees, systems, customers, or confidential data.

Applicable Progressive employees are asked to follow our procurement policies. Those policies are designed so we consistently procure the best combination of quality and price available to support business goals while protecting Progressive from associated risks.

Progressive also strives to limit unnecessary risk in our supply base by performing supplier due diligence for certain suppliers which includes risk-based questionnaires in the risk categories in the chart to the right.

Use this QR code to access Progressive's Alertline.

Supplier Risk Categorization

SUPPLIER RISK CATEGORY	DESCRIPTION
Brand and Reputation	Risks arising from negative public opinion toward Progressive's brand and reputation.
Business Continuity	Risks of interruption or termination of services causing a significant disruption and Progressive's ability to operate continuously.
Country	Risks of exposure to the economic, social, and political conditions and events in a foreign country that may adversely affect the ability of the supplier to meet the level of service required resulting in harm to Progressive through exposure to bribery and corruption or international threats.
Supplier Financial and Credit	Risks to Progressive through supplier illiquidity or a lack of supplier financial management and credit standards/controls.
Information Security	Risks to Progressive through exposure to suppliers' services or goods with potential cybersecurity vulnerabilities or a lack of supplier cybersecurity controls.
Infrastructure, Applications, and Disaster Recovery	Risks to Progressive through lack of supplier infrastructure and applications controls.
Physical Security	Risks to Progressive through exposure to unauthorized access to our facilities, equipment, and resources or similar unauthorized access to a supplier that has access to our data and/or technology systems.
Subcontractor	Risks to Progressive through exposure to potential fourth parties or lack of supplier controls in proactively identifying and mitigating risks with Progressive fourth parties.

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Business Model and Innovation

Heather McGill

Untitled

2016

acrylic, paper, thread

24" x 24"

Innovation is a central component of Progressive's business. Since our founding, we've approached insurance with a different, forward-thinking perspective. We strive to create long-term value for our stakeholders through our commitment to innovation and our growth mindset.

Maintaining Relationships Built on Transparency, Protection, and Innovative Thinking

Our business requires us to develop, procure, configure, and maintain large and complex computer systems to run our operations. Furthermore, we store and, when appropriate, destroy the significant volume of data that we acquire. This data includes our customers' and employees' personal, confidential information, as well as our intellectual property, trade secrets, and other sensitive business and financial information we use to price and deliver products that drive value for our customers.

Progressive's Information Security team works diligently to safeguard data. Our information security program was deliberately designed to protect and preserve the confidentiality, integrity, and availability of all information owned by or in the care of Progressive.

The Board of Directors' Technology Committee oversees Progressive's technology and information security risks, and reviews the major risks arising from our technology, digital and data strategies, legacy systems, technology investments, data privacy, cybersecurity programs, operational performance, and technology-related business continuity and disaster recovery programs. The committee also oversees management's efforts to mitigate these risks. The committee includes directors with technology and cybersecurity experience. Meetings typically occur five times a year. At each of these meetings our Chief Information Officer (CIO) and Chief Security Officer (CSO), among other members of management, brief the committee on technology and security-related matters, including technology investments, information technology (IT) programs and operations, and our information security programs, matters, and efforts, among other things.

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Cybersecurity

Reporting directly to the Chief Financial Officer, and a member of our Management Risk Committee, our CSO is ultimately responsible for cybersecurity at Progressive. The CSO also provides regular cybersecurity briefings to the CEO, Executive Team members, and the Board of Directors' Technology Committee.

Our overall efforts to safeguard the systems and confidential information critical to our operations include preventative and detective internal processes, technological defenses, and other controls designed to provide multiple layers of security protection. We follow both the ISO 27002 Security Framework for the body of security control requirements, and the National Institute of Standards and Technology Cybersecurity Framework to assess the strength of our processes and defenses, and are leveraged in our efforts to keep our data and systems secure. This integrated approach to protect data and systems is also built into Progressive's project management, development, and operations. To assess the effectiveness of our cybersecurity program and compliance with applicable rules, regulations, and laws, we employ internal and external resources to evaluate our environment, systems, and processes at least annually.

Through appropriate risk evaluation, security assessments, and financial due diligence, Progressive protects the security and confidentiality of information provided to our vendors under cloud computing or other arrangements. We also employ contractual nondisclosure requirements and use limitations consistent with our published Privacy Policy, and typically reserve the right to review third-party compliance against the required standards, where appropriate.

Our response to security threats is triggered through various means. Through annual user awareness training, we teach our employees to identify and appropriately respond to such threats. Our incident response program is designed to mitigate and recover from suspected and actual security incidents and provide all required consumer and regulatory notices regarding security threats in a timely manner.

Data Privacy

The nature of our business requires us to acquire personal information from various individuals, including insurance applicants, policyholders, claimants, employees, and others. This information may include dates of birth, Social Security numbers, driver's license numbers, credit card and other financial account numbers, and medical information. Per federal and state law, we notify customers of our information practices, described in our Privacy Policy and notices provided to our consumers.

Progressive respects every customer's selected privacy preferences and works diligently to protect the security and confidentiality of all personal information. Though the federal government regulates certain business sectors (including health care and finance), types of information (such as financial or driving data), and certain activities (such as telemarketing), the U.S. does not currently have a comprehensive data protection and consumer privacy rights law. State legislation often mimics federal laws but can vary significantly by state. For example, the passage of the California Consumer Privacy Act affords consumers in that state greater transparency and control over their personal information.

At Progressive, our consumers can access and seek correction for any inaccuracies in their information. Upon their request, and where required by law, we will delete certain consumer information from our records.

Personal information entrusted to us is kept confidential and used only for legitimate business purposes. Only employees, agents, contractors, and service providers with a legitimate need to know can access confidential data to provide our products and services or otherwise run our business. Use of personal information is limited by our customer privacy policies, written agreements (where appropriate), and applicable law. We also maintain physical, electronic, and procedural safeguards to protect personal information, and we reinforce safeguarding efforts through our workplace policies, data transfer monitoring, and enforcement.

Our Code of Business Conduct and Ethics and Contract Worker Standards of Conduct include data privacy- and cybersecurity-related provisions. All employees and contract workers receive, review, and acknowledge the applicable document. We also provide annual training about phishing.

Our Privacy Officer is responsible for data privacy, leads a team of attorneys within the Law Department, and works closely with a separate Data Privacy office within our IT organization. Consumers with privacy concerns can contact Customer Service or Progressive's Privacy Officer directly.

For more information on cybersecurity and data privacy, read the applicable risk factors in our 2022 Annual Report on Form 10-K.

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Innovation of Products and Services

Through our growth mindset coupled with our commitment to innovation, we strive to create long-term value for our stakeholders. Today, we rank as the second-largest U.S. personal auto insurer and we approach our insurance with a notable forward-thinking perspective. We've expanded our addressable market by acquiring ARX Holding Corp. and subsidiaries known as Progressive Home® and in 2021 added to our leading Commercial Auto offerings with the acquisition of Protective Insurance Corporation and subsidiaries. In 2022, we launched a digital, term-life insurance product with Progressive Life.

Recognizing customer demands evolve throughout the many stages of life, we endeavor to provide for and anticipate our customers' changing needs by offering a range of products. In fact, we recently updated our Vision statement to reflect this philosophy. Our Vision is to become consumers', agents', and business owners' #1 destination for insurance and other financial needs. We utilize our Three Horizons framework to assess our investments by proximity to our core business and memorialize our commitment to innovation.

Three Horizons

1 Execute

Investing in our core business to gain a larger share of both the vehicle and personal property insurance markets, as well as growing our book of bundled auto and home customers.

2 Expand

Building upon our existing capabilities and market position to offer more products and services within property and casualty insurance to our current and potential customers. Examples include our Business Owners Policy product and transportation network company business partnerships.

3 Explore

Exploring and investing in new areas outside of property and casualty insurance to solve unmet consumer needs and support our goal of always growing.

Jay Davvis

That's Not How I Remember

2005

acrylic on vinyl

68" x 104"

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ESG Product Features

At Progressive, insurance is understood as the pricing of risk. As such, the pricing of our products reflects the risks our customers face. We believe the pricing of our products works to reward customers who take less risk with their health and safety. Some examples of our pricing rewards include lower rates for fewer speeding tickets, lower rates for building a home in a less wildfire-prone area, and lower rates for following the rules of the Federal Motor Carrier Safety Administration (FMCSA).

We often provide customers who have lower loss frequency with lower rates than customers with higher loss frequency and the same loss severity. Less driving means a lesser amount of greenhouse gas emissions and often lowers loss frequency. We also work to stay on top of emerging trends such as electric vehicle technology and next generation mobility. Progressive provides insurance for transportation network companies, which support alternative mobility concepts that reduce the reliance on personal vehicle ownership. We strive to match rates to behavior, which is why we look for ways to design our products to reward customers' environmental stewardship and commitment to sustainable practices.

In addition to our primary product pricing benefits, Progressive products have distinctive features that reward our customers' good health, safety, and environmental stewardship behaviors. A partial list of product features includes:

Health and Safety Product Features

- **Personal Auto 3-Year Safe Driving Discount:** Provides a discount for certain customers without a claim or a pointed incident in the past three or more years.
- **Personal and Commercial Auto Rates That Reward Safety Features:** Includes the presence or availability of certain safety features, such as blind spot warning or auto emergency braking, in rate determination.
- **Commercial Auto Rates That Reward Good FMCSA Safety Inspections:** For-hire commercial truckers who have a history of clean FMCSA safety inspections will typically receive lower rates than those who have violations.
- **High Building Code Enforcement Discount:** Provides a discount to homeowner and business owner policyholders in certain areas who have homes or businesses that meet high building code enforcement construction. Discounts may even be available for older homes that have met the Insurance Institute for Business & Home Safety guidelines as a fortified hurricane designation.

Environmental Product Features

- **Snapshot®, Snapshot ProView®, and Smart Haul® Programs:** These usage-based insurance products (for personal auto, commercial auto, and commercial trucking, respectively) reward safe driving habits by evaluating the way customers drive, typically providing lower rates for those who exhibit fewer accident-linked behaviors, such as hard braking events. Further, customers who use their vehicles less could receive lower rates compared to those who use them more.
- **Annual Miles Rating Factor:** This factor adjusts rates based on the number of miles a customer drives their vehicle annually. Customers with fewer miles driven, and thus fewer natural resources used and less risk of accidents, will usually have a lower rate.
- **Paperless Discount:** A Paperless Discount may apply to a policyholder who participates in electronic communication for all policy documents.
- **Pollutant Property Damage Coverage:** For certain products and situations, property damage arising from the release of environmental pollutants is a covered peril and can include pollution remediation. The specifics of the cleanup and the covered peril varies by product, coverage, and state.

Note: Discounts/programs described above are not available in all states and in all situations. Terms and conditions may apply. Please refer to the filed product for state-specific details.

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Usage-Based Insurance (UBI) Continuous Monitoring

Progressive continues to enhance its knowledge and implement state of the art innovations in the UBI space. We maintain programmatic monitoring initiatives across our organization to further our innovative growth in the industry. In 2022, we began the process of updating our Snapshot® program to include continuous monitoring of driver behavior instead of monitoring driving behavior only during the first policy period. This enhancement comes through technology advancements, which reduced the costs and challenges of customer data monitoring and transmission. Our new continuous model enables the efficient collection of driver data using Snapshot over the policy's life.

Continuous data collection unlocks additional benefits for both Progressive and our policyholders. With the new system, Progressive can acquire new driving data that more accurately reflects accident risk probabilities. This advancement to our risk analysis means we can price more accurately each policy period, which includes larger potential discounts for policyholders, currently up to 45% off the non-Snapshot rate. In addition to more accurate pricing, our continuous monitoring makes driving data available more often when claims occur. This data complements claim investigations and can help improve efficiency and accuracy. It also allows Progressive to deliver ongoing safety benefits to drivers.

Innovation Highlight

Reducing dangerous driving behavior is a win for Progressive, our customers, and everyone on the roads. Policyholders can see their driving improvement reflected in lower premiums at each renewal. The new program also allows Progressive to identify risky driving behaviors and provide continual feedback to customers who want to reduce their driving risk over time.

Customer Experience and Communication

We want our customers to know that Progressive is ready to help with current and future insurance needs as they grow and change. We strive to build and maintain trusting relationships that last for decades by always being there for our customers. While we develop our product communications in accordance with regulations set forth by state departments of insurance (see the Regulatory Documentation and Communications box on the next page), we aim to go beyond regulatory requirements. Our investment in excellent customer service provides clear, frequent communication that keeps our customers informed of their insurance coverages. Our communication methods are covered in three categories: pre-purchase and purchase aids, regulatory documentation and communications, and post-purchase communications.

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Communication Methods

Pre-Purchase and Purchase Aids

Progressive Answers

We designed our Progressive Answers experience to simplify insurance and easily answer frequently asked questions. Current and potential customers can access our Progressive Answers platform to instantly find answers on coverages, pricing, and more.

ForAgentsOnly.com (FAO)

Our FAO platform provides Progressive agents with online resources to better help customers. For example, FAO streamlines the quote and bind flow to clarify this process for the agent and customer. It also offers documentation reviews related to Progressive products and features, and agent training sessions to enable agents to help customers select the best insurance for their individual needs.

Progressive.com

Our current and potential customers can access multiple insurance resources online using our progressive.com portal. These resources support our visitors through the customer journey. We're motivated to help them understand insurance, start a quote, find an agent, and service their policy. Our chat function is available for specific questions, and our systems help customers find the best combination of coverage and price for their needs. We guide those seeking an insurance quote step-by-step through the process, provide an accurate rate and flag discounts, and give them the option to purchase directly on our site.

24/7 Customer Support

Our call centers are open 24/7 to help answer customer questions and aid the sales experience, up to and including selling a policy.

Regulatory Documentation and Communications

Regulatory agencies establish what and how certain insurance communications are delivered. The following are samples of communications used in most states.

Declarations Page

A declarations page is a summary outlining the term, coverages, and limits of an insurance policy. It also summarizes the policy's cost and lists the discounts the customer received.

Policy Contract

A policy contract outlines the obligations of Progressive and the insured, including policy exclusions.

Change Notification

In the event of a change in coverage, we notify customers within the time period stipulated by the regulatory agency.

Adverse Action Notices

In certain circumstances, we may be required to provide notices when we take an adverse action on a customer, such as charging a higher rate, based on information in a consumer report.

Post-Purchase Communications

Progressive.com

Our website offers customers a range of self-service capabilities. After purchasing their insurance policy, customers can set up their communication preferences, pay bills, file claims, and complete most policy changes online. They can also access their insurance documents and policy information.

24/7 Customer Support and Claims Reporting

We offer customers access to call centers to address any questions they may have. Customers may also report claims and request Roadside Assistance. These services are available 365 days per year, 24 hours a day, 7 days a week.

Customer Feedback

We may select customers to provide feedback via surveys at various stages of their customer journey. We analyze their completed surveys to understand their experience by reviewing the survey scores and the open text commentary. Progressive uses these insights internally to identify and mitigate pain points and influence future knowledge and product design. We close the loop with customers to resolve issues or answer questions they include in their survey responses.

Email and Communications

Interested customers can opt-in to receive electronic communications from Progressive. Such communications include emails, SMS messages, or push notifications through the Progressive mobile app on relevant topics, including regulatory documentation, payment reminders, and more.

Progressive Mobile App

We offer the Progressive mobile app through the Android and iOS app stores. Similar to online, within the app customers have self-service access to their policy information and policy changes. The app also supports emergency roadside requests and can store customers' insurance ID cards for offline use.

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Human Capital

Seher Shah

Black Star

2007

archival giclee print

12" x 20"

We believe that how we achieve something is just as important as what we achieve. We know that cultivating a flexible work environment where our employees feel welcome and valued for their ideas is critical to our achievements.

Moving Forward and Living Fully

Our purpose as a company is to help people move forward and live fully. This is perfect for us because, as our name suggests, we've always been focused on the future and finding new and better ways to serve our customers, work with each other, and support the communities we serve.

To move forward and live fully requires a commitment to our employees' individual success and well-being that starts with and extends beyond the workplace. Progressive takes work-life balance seriously by providing comprehensive offerings of medical, wellness, financial, and family services and encouraging both personal and professional growth.

With each year, we continue to build a culture grounded in good health and financial security where we feel safe, valued,and respected for who we are and what we do. This empowers us to learn from each other's unique perspectives, share new and different ideas, and build lasting relationships that help us grow together as a company.

According to our Chief Human Resources Officer Bill Clawson, "Individual and organizational excellence come from a very real sense of self and belonging. We cannot truly succeed until each of us feels like we are an important part of something bigger and better."

To this end, Progressive remains focused on three key objectives: Managing Growth, Supporting Our People and Culture, and Managing Complexity.

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Managing Growth

Finding the best and the brightest across a wide spectrum of backgrounds and lived experiences

With a history of profitability and market success, Progressive is in an enviable position each year to hire the best and brightest people from across the spectrum of backgrounds and experiences. As we do so, the diversity of our workforce has increased, which helps us reflect and better serve our customers.

Hiring has grown significantly to meet the needs of our growing customer base, and we've made great strides in adding diverse talent during this period of growth.

In 2022, we hired more than 15,100 new employees, representing about 2% of the total applicants for a job at Progressive. Of these new hires, 68% were women (10,268) and 55% were people of color (8,305).

While popular job search websites still help us cast a wide net for our recruitment efforts, we have, for the past several years, been working with strategic partners to reach a more robust pool of diverse talent for leadership and mid-level professional roles. These partnerships include Management Leadership for Tomorrow, a national nonprofit focused on finding and developing diverse leadership talent. To help us recruit highly motivated and diverse talent, we actively recruit from four historically Black and Latinx colleges and universities.

We also train our hiring managers about identifying and avoiding unconscious biases they may have during the interview and selection process and the importance of employing individuals with different kinds of experiences and backgrounds. Additionally, our Executive Team and managers have job objectives aimed at fostering a diverse and inclusive workplace.

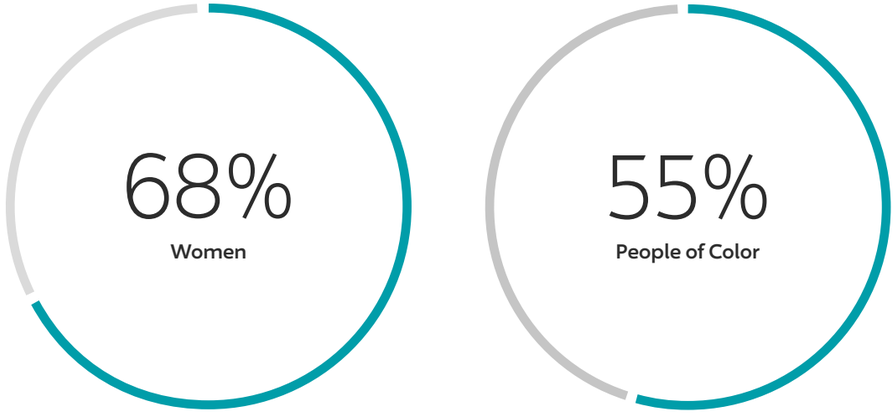
We believe that our recruitment efforts and inclusive strategies generally have enabled us to present diverse and high-potential pools of job candidates to our hiring managers.

Aspiring Toward Diversity

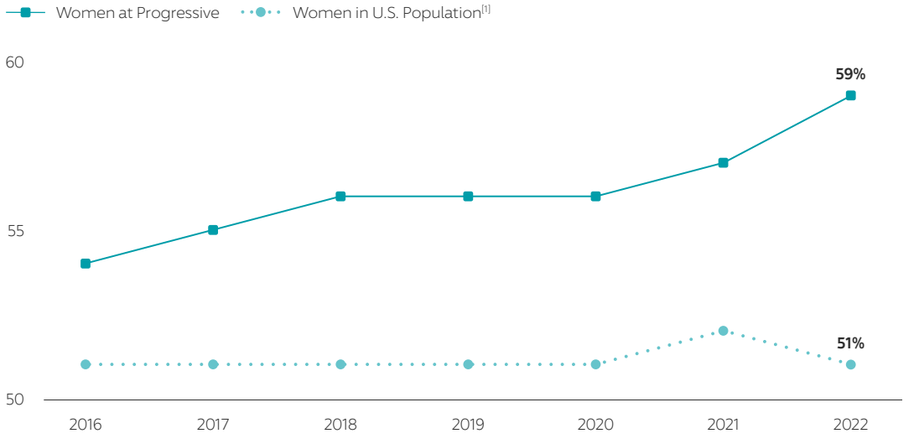
After more than five years of significant growth and hiring, the gender and racial demographics of our workforce are closely aligned with the U.S. adult population. There's obviously more to diversity than just gender and race, but these are the two demographic factors that we currently measure for all Progressive people.

From this, we can focus on the recruiting and development efforts that have proven to be most successful over the past few years.

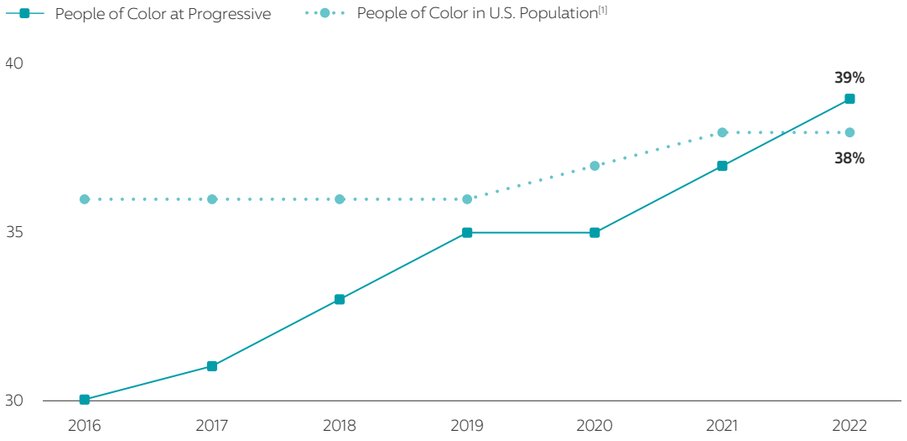
New Hires in 2022



Gender



Race/Ethnicity



[1] U.S. population refers to individuals 18+ years of age. Source: Current Population Survey, U.S. Census Bureau, November 2022

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Supporting Our People and Culture

Providing competitive benefits and compensation, career development and advancement opportunities, and a culture of inclusion

We aim to support our employees by providing challenging work experiences, career opportunities, and a culture of inclusion. We're focused on coaching and development, which we believe promotes greater engagement in our business and improved individual performance.

Our attention to continuous learning is based on the principles and behaviors of DEI and begins with our leaders, who we expect to help their teams grow in their careers.

The Progressive Leader

1. **Leadership Competencies**
2. **DEI Leadership Objective**
3. **Inclusive Leadership Training**

Leading the Way to Inclusion

We believe that engagement increases when our people rise into leadership roles and inspire others to lead and when talent management and acquisition processes remove any barriers to increasing the representation of women and people of color in management.

To focus our effort, in 2020, we introduced an ambitious goal to double the representation of people of color in senior leadership from 10% to 20% by the end of 2025. As of December 2022, people of color represent 17% of our senior leadership ranks.

We don't just strive for demographic representation. We also expect our leaders to respect and value our people and appreciate new perspectives and ways of thinking.

We address this through rigorous attention to leadership competencies, our DEI objectives, and inclusive leadership training.

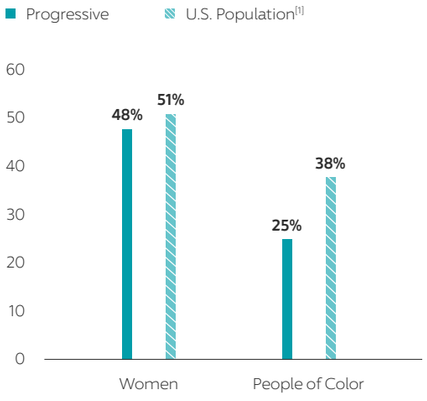
More detail, including our most recent EEO-1 report, can be found in the DEI section of our website.

In addition to in-house leadership development opportunities, Progressive leverages university partnerships in several ways to provide outstanding leadership training. We partner with Case Western Reserve University's (CWRU) Weatherhead School of Management to provide leaders with access to advanced leadership training courses. In addition, we partner with CWRU and the University of North Carolina's Executive Education division to design and deliver custom offerings for enterprise leadership development programs and business-specific leadership events.

We also partner with Harvard Business Publishing to provide business strategy and trends research articles, videos and podcasts, and self-directed leadership evaluations and management tools.

To help our leaders meet their DEI objectives, Progressive's full-time DEI staff works with our learning and development teams to provide inclusive leadership training modules and toolkits to align leadership actions with inclusive behaviors and ensure decision-making leverages diversity, discussion, and collaboration.

Leadership Representation (as of December 31, 2022)



[1] U.S. population refers to individuals 18+ years of age. Source: Current Population Survey, U.S. Census Bureau, November 2022

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DEI Learning Is Key to Our Culture

While we have significant momentum from being focused on DEI for more than a decade, the last three years have accelerated our efforts. This began with an examination of our Core Values. We acknowledged the power of their foundational messaging and made slight and precise revisions so that they would be more intentionally inclusive for today's business environment.

This set the stage for a year-long project to create a single-source online DEI reference guide, called "True to Our Name. True to You." Work on this guide, which began in February 2021 and was published in February 2022, provides direction for how HR professionals, business-area communicators and training teams, ERGs, and DEI Councils can help all employees recognize and overcome unconscious biases, develop more inclusive behaviors, and feel more comfortable speaking up and sharing ideas.

Additionally, we have a companywide Courageous Conversations program and an accompanying DEI Speakers Bureau where presenters and facilitators lead work teams in discussions around biases, stereotypes, and the development of inclusive behaviors.

Last year, we hosted over 260 Speakers Bureau and Courageous Conversations sessions across the country. Candid discussions like those at Speakers Bureau events are commonplace at Progressive and reinforce our commitment to an open environment where we not only encourage but expect our people to share their opinions and perspectives.

Although many of us were working remotely or hybrid in 2022, we came together as a company in many ways throughout the year. We experienced a record turnout for our annual Inclusion Week, which focused in 2022 on growing together. Inclusion Week gives employees the opportunity to attend webinars and panel discussions, take part in group activities, listen to podcasts featuring Progressive employees, and more.

Our ERGs' membership also continued to grow. We're committed to creating an environment where our people feel welcomed, valued, and respected, and a key measure of this success is participation in our ERGs. In fact, our ERG membership grew even faster than the rate of growth of our employee population.

Over a decade ago, our first ERGs were created to help build communities for our employees with common backgrounds, life experiences, interests, and professional goals. Our ERGs create space for networking, understanding differences, and sharing experiences. Furthermore, these communities are valuable resources for education, market intelligence, and product development.

Currently, we offer nine focused ERGs, each welcoming all employees. Please see Progressive Employee Resource Groups on the following page for a complete list of our ERGs.

ERG Membership (as of December 31, 2022)

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Geoff McFetridge

Image Based Gamelan 11: Invention is Still Possible

2020

acrylic on canvas

48 ½" x 35"

Progressive Employee Resource Groups

- Progressive African American Network (PAAN)
- Asian American Network (AANet)
- Disabilities Awareness Network (DAWN)
- Progressive's Latin American NETworking Association (PLANetA)
- Lesbian, Gay, Bisexual, and Transgender Plus (LGBT+)
- Military Network (MILNET)
- Network for Empowering Women (NEW)
- Parent Connection
- Young Professionals Network (YPNet)

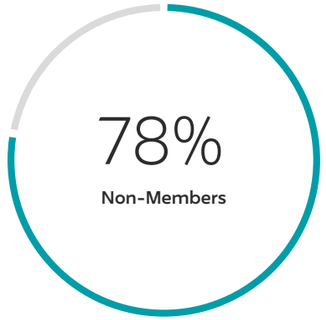
ERG engagement continues to keep pace with our growth. While our Progressive population grew 27% over the past two years, overall membership of Progressive ERGs grew 28%. An impressive 43% of Progressive people belong to at least one ERG today.

We believe ERG participation rates significantly contribute to several people metrics at Progressive. In fact, our data demonstrates that our ERG members are:

- more engaged;
- more likely to stay at Progressive; and
- more likely to apply for promotions.

In addition to our internal DEI efforts, CEO Tricia Griffith participates in the Business Roundtable and the CEO Action for Diversity and Inclusion. We're proud to learn from and share our DEI insights with other influential leaders and organizations, and we hope this collaboration helps promote progress toward diverse, equitable, and inclusive workplaces.

Employee Retention Rate (as of December 31, 2022)



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Retention Challenges Offset by High Tenure

Progressive was not immune to the "great resignation" that occurred in tandem with the pandemic and was prevalent throughout the business community. As of December 31, 2022, our employee retention rate was 83%, down slightly from 84% in 2021.

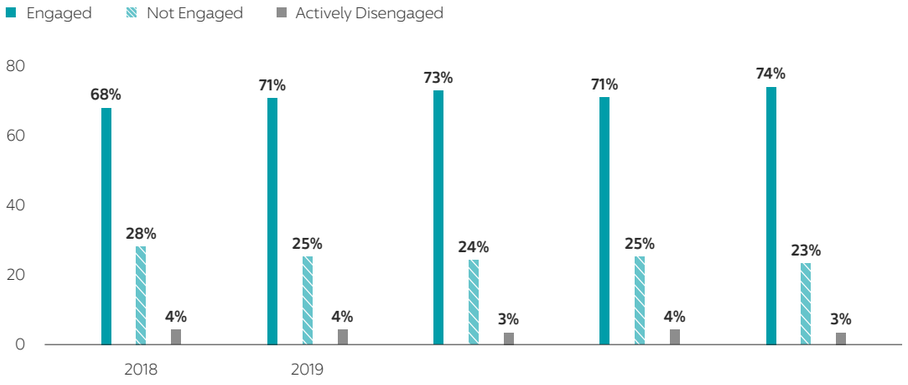
Despite this, as of 2022 year-end, over 15,000 employees—over a quarter of our workforce—have over 10 years of tenure with Progressive. We believe this continues to pay dividends with their institutional knowledge and stewardship of our culture.

Our overall engagement rate speaks to our culture's strength. In addition to measuring ERG participation, we conduct an annual engagement and culture survey to measure overall employee engagement and satisfaction.

Our 2022 engagement and culture survey results placed us in the top 5% of all companies using the survey, which is designed by a nationally-known third party and administered in like form to over 1,000 employers in the U.S. As confirmation of our exceptional efforts to support our people and culture, Progressive won the Gallup® 2023 Exceptional Workplace Award, which recognizes companies that incorporate employee engagement into every aspect of their strategies for transforming the way they do business.

We pride ourselves on creating a culture of job fulfillment and career opportunity. When new people join our company and quickly experience our positive and people-oriented culture, they're motivated to stay and build rewarding careers.

Progressive Gallup® Survey Trends



Faris McReynolds

Ghost Echo

2013

oil on canvas

45" x 37"

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Retention Depends on Job Learning and Career Opportunity

Progressive understands that engagement and retention depend not only on inclusive leadership and job satisfaction, but also on our people knowing there's room to grow in their careers. In 2022, we filled approximately 68% of our open positions above entry level by promoting from within, including just over 2,000 managerial positions. During the same time period, we had a career mobility rate of 46% and an advancement rate of 30%.

To increase job learning and accelerate career opportunity, in 2021 we launched a bold new career advancement channel for sought-after technology and analytical jobs called the Progressive Boot Camp. In 2022, we held an IT Programmer Boot Camp and an Analyst Boot Camp, which included rigorous in-class and on-the-job training programs. We're deliberate in encouraging participation by women and people of color—two demographic groups traditionally underrepresented in these jobs.

Another DEI-focused learning opportunity that has been successful for Progressive and our people is our Multicultural Leadership Development Program (MLDP), which we've been offering since 2014. Since then, participation has nearly tripled and MLDP graduates are nearly two times more likely to advance in their careers versus their peers.

There are now three different programs—one for managers and two designed to accelerate the careers of aspiring leaders.

Lastly, we also increased the number of participants in our Analyst Internship Program.

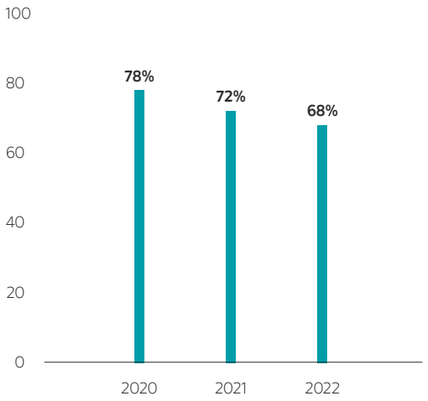
In addition to career-advancement learning, Progressive is dedicated to job training and skill-building. Companywide, we devote more than 500 leaders and subject matter experts to technical and competency-based training initiatives. Our learning solutions are tailored to both individual contributors and leaders and consist of a comprehensive curriculum from technical skills to leadership competencies and customer service protocols to strategic thinking and innovation.

More specifically, Progressive has created a Learning Paths and Tool Maps protocol that provides an up-to-date knowledge sequence of skill-building for a critical base of employees in our industry, including product and pricing, analytics, and information technology. These employees can take courses and measure their progress at their own pace. In 2022, nearly 4.4 million total credit hours were completed by Progressive employees. The average number of hours per employee was 70.

Moreover, our professional development program, "Own It," encourages employees to take control of their career through team-building exercises, coaching techniques, and communication strategies. Available to new and tenured employees, our learning solutions are tailored to both individual contributors and leaders, and cover a broad swath of skills and competencies.

To learn skills beyond our internal offerings, Progressive partners with leading universities to give all employees access to advanced career learning libraries. And our partnership with CWRU enables Progressive employees to receive a 25% discount for any CWRU course or program.

Employees Promoted From Within 2020–2022[1]



[1] Percentage of internal promotions to fill open positions above entry level.

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Training Begins With Our Core Values

Our Core Values are the foundation for our Code of Business Conduct and Ethics, which provides clear expectations for all our people and confirms our commitment to high ethical standards and compliance with legal requirements. We provide ethics training, as well as regular communications, video series, and outside speakers presenting themes such as Celebrate Disagreement and Courage at our Core, to emphasize our commitment to our ethical and legal responsibilities.

Additionally, we have an Open Door Policy that empowers every employee to reach out to any manager or human resources representative when they have a question or a concern or they want to share an idea. We also provide a confidential Alertline that is available for employees and others who want to raise a concern anonymously. We encourage our people to speak up, and when they do, we give timely attention to their concerns, take remedial action where appropriate, and do not discriminate or retaliate against them for reporting any concern to us in good faith.

We also leverage our extensive contemporary art collection to offer training sessions to spark conversations about our culture, innovation, ethical obligations, and respecting our differences, among other things. See the Ethics and Corporate Decision-Making section for further details.

Compensation

What employees earn has been a hot topic in recent years, and Progressive has been able to navigate the changing job market with a flexible compensation program. We seek to provide competitive pay through a combination of fixed and variable compensation, have designed our compensation programs for employees to earn above-market total compensation when company performance warrants it, and we conduct an Annual Salary Review to regularly assess our employees' compensation packages to remain competitive internally and externally to the market.

Because compensation is also tied to individual performance, Progressive uses several factors when reviewing compensation, including the employee's performance rating and pay level within the grade structure. Nearly all our regular and active employees with over four months of tenure received performance evaluations last year.

Equal Pay

We're proud to report that for Progressive employees with similar performance, experience, and job responsibilities, women earn one dollar for every dollar earned by men, and people of color earn one dollar for every dollar earned by their white coworkers.[1]

We recognize that our commitment to pay equity requires our constant attention, and we take regular steps to ensure that our people's compensation reflects their performance, experience, job responsibilities, and nothing else. We report our pay equity measures annually.

Gainshare Is an All-Employee Event

Nearly all Progressive people participate in our annual cash incentive program named Gainshare, which measures the growth and profitability of our insurance businesses. We believe Gainshare contributes to the cooperative and collaborative way we work together and, in part, defines our culture.

Our executives and other senior leaders also receive compensation in the form of equity awards (i.e., restricted stock units), which we believe supports a strong pay-for-performance linkage and further aligns their interests with those of our shareholders.

[1] In evaluating pay equity companywide, we use a regression model that considers the following components of compensation: annual salary, bonus (Gainshare), and equity awards. These are point-in-time measures (as of February 2023) that include all Progressive employees other than our CEO and the C-level executives, whose compensation is approved by the Board's Compensation Committee. For information on executive compensation, please refer to our Proxy Statement.

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Benefits and More Inclusive Health and Wellness

Health and wellness programs at Progressive extend beyond comprehensive health care insurance to financial well-being and work-life balance. Based on their lifestyles and what works best for them, Progressive people can choose from a broad range of benefits, including: medical, prescription drug, dental, and vision benefits; a 401(k) plan with up to a 6% company match; life insurance; long- and short-term disability insurance; and paid parental leave following birth, adoption, or placement of a foster child.

In 2022, we moved to a new health care vendor that focuses on addressing Progressive people in most need. Our new vendor has experience in these areas, and we believe will be able to help us with innovative solutions such as mobile health and dental clinics and easier access to nutrition support.

Better serving the health needs of this employee community is a focus for us as we continue to offer competitive and comprehensive benefits that promote healthy lifestyles for all Progressive people and their families. Our health and wellness offerings include on-site fitness centers, medical clinics, and health seminars. Many of these on-site offerings transitioned to online offerings, such as fitness classes and health discussions, to meet the needs of our employees who are working remotely.

We continue to offer a variety of health and wellness programs accessible to employees working from the office or remotely.

Progressive also boasts a vibrant and interactive health and wellness website, which started over a decade ago and is managed by a full-time health and wellness team, including a full-time physician. The site is designed to show our employees how to live healthier and achieve a more balanced lifestyle. During 2022, as most employees still worked from their home offices, our wellness team created a comprehensive virtual regimen that included prerecorded workouts, daily online group classes and fitness challenges, and an “in the kitchen” nutritional series.

We also offer healthy living and weight management programs, family resources and medical services, and mental and emotional support. And our Employee Assistance Program (EAP) provides 24-hour support, flexible work arrangements, and paid time off to help our people balance their work and personal lives.

Progressive is also paying particular attention to mental health, and we have expanded the EAP to recognize a growing need for easy-to-access emotional support by adding online therapy and urgent care, and behavioral health coaching and psychiatry via smartphone applications.

Financial Wellness

Yet another way Progressive is working to have a more inclusive benefits offering is by introducing a change intended to increase participation in our 401(k) plan. Although Progressive’s retirement plan offers up to a 6%, dollar-for-dollar company match, a challenge for us was to generate even greater participation in the program.

The Progressive 401(k) plan supports financial security by helping our employees save for the future, but we recognized that a segment of our population was not taking advantage of the plan. To address this, we introduced auto-enrollment in the 401(k) program in 2021 so that all employees begin saving for retirement by default. Any employees who do not wish to participate in the plan may opt out. At the end of 2022, 91% of Progressive people are enrolled in the program.

Throughout the pandemic, including through the end of 2022, Progressive pivoted to help employees by providing CARES Act 401(k) withdrawal options. Progressive also administers an Employee Relief Fund for those facing financial hardship immediately following a natural disaster or an unexpected personal hardship. The fund relies primarily on support from Progressive and individual donations from fellow employees.

Effective in 2021, we expanded our paid time off program to recognize Martin Luther King Jr. Day as an official company holiday and added two additional PTO days for all employees to take time for other, individually culturally significant days.

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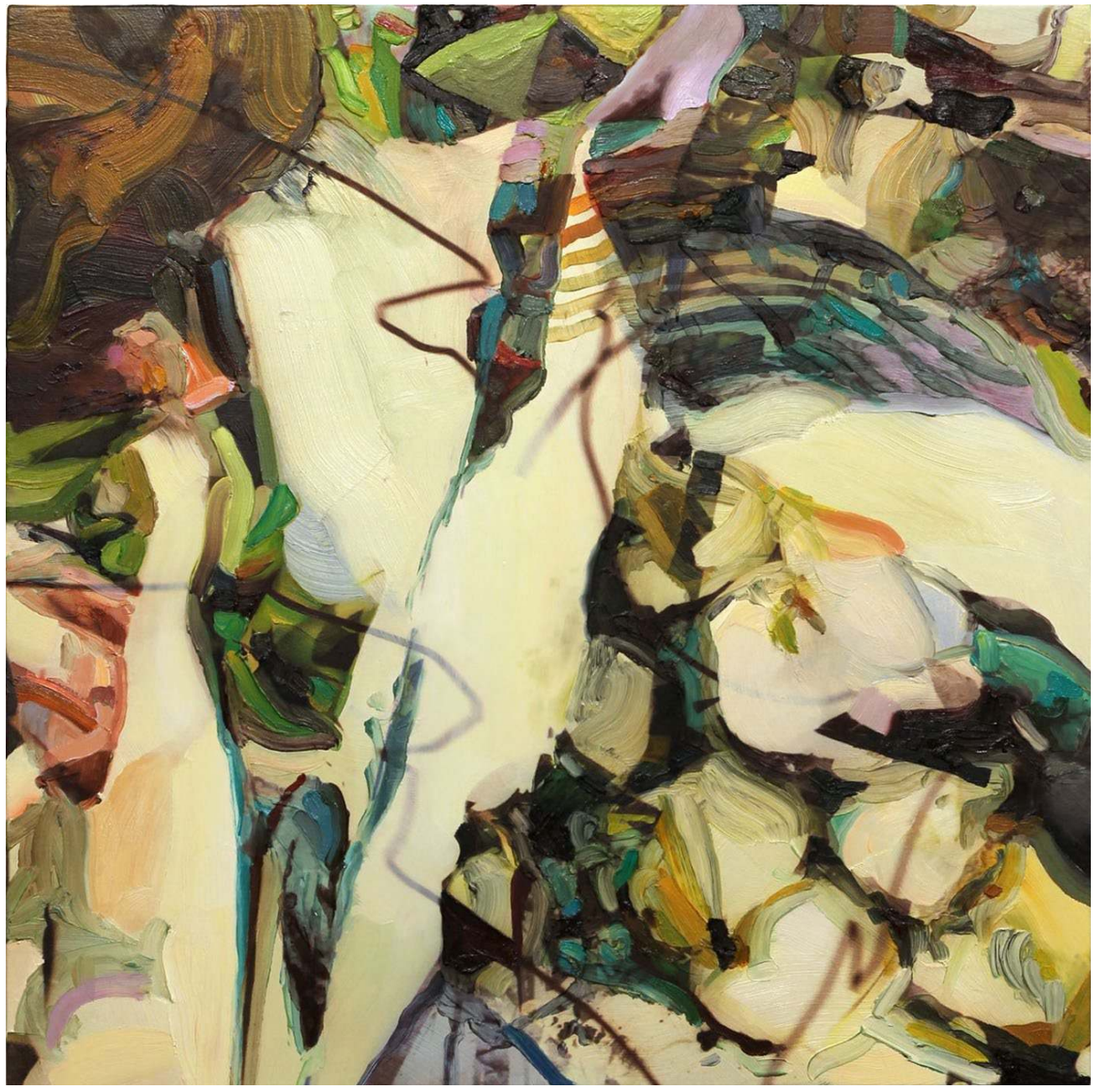

Jimmy Baker

Arrangement 6

2013

oil and UV ink on canvas over panel

22" x 22"

Recognition for Our Work

We know that our investments in our people and culture drive our business results, but we appreciate recognition from professional organizations across the country that include the following:

- 2023 FORTUNE 100 Best Companies to Work For®[1]
- 2023 Newsweek America's Greatest Workplaces for Diversity
- 2023 Forbes Best Employers for Diversity
- Gallup® 2023 Exceptional Workplace Award
- Best Workplaces for Parents: Great Place to Work (2022)
- Best Workplaces for Women: Great Place to Work (2022)
- Military Friendly Employer (2023)
- Best of the Best: Black EOE Journal (2023)
- Best of the Best: Hispanic Network Magazine (2023)
- Best of the Best: Professional Women's Magazine (2023)
- Best of the Best: Top Veteran-Friendly Companies (2023)
- Top Workplaces in the USA (2023)
- Top Workplaces for Compensation & Benefits (2023)
- Top Workplaces for Work-Life Flexibility (2023)
- Best Companies for Latinos to Work (2023)
- National Association of Corporate Directors (NACD) Diversity, Equity, and Inclusion Award (2021)

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Managing Complexity

Finding new ways to work while focusing on transparency and compliance

The New Workplace

We've learned that working from home may now be a preferred option for many employees, and we're striving to offer that option where our business needs permit.

To address this and a new preference among job candidates to work remotely, Progressive has significantly increased work location flexibility for our people. This is already helping us to build a more productive and appealing hybrid work environment for the future. In 2022, we hired over 12,000 employees in entirely virtual or hybrid remote/in-person roles.

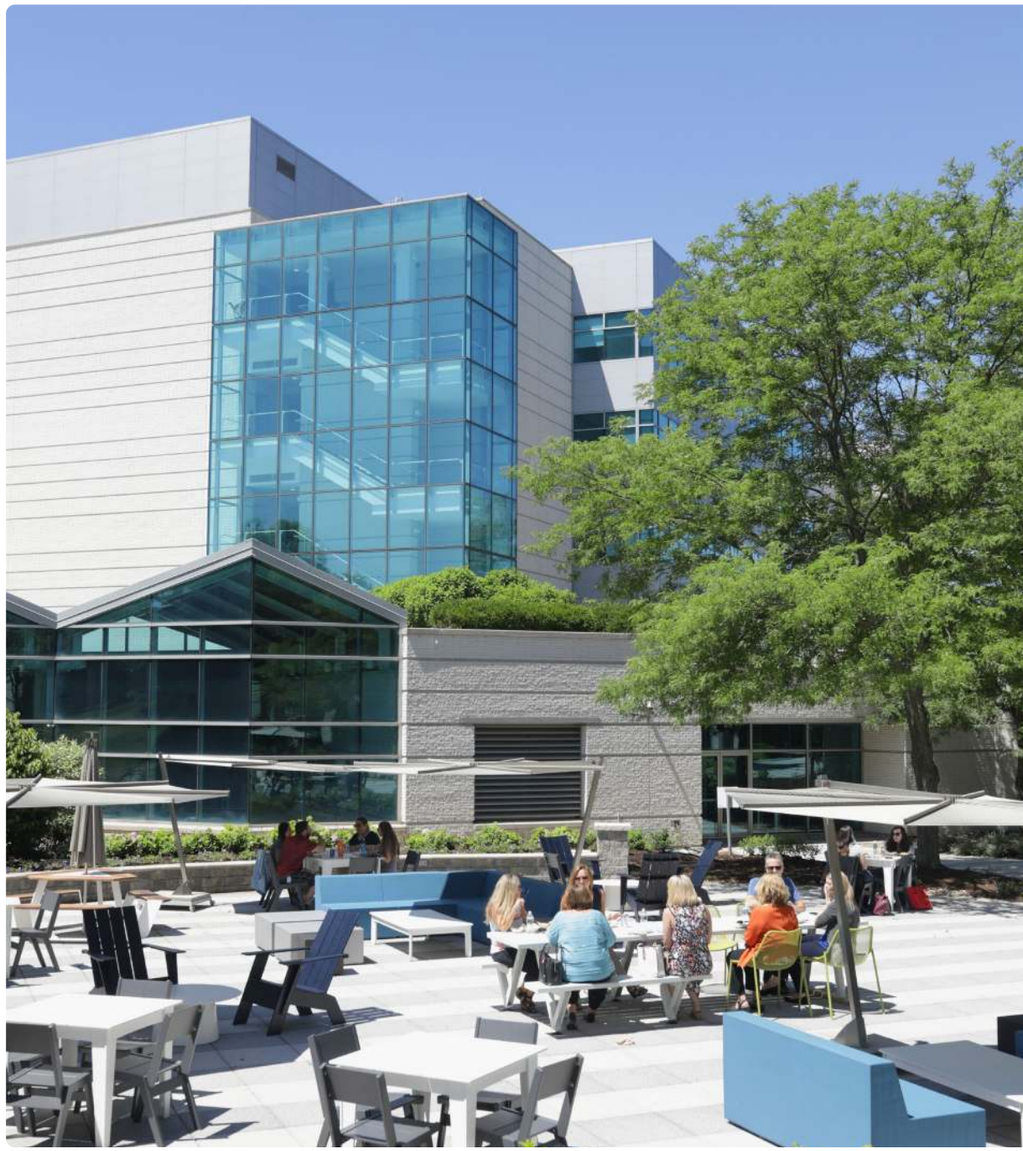
Moving Forward as Individuals and a Company

Respecting who we are and providing ways to keep learning and growing gives us self-worth and confidence. Offering a network of benefits and competitive compensation gives us a sense of security and well-being. And optimizing the way we work gives us a shared sense of purpose.

This is the kind of culture that helps us succeed as individuals. And this is how we continue to thrive and move forward as a company.

> **We are pleased to have the many challenges of 2022 behind us and enter the new year hopeful, once again, for improvements that will benefit Progressive, the broader economic environment, and the world at large. We do so, however, with open eyes that the ongoing challenges, and unexpected obstacles, will undoubtedly require further active and nimble responses by Progressive. We embrace this uncertainty and look forward to continuing to work hard for the company's shareholders and other stakeholders.**

Lawton Fitt Chairperson of the Board, Letter to Shareholders, March 2023



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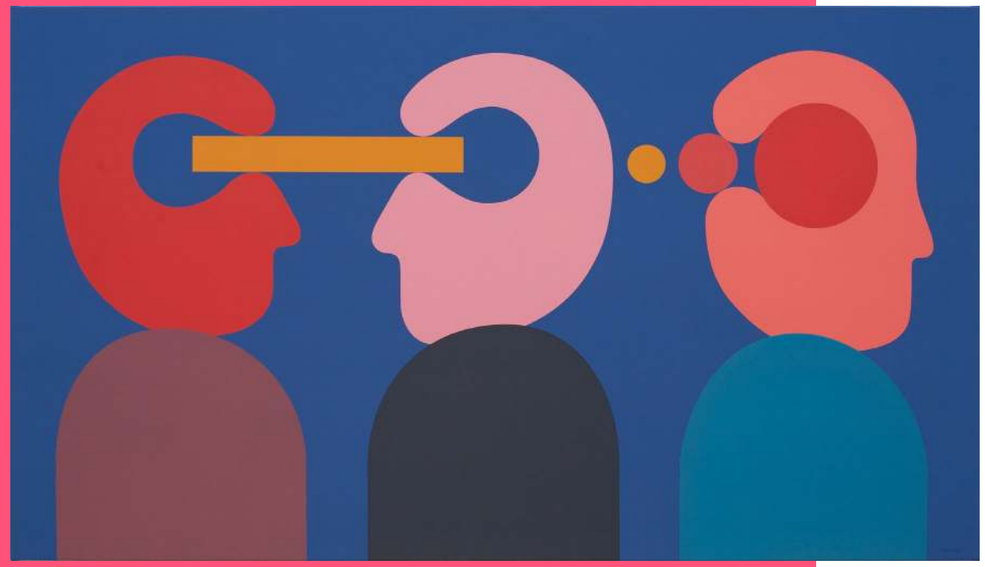
Social Capital



Geoff McFetridge

Image Based Gamelan 8: Right to Left to Right

2020

acrylic on canvas

41" x 72"

Making a lasting impact on communities and people's lives is an expression of our values in action and something we care deeply about as a company and as individuals and teams.

Our ERGs Guide the Way

Our ERGs often remind us just how much events in our communities impact our corporate culture. And, in turn, how much we as a company can influence our communities. Our employees are very active in social responsibility through their work in our ERGs, and an impressive 43% of Progressive people belonged to at least one ERG at the end of 2022.

In 2022, Progressive donated $1.5 million directly or through The Progressive Insurance Foundation (the Foundation) to national charities identified by our ERGs.

ERG involvement with these organizations, however, was much more than monetary contributions. Our ERGs partnered with their selected charity on special programs, events, and campaign drives. As an example, our Disabilities Awareness Network ERG teamed up with The Arc of the United States to offer ERG members insight and training on the overall employment landscape for people with intellectual and developmental disabilities (IDD) to raise awareness about the frequent lack of opportunities for the IDD community in the U.S. workforce. Specific areas discussed were networking, resumé-building, and interviewing. Then, Progressive volunteers, now equipped with the knowledge and skills needed, participated in 45-minute panel discussions held by various chapters of The Arc to answer questions and help those with IDD build their job-seeking skills.

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National Charities Supported by Progressive ERGs

PROGRESSIVE ERG	SUPPORTED CHARITY
Asian American Network & Young Professionals Network	**Foster Love (formerly Together We Rise)** Changing the way children experience foster care
Disabilities Awareness Network	**The Arc of the United States** Supporting inclusion and participation of those with IDDs in the community
Lesbian, Gay, Bisexual, and Transgender, Plus	**Centerlink, Inc.** Supporting the strength and sustainability of LGBT+ community centers
Military Network	**Fisher House Foundation, Inc.** Building homes for veteran families to stay for free while a loved one is in a hospital
Network for Empowering Women & Parent Connection	**Family Promise** Serving children and families at risk of homelessness
Progressive's Latin American NETworking Association & Progressive African American Network	**National Coalition for the Homeless** Ending homelessness and protecting civil rights

David Robbins
Flowerstorm
2006
digital print
30" x 40"

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Employee-Driven Social Responsibility

Our ERGs are an important part of a bigger story of giving at Progressive.

In 2022, Progressive people in all 50 states plus the District of Columbia participated in more than 200 local and virtual community and fundraising events, and donated thousands of needed items—in addition to financially supporting the charitable organizations of their choice through the Foundation.

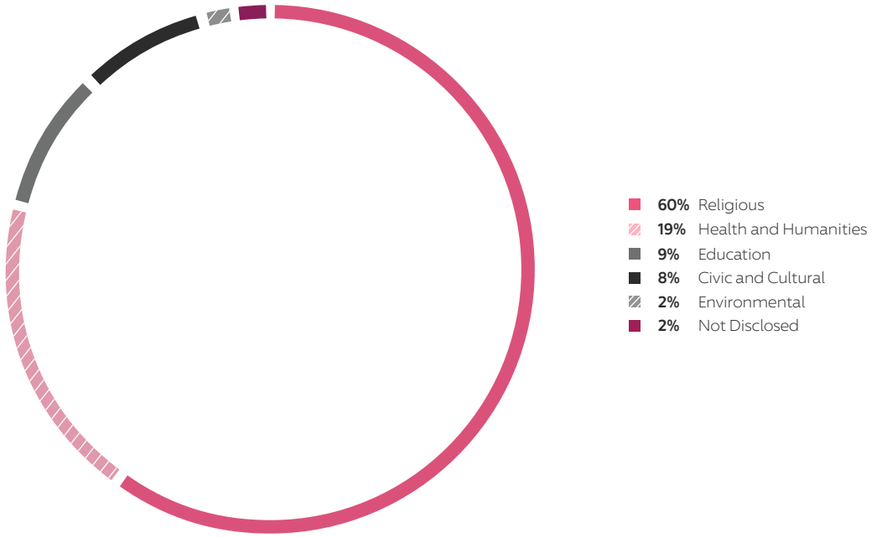
Progressive established the Foundation in 2001 to give back to our local communities by supporting organizations important to our people.

The Progressive Corporation contributes annually to the Foundation's employee-guided giving programs, which for 20 years consisted of a matching program for donations made to qualified 501(c)(3) tax-exempt organizations.

Under the match program, when an employee donated any amount from $20 up to an aggregate of $3,000 to qualified charities and requested matching gift(s), the Foundation committed to matching their donations up to 100%. The actual match depended on the number of requests and the company's financial performance that year.

While it has been successful for the past 20 years, beginning mid-2022, the Foundation's matching-gift program shifted to a new, more inclusive strategy intended to broaden employee participation called "Name Your Cause," in which all Progressive people can recommend an eligible charity to receive a donation from the Foundation without requiring the employee to make an out-of-pocket donation.

Percentage of Progressive Foundation Match Dollars by Charity Type



Progressive Foundation

The Foundation donated $5 million in matching donations made in 2021.

Progressive ERGs

In 2022, directly or through the Foundation, Progressive donated $1.5 million to charitable organizations supported by our ERGs.

> Our Employee Resource Groups are living, breathing, loving proof that we're growing together as a company. They give us the courage to be ourselves and show us how our differences make a difference for our customers and each other.

Tricia Griffith President and CEO, 2022 ERG Annual Report (internal publication), March 2023

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In 2022, the Foundation contributed $5 million to match donations made in 2021 by over 4,000 employees, and we're proud to announce that Progressive and the Foundation contributed over $10 million last year.

Our Corporate Benefits team manages the day-to-day administration of the Foundation, which is currently overseen by its board of trustees, including Progressive's Chief Financial Officer, Chief Human Resources Officer, and Customer Relationship Management President.

Progressive Relief Fund

In addition to employee contributions, Progressive donated $1.3 million to The Progressive Relief Fund for employees who experienced financial hardship because of natural disasters and personal financial hardships.

Notable Contributions in 2022

RECIPIENT	AMOUNT
The Progressive Insurance Foundation Match Based on 2021 Employee Donations	**$5,003,000**
Progressive Relief Fund	**$1,300,000**
Charity Cars, Inc.	**$2,353,000**
Centerlink, Inc.	**$250,000**
Family Promise	**$250,000**
Fisher House Foundation, Inc.	**$250,000**
National Coalition for the Homeless	**$250,000**
The Arc of the United States	**$250,000**
Foster Love (formerly Together We Rise)	**$250,000**
Total	**$10,156,000**

Kevin Ford

White Dog

2019

acrylic on canvas mounted on panel

20" x 16"

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Focusing on Mobility and Homelessness

At Progressive, we're committed to employee-driven social responsibility. We're also proud of brand-focused giving initiatives directly tied to our business as a national insurer for homes and autos.

Our founders, Joseph Lewis and Jack Green, started Progressive to make car insurance easier to access. For them, owning a vehicle positively changes a person's life by improving their job prospects, providing access to health care, and enabling social connections.

In this tradition, Progressive hosts our Keys to Progress® veteran vehicle giveaway program—a one-day event every November in recognition of Veterans Day. Progressive people from across the country volunteer to select vehicles to donate, organize fundraising activities, and host local events. Through our relationship with Enterprise Rent-A-Car, we fund Charity Cars, Inc.'s purchase of recent-model used cars from Enterprise for donation and work with military and charitable organizations to identify veterans in need.

To celebrate the program's 10th year, we donated over 100 vehicles to veterans and veteran organizations across the U.S. in 2022, including a semi truck to a veteran for him to start his own trucking business. Since 2013, the Keys to Progress program has provided more than 900 vehicles to veterans in need.

A second community-focused initiative involves helping people experiencing homelessness. Since 2020, this has included a relationship with Humble Design. This nonprofit group serves individuals and families who are transitioning from homelessness by making their new living spaces more comfortable and personal.

To support their Cleveland operations, Progressive people raised money, donated and collected furnishings and household goods to fill Humble Design's warehouse, and participated in home-decorating experiences with participating families.

In 2022, Humble Design Cleveland, with Progressive's and our employees' help, furnished and designed 98 homes, serving 287 individuals, over half of whom were children and 18 were veterans, and also designed and furnished three transitional housing projects for referring agencies that partner with Humble Design.

Vehicle Giveaways

Keys to Progress® veteran vehicle giveaway program has donated more than 900 cars in 10 years to veterans in need.

Humble Design

Since 2020, Humble Design Cleveland has furnished over 160 homes for families moving from homeless shelters.

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Education and Technology Initiatives

Progressive's education initiatives are important to us because continuous learning is an integral part of our culture.

In 2022, we donated nearly 2,400 pieces of computer equipment to PCs for People, a nonprofit organization specializing in refurbishing and upgrading computers for students and those in need. Through our 2022 donations to PCs for People, we helped provide computers to an estimated 1,130 people,[1] 56% of whom had never owned one and half of whom were children. Another benefit was that our donations resulted in recycling or reusing 132,105 pounds of e-waste, thereby preventing it from ending up in landfills.

[1] Not all donations are redistributed because some may not pass stress testing/refurbishment standards or be used for parts.

Our Company, Our People, Our Community

Our Core Values guide Progressive's culture and we're proud that our people lead the way for our social responsibility efforts. Our success as a company relies so much on the strength of our community and our people.

Volunteer Highlight

Sub Zero Mission Remodel

In the summer of 2022, approximately 30 people from Real Estate Design, Facilities, and Engineering came together over three months to help Sub Zero Mission remodel existing space and furnish a new addition to their 7,500 square foot headquarters in Painesville, Ohio. Sub Zero Mission is an organization dedicated to helping the homeless make it through the winter months by providing warming items. Sub Zero serves large cities throughout Ohio, plus others including Erie, Pennsylvania; Pittsburgh, Pennsylvania; Chicago, Illinois; and Detroit, Michigan. While they're focused on helping veterans, they help everyone in need that they meet on their outreach missions. In recent years, they expanded their mission to help break the cycle of homelessness by assisting people with housing and addiction services. The headquarters expansion included a bus garage, additional storage, and meeting areas to deliver more services and, potentially, employment opportunities. Progressive employees provided design services, demolition, construction, drywall, flooring, storage racking, and painting services as well as manual labor to set up the new spaces. Almost all the materials and furniture were reclaimed from Progressive offices that have been closed or overstock that would normally be held to repair or refurbish buildings as needed.

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Public Advocacy and Public Policy

Public policy issues have the potential to impact Progressive's business, our employees, business partners, shareholders, and the communities in which we operate. We believe from time to time our responsible and constructive participation in the political process is important to our success. We participate in a highly regulated industry, and we believe our involvement in initiatives and proposals that could affect our industry or our business is beneficial to our success. We believe it's appropriate for us to exercise our rights to help inform and be a part of the debate on these matters.

Public Advocacy and Public Policy Philosophy

To ensure that political contributions and expenditures, payments to trade and industry associations, and lobbying expenses are made in a manner consistent with Progressive's Core Values and to protect or enhance shareholder value.

Board Oversight and Policies

Our Policy Statement on Political Contributions, Trade Groups, and Lobbying and our Code of Business Conduct and Ethics guide our actions in the public policy arena and require our Personal Lines President and the Law Department to preapprove every political contribution we make. These policies are intended to ensure our political expenditures are made in a manner consistent with our Core Values and protect or enhance shareholder value. Our Nominating and Governance Committee reviews the policy statement at least once a year and receives annual reports from management on our compliance with the policy statement. We comply with all applicable laws and regulations governing political contributions and expenditures.

Overview of Expenditures

We support industry research associations and nonprofit organizations, trade associations, candidates for public office, and other groups to advance key priorities such as highway safety and regulatory modernization. We may not agree with every position taken by a specific organization, candidate, or committee. However, we sometimes find it's beneficial to work across such differences on behalf of the interests of our stakeholders.

In addition, we participate in trade groups and engage lobbying firms that can advocate for regulations and policies that we believe are beneficial to our business interests. For example, we support regulatory developments that promote a competitive insurance marketplace. We disclose all political contributions and expenditures to the extent required by law. Beginning with 2022 expenditures, we started publishing updated reports on political expenditures twice a year, including the date, amount, and recipient of political contributions, and, with respect to payments to any trade or industry association exceeding $50,000 in the aggregate on an annual basis, a percentage of such dues that may be used for political expenditures. Progressive does not have a political action committee.

For more details, please see our reports on involvement in public policy and political expenditures in the Governance Documents section of our Investor Relations website.

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Environment

Kevin Schmidt
Face Lake
2006
LightJet photo
49 ½" x 49"

By taking action to reduce the environmental impact of our business operations, we believe that we can not only be responsible environmental stewards, but also create sustainable business value and enhance our resilience.

Climate Change

As we strive to become consumers', agents', and business owners' #1 destination for insurance and other financial needs, we continue to monitor, manage, and mitigate risks related to climate change and weather. These severe weather events can lead to increased loss expenses and disruption to physical assets and can affect the cost and availability of reinsurance. To manage these risks, we measure changes in severe weather patterns, including frequency, severity, duration, and geographic location and scope to understand the potential business implications. We use catastrophe modeling tools to help estimate our exposure to weather-related losses and incorporate our findings in product design, policy pricing, and underwriting.

We use reinsurance to reduce our exposure to physical and financial losses in our Property business resulting from certain catastrophe events that might be impacted by climate change. We have also found that utilizing territory-level underwriting and product features, such as deductible and coverage limits, can help us to manage our underlying exposure.

We continue to encourage greater awareness of the impact of climate change and severe weather in a variety of ways, including:

- Informing policyholders who sign up for hail alerts about potential hailstorms near them based on their home address, giving them advanced notice to protect their vehicles.
- Producing public service announcements before, during, and after certain severe weather events for use by local radio stations and on social media to reach broader audiences with safety tips.
- Providing discounts in select areas to policyholders who take specific steps to better protect their home against weather-related losses. See the ESG Product Features section for further details.

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We believe that managing climate change-related risks can help reduce expense and offer competitive rates while maintaining our obligations to our customers. For more information on how we believe climate change and severe weather can affect our business results, refer to our 2022 Annual Report on Form 10-K.

Environmental Stewardship

We continue to make increasing efforts to reduce carbon emissions and operate efficiently in all aspects of our business. We believe that reducing our dependency on fossil fuels and pursuing energy efficient sources facilitates our corporate responsibility. Our Real Estate and Corporate Services team leads these efforts and guides our strategies to effectively manage our buildings, equipment, and fleet. We report our environmental efforts to inform our stakeholders of the efforts we're making, the initiatives and steps taken, and the forward movement on our commitments.

We continue to progress our environmental stewardship efforts by seeking investments in green energy usage for our facilities, exploring opportunities to shift toward a lower-emissions fleet, and reducing paper correspondence with our customers. We believe that if we can yield positive environmental results from our business operations, we can create a sustainable business in line with our Core Values.

> **Our ultimate goal [is to become] carbon neutral (in Scope 1 and 2 emissions) by 2025, with a goal of becoming net-zero in the following decade.**

Tricia Griffith President and CEO, Annual Letter to Shareholders, February 2022

Neeta Madahar

Sustenance 95

2003

iris print on Sumerset velvet

35" x 23 3/8"

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Energy and Carbon Emissions Management

As we look forward to the future, we're excited to continue to be responsible environmental stewards. We previously announced a goal of carbon neutrality by the end of 2025 for Scope 1 and 2, which will help set the path to net-zero in the following decade. To achieve this, we're working to reduce our carbon footprint through several means, including investing in renewable energy, exploring fuel-efficient vehicle alternatives, and continuing to focus on efficiency and conservation opportunities within our commercial real estate portfolio, an initiative started over 15 years ago. These efforts have included shifting from fluorescent to LED lighting in core campus locations. We also focus on calibrated automation efforts to optimize and conserve heating, cooling, and lighting and consider other ways to more efficiently operate our facilities given the reduced in-office presence due to the hybrid workforce model.

In recent years, we've expanded our green energy investments to further reduce our impact on the environment. In 2022, we completed construction on a 1.8-megawatt solar array at one of our main campus locations near Cleveland, Ohio, which went live in January 2023 and will reduce that location's annual carbon emissions. In 2020, we entered a three-year renewable energy agreement with a wind farm in Pennsylvania, which was expected to reduce our electricity-related carbon emissions by nearly 31,000 metric tons annually (70,000 MWh) beginning in 2021. To accommodate real estate portfolio changes and ongoing energy efficiency projects, during 2022, we amended our renewable energy purchase from the initial 70,000 MWh to align with consumption, providing for a purchase of approximately 65,000 MWh in 2022.

Our renewable energy initiatives and investments in energy- and fuel-efficient facilities, equipment, and company vehicles create shared value for our business and stakeholders, supporting our efforts to reduce carbon emissions and pass along cost savings to our customers.

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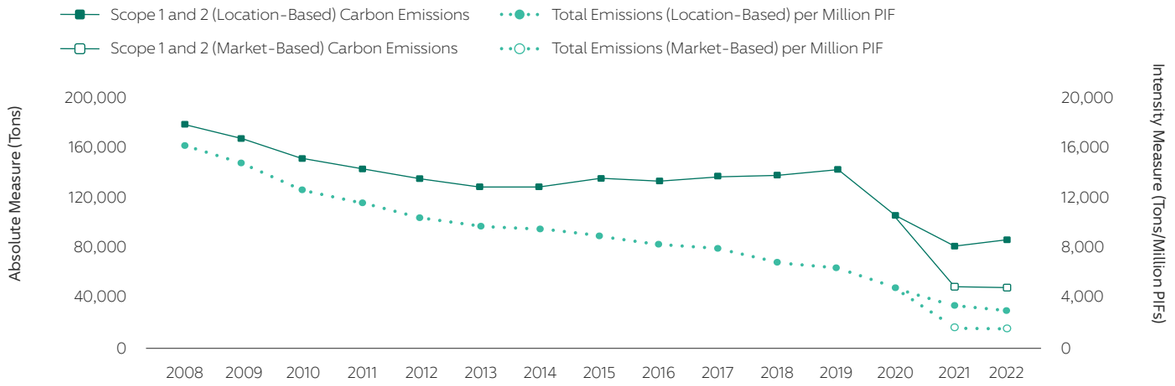
Our Emissions Reductions

Although the original timeline goal was 2022, we surpassed our goal of achieving a 68% reduction in carbon emissions per million policies in force (PIFs) compared to 2008 in 2021. In 2022, we continued to expand the way we manage, track, and report our emissions. We revised our electric and gas consumption calculations to include less estimated site readings across our real estate portfolio.

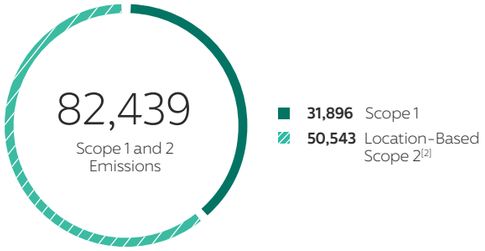
Compared to 2021 readings, our 2022 Scope 2 location-based emissions decreased 7% and our Scope 1 emissions increased 18% primarily due to an increase in fleet utilization as fuel gallons consumed rose. However, notwithstanding the Scope 1 increase, our overall fleet fuel consumption for 2022 was almost 20% below our pre-pandemic levels despite substantial business growth over the past three years.

Scope 1 and 2 Carbon Emissions 2008–2022[1]

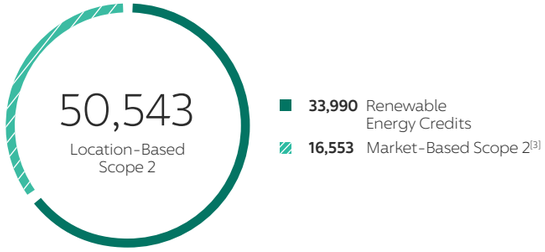


[1] Includes carbon emissions from electricity and natural gas consumption, fuel used by fleet vehicles, company aircraft, generators, and refrigerants. The volume of carbon emissions from these sources have been estimated using actual real estate portfolio information and industry standard calculation methods. Emission factors were adjusted for 2022 calculations to reflect updates to standards. Prior years were not retroactively updated. In 2021, Progressive began purchasing Renewable Energy Credits (RECs) to begin reducing emissions which has been reflected in the market-based figures. Emissions intensity factors were updated in 2022 to reflect U.S. Energy Information Administration (EIA) standards and will be reviewed annually as part of Progressive's emissions reporting efforts.

2022 Scope 1 and 2 Emissions (Metric Tons CO_2e)



2022 Scope 2 Emissions (Metric Tons CO_2e)



[2] We engaged PricewaterhouseCoopers, LLP to perform an attest review engagement over our Scope 1 emissions and Scope 2 emissions (location-based and market-based), as represented in The Progressive Corporation Management Assertion, for the year ended December 31, 2022 (see their report in the Appendix).

[3] In 2022, Progressive purchased Renewable Energy Credits to reduce emissions, which has been reflected in the market-based figures.

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Fleet Operations

Our fleet consists of more than 5,000 vehicles and, as with our other assets, we continue to advance our environmental stewardship efforts. We're exploring opportunities to reduce our fleet's carbon emissions by shifting to a lower emissions vehicle fleet through hybrid and electric vehicle purchases. Over the past few years, we implemented a change to a more fuel-efficient sedan, included hybrid alternatives in recent vehicle orders, and utilized an all-electric vehicle at our main campus in Cleveland, Ohio. We continue to explore and pursue relationships which will allow us to order vehicles that align with our fleet emission standards.

Another example of our efforts to increase fleet efficiency is the offering and expansion of photo estimating to our customer base, which reduces the miles driven by our claims adjusters. Expanding upon our prior photo estimating program, the Claims organization has partnered with auto repair centers to roll out a Shop Written Estimates (SWE) program. By utilizing SWE and network shops as estimating tools, we've been able to reduce our dependency on our fleet.

Responsible Waste Management

We're committed to reducing and responsibly managing the waste generated by our building operations. Recycling programs for office paper, cardboard, aluminum cans, and plastic and glass bottles were developed in the past and remain in place today. The programs were developed to reduce the waste we send to landfills and encourage recycling at our campus locations.

As a result of these initiatives, approximately 24% (440 tons) of the waste collected at our campuses was diverted from landfills to recycling centers in 2022. Due to reduced building occupancy, efforts to optimize and realign waste removal were implemented in 2022 and waste removal at many service locations switched from weekly to every other week or on-call. These efforts are expected to result in reduced expenses as well as the number of miles driven on our behalf by our waste removal vendor.

Another way we manage waste is by continuing to reuse and donate furniture to local nonprofit organizations around the greater Cleveland area. This reduces furniture waste and supports local organizations.

For Earth Day in 2022, we partnered with a local organization in Cleveland to foster collaboration and build awareness around responsible resource consumption, disposal strategies, and recycling through virtual and in-person events.

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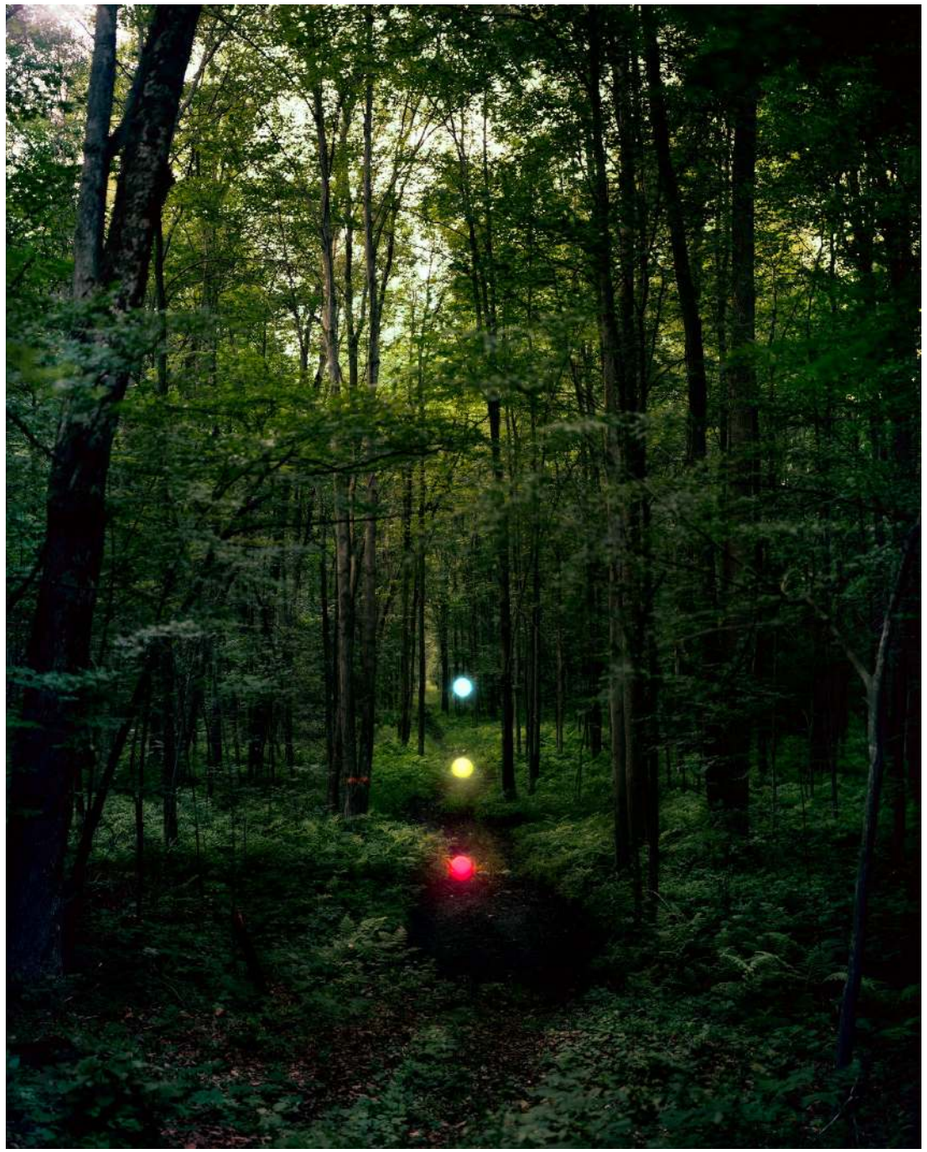

Barry Underwood

Barnett Newman

2012

archival pigment print

50" x 40"

Paper Reduction Efforts

We continue to support efforts to move to a paperless environment by encouraging paperless policies and offering electronic document options. More than 75% of our Personal Auto and 45% of our Special Lines policyholders are enrolled in our paperless policy program. This program reduces the need for paper correspondence by allowing e-signatures for policy documents and access to policy information via the Progressive mobile app.

As of January 2023, we now provide Personal Auto new business policy booklets and renewals electronically in states that allow us to do so. Our paperless efforts continue to evolve as we seek out meaningful reductions. These initiatives also help to minimize costs.

Looking Forward

As we look forward to the future, we're excited to continue to be responsible environmental stewards. An important part of our culture is to work toward creating a better future for not only our employees but also for our communities, shareholders, and the millions of customers who trust us to protect what's most important to them. In honoring that commitment, we announced our goal of being carbon neutral (for Scope 1 and 2 emissions) by the end of 2025, and we're working to chart a course with the goal of being net-zero the following decade.

We expect that Progressive's plan to be net-zero will leverage the continued application of operational efficiencies and ongoing efforts to reduce emission outputs. We look forward to exploring new ways to optimize our approach to emissions reduction, waste management, and fleet operations. We believe our commitment to sustainability will shift us toward operating more efficiently.

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Appendix

SASB Index

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	While Progressive does not disclose this specific information, we disclose certain applicable material pending legal proceedings, other than ordinary routine litigation incidental to the business, as required by applicable Securities and Exchange Commission disclosure requirements in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q (collectively, "SEC Filings").
	FN-IN-270a.2	Complaints-to-claims ratio	While Progressive does not calculate a complaints-to-claims ratio, the National Association of Insurance Commissioners (NAIC) publishes a Closed Complaint ratio.
	FN-IN-270a.3	Customer retention rate	While Progressive does not disclose this specific metric, we disclose changes in policy life expectancy (PLE) in our SEC Filings. PLE is our primary measure of customer retention in our Personal Lines and Commercial Lines businesses. Additionally, Progressive uses a variety of internal metrics to assess customer satisfaction, including surveys, customer focus groups, and Net Promoter Scores® (which tracks the likelihood of referrals from existing customers).
	FN-IN-270a.4	Description of approach to informing customers about products	See the Customer Experience and Communication section of our 2022 Corporate Sustainability Report.

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TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class	For information with respect to our investment activities, including disclosures on asset class and asset ratings, see Section IV. Results of Operations—Investments under Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2022 Annual Report on Form 10-K.
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	See the Sustainability in Our Investment Portfolio section of our 2022 Corporate Sustainability Report.
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	Progressive is unable to measure or disclose this metric at this time.
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	See the ESG Product Features section in our 2022 Corporate Sustainability Report.
Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	See the Risk Management section of our 2022 Corporate Sustainability Report. Additionally, see Reinsurance under Item 1. Business—Description of Business in our 2022 Annual Report on Form 10-K for a discussion of our reinsurance program.
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Progressive does not categorize catastrophic events as modeled versus non-modeled as we do not believe this categorization is meaningful to our business. For reporting purposes, Progressive defines a catastrophe as an event designated as a catastrophe by the Property Catastrophe Service (PCS), an industry organization that collects data on catastrophes. We report net catastrophe losses by segment in our SEC Filings. The SEC Filings also include a discussion of reinsurance and the recoverables recorded.

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TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	See the Risk Management and Climate Change sections of our 2022 Corporate Sustainability Report. See Reinsurance under Item 1. Business—Description of Business in our 2022 Annual Report on Form 10-K for a discussion of our reinsurance program.
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	As of December 31, 2022, Progressive had no derivatives outstanding. For a discussion on the reporting of derivatives, how Progressive uses derivatives, and the maximum size of our derivative position in 2022, please refer to Note 1—Reporting and Accounting Policies and Note 2—Investments in our 2022 Annual Report on Form 10-K.
	FN-IN-550a.2	Total fair value of securities lending collateral assets	As of December 31, 2022, Progressive had no securities lending reinvested collateral assets per Schedule DL filed with the NAIC.
	FN-IN-550a.3	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	See section II. Financial Condition under Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2022 Annual Report on Form 10-K.

CODE	ACTIVITY METRIC	RESPONSE
FN-IN-000.A	Number of policies in force, by segment (1) property and casualty, (2) life, and (3) assumed reinsurance	See our 2022 Annual Report on Form 10-K. We also disclose policies in force in our monthly earnings releases and SEC Filings.

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TCFD Index

METRIC	RECOMMENDED DISCLOSURE	RESPONSE
Governance: Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Our Board of Directors is ultimately accountable for overseeing Progressive's risk profile and its risk management processes. To facilitate these oversight responsibilities, the Board assigns certain risk oversight to each of its main committees. The Audit Committee oversees risks relating to financial statements, financial controls, internal and external audit functions, and external reporting. In addition, the committee oversees our Enterprise Risk Management (ERM) program. The Nominating and Governance Committee is responsible for overseeing and addressing with management risks relating to the Board's and Progressive's governance practices, stakeholder concerns, and environmental (including climate change) and social factors and initiatives impacting us. See our Nominating & Governance Committee Charter and the Board Oversight and Monitoring Process section of our 2022 Corporate Sustainability Report.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	See the Risk Management section of our 2022 Corporate Sustainability Report.
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	See Item 1A. Risk Factors in our 2022 Annual Report on Form 10-K and the Climate Change section of our 2022 Corporate Sustainability Report.
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	See Item 1A. Risk Factors in our 2022 Annual Report on Form 10-K and the Climate Change section of our 2022 Corporate Sustainability Report. For information on our reinsurance program, refer to Reinsurance under Item 1. Business in our 2022 Annual Report on Form 10-K.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	See the Risk Management section of our 2022 Corporate Sustainability Report.

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METRIC	RECOMMENDED DISCLOSURE	RESPONSE
Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	See the Risk Management section of our 2022 Corporate Sustainability Report.
	b) Describe the organization's processes for managing climate-related risks.	See the Risk Management section of our 2022 Corporate Sustainability Report.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	See the Risk Management section of our 2022 Corporate Sustainability Report.
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	See the Environmental Stewardship section of our 2022 Corporate Sustainability Report. For information on catastrophe losses incurred, refer to Section III. Results of Operations—Underwriting under Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2022 Annual Report on Form 10-K.
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	See the Environmental Stewardship section of our 2022 Corporate Sustainability Report.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	See the Environmental Stewardship section of our 2022 Corporate Sustainability Report.

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Assurance Statement

Report of Independent Accountants

To the Board of Directors of
The Progressive Corporation:

We have reviewed the accompanying management assertion of The Progressive Corporation (Progressive) that the greenhouse gas (GHG) emissions metrics for the year ended December 31, 2022 in management's assertion are presented in accordance with the assessment criteria set forth in management's assertion. Progressive's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the GHG emissions metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The firm applies the Statements on Quality Control Standards established by the AICPA and, accordingly, maintains a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, performed tests of mathematical accuracy of computations on a sample basis, read relevant policies to understand terms related to relevant information about the GHG emissions metrics, reviewed supporting documentation in regard to the completeness and accuracy of the data in the GHG emissions metrics on a sample basis, and performed analytical procedures.

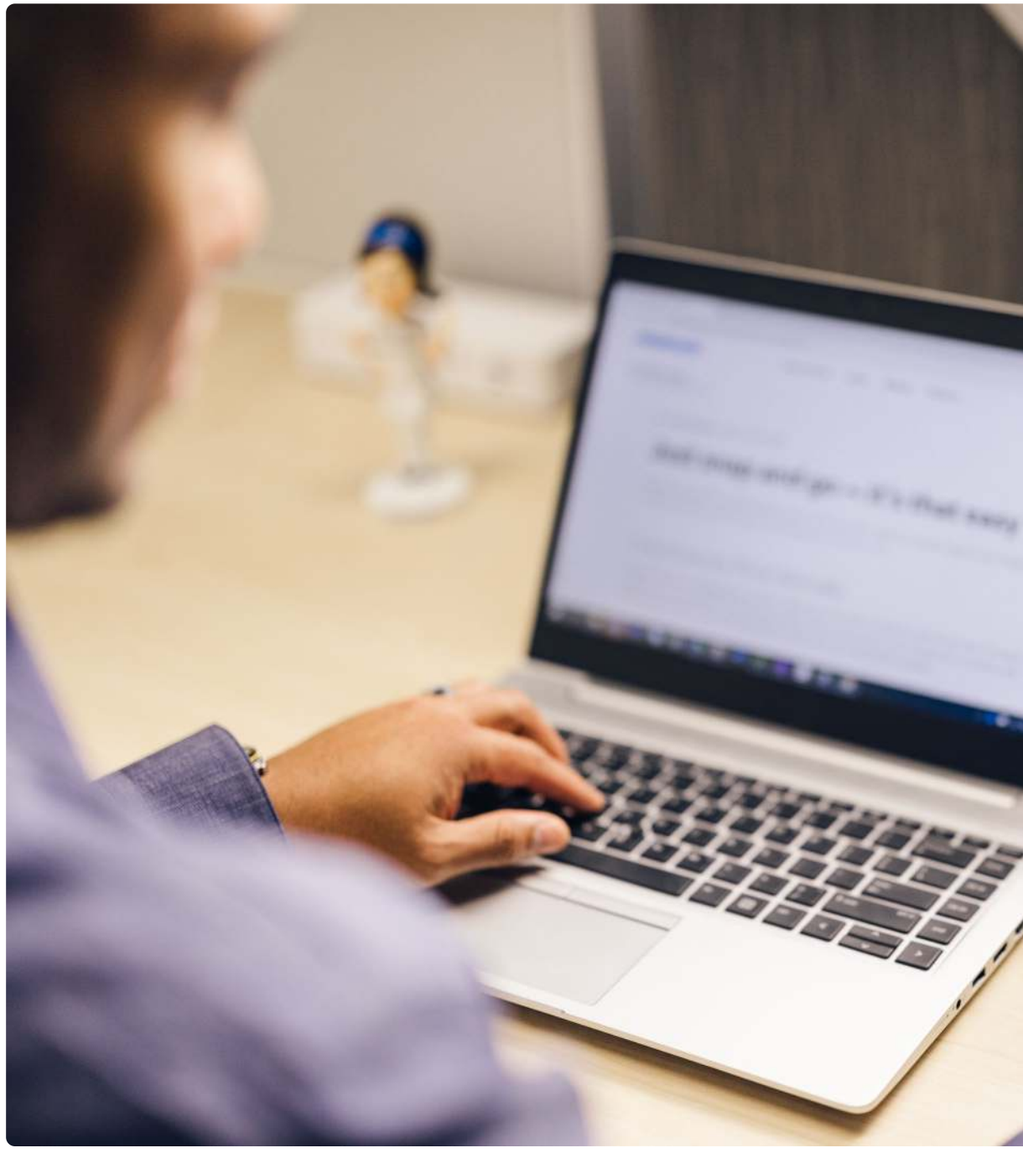
GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

As discussed in management's assertion, Progressive has estimated GHG emissions for certain emissions sources for which no primary usage data is available.

Based on our review, we are not aware of any material modifications that should be made to Progressive's management assertion in order for it to be fairly stated.

PricewaterhouseCoopers LLP pwc

Cleveland, Ohio
September 6, 2023



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The Progressive Corporation Management Assertion (Dated: September 6, 2023)

With respect to the greenhouse gas (GHG) emissions metrics presented in the table below for the year ended December 31, 2022, management of The Progressive Corporation ("Progressive") asserts that the GHG emissions metrics are presented in accordance with the assessment criteria set forth below. Management is responsible for the completeness, accuracy, and validity of the GHG emissions metrics and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the GHG emissions metrics.

GHG EMISSIONS METRIC	DEFINITION OF METRIC[1][2][3][4]	METRIC QUANTITY[5]
Scope 1 Emissions	Direct emissions from stationary and mobile fuels and refrigerants.[6]	31,896 tCO_2e
Scope 2 Emissions (Location-Based)	Indirect emissions from purchased electricity (Location-based).[7]	50,543 tCO_2e
Scope 2 Emissions (Market-Based)	Indirect emissions from purchased electricity (Market-based).[7]	16,553 tCO_2e

FOOTNOTES RELEVANT TO DEFINITION OF METRIC

[1] Progressive considers the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition* (GHG Protocol), to guide the criteria to assess, calculate, and report GHG emissions.

[2] Organizational boundary relates to owned or leased offices, data centers (including co-located facilities), tenanted facilities, and land parcels over which Progressive and its subsidiaries had operational control during the year (collectively referred to as "sites"). Progressive does not operate in any international locations.

[3] Carbon dioxide equivalent (CO_2e) emissions are inclusive of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3), where present. Emissions data by individual gas is not disclosed as a majority of CO_2e relates to CO_2. CO_2e emissions have been determined based on measured fuel consumption, purchased electricity or refrigerant gas loss, multiplied by the associated GHG emission factors and/or global warming potentials (GWPs) as follows:

- **Scope 1 Emission Factors and GWPs**
  - Natural gas, corporate jet fuel, and motor gasoline and diesel fuel used by Progressive's owned and leased vehicle fleet: Emission factors from the United States (US) Environmental Protection Agency (EPA) Center for Corporate Climate Leadership, Emission Factors for Greenhouse Gas Inventories (last modified April 2023) and GWPs from the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (Assessment Report 4-100 year).
  - Diesel fuel used for backup generators: Emission factors, which includes an embedded GWP from the IPCC's Fourth Assessment Report (Assessment Report 4-100 year), from the Department for Business, Energy & Industrial Strategy 2022 Government Conversion Factors for Company Reporting of GHG Emissions (last updated September 2022) for 100% mineral diesel.
  - Refrigerants: GWPs from the Department for Environment, Food & Rural Affairs and Environment Agency, Calculate the carbon dioxide equivalent quantity of an F gas (published December 2014)
- **Scope 2 Emission Factors and GWPs (Location-Based)**
  - Purchased electricity: Emission factors from the US EPA Emissions & Generation Resource Integrated Database ("eGrid") 2021 factors by sub-region (released January 2023) and GWPs from the IPCC Fourth Assessment Report (Assessment Report 4-100 year).
- **Scope 2 Emission Factors and GWPs (Market-Based)**
  - In quantifying market-based Scope 2 emissions, the WRI and WBCSD GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard defines a hierarchy of emission factors for quantifying market-based emissions, in order from highest to lowest precision. The below were used by Progressive for the current year inventory:
    - Energy attribute certificates (EACs): Renewable Energy Certificates (RECs) purchased from ENGIE Resources NA for wind power and WREGIS Organization Colorado Springs Utilities for solar power.
    - Other grid-average: Location-based emission factors and GWPs listed above.

[4] GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

[5] tCO_2e = Metric tons of carbon dioxide equivalent.

[6] Related to Scope 1 emissions:

- Scope 1 emissions include (i) stationary fuels from natural gas used for heating at certain Progressive sites and diesel fuel used for backup generators at certain Progressive sites; (ii) mobile fuels from corporate jet fuel used by Progressive's corporate aircraft operations, as well as motor gasoline and diesel fuel used by Progressive's owned and leased vehicle fleet; and (iii) refrigerants.
- For natural gas, Progressive used invoice data obtained from third parties to measure natural gas consumption where available. For sites where invoice data was not available, Progressive estimated natural gas consumption using the intensity method (usage/square foot) based on the 2018 Commercial Buildings Energy Consumption Survey (CBECS), Table C24—Natural gas consumption and expenditure intensities, published in December 2022 by the US Energy Information Administration (EIA) for office buildings. These estimated emissions account for approximately 7% of reported Scope 1 emissions.
- For diesel fuel used for backup generators, Progressive used invoice data obtained from third parties to measure diesel fuel consumption.
- For corporate jet fuel, Progressive used actual gallons of fuel consumed obtained from the Fuel Purchase Report—All Airports provided by our third party flight tracking provider to measure corporate jet fuel consumption.
- For motor gasoline and diesel fuel used by Progressive's owned and leased vehicle fleet, Progressive used actual gallons of fuel consumed obtained from employee company fuel cards to measure motor gasoline and diesel fuel consumption. If a company fuel card was not used, Progressive estimated gallons of fuel consumed using expense reimbursement reporting and 2022 Weekly Retail Gasoline and Diesel Prices from the US Energy Information Administration. These estimated emissions account for less than 1% of reported Scope 1 emissions.
- Refrigerants include discharge and recharge of refrigerants at certain Progressive sites when there is leakage/loss as reported in maintenance logs by management and/or recharge invoices obtained from third parties.

[7] Related to Scope 2 emissions:

- Scope 2 purchased electricity relates to electricity used at Progressive sites purchased from the grid.
- Progressive used invoice data obtained from third parties to measure purchased electricity consumption where available. For sites where invoice data was not available, Progressive estimated purchased electricity consumption using the intensity method (kWh/square foot) based on the 2018 CBECS, Table C14—Electricity consumption and expenditure intensities, published in December 2022 by the US EIA for office buildings. These estimated emissions account for approximately 18% of the reported location-based Scope 2 emissions and approximately 55% of the reported market-based Scope 2 emissions.
- Market-based Scope 2 emissions include RECs purchased from the provider ENGIE Resources NA for wind power and WREGIS Organization Colorado Springs Utilities for solar power. These RECs have been retired and were applied to arrive at reported market-based Scope 2 emissions.

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PROGRESSIVE®

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Learn more about our ongoing environmental, social, and governance initiatives.

About Progressive

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Corporate Responsibility

Diversity, Equity & Inclusion

Our Core Values