

# 2023 Corporate Sustainability Report

**PROGRESSIVE**<sup>®</sup>



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## About the artwork

This report features a number of artworks that helped make Progressive’s Campus I location in Mayfield Village, Ohio, such a memorable workplace. In a year of celebrating this campus, we’re excited to highlight these important artworks that contributed to Progressive’s culture and history. The selection includes works that were commissioned for the building upon its construction, as well as more recent audience favorites installed on Mainstreet of Campus I.

## About the cover

In 1994, Progressive commissioned Vik Muniz to create the installation featured on the cover. Known for creating artworks that culminate in clever, visual puzzles, Muniz sculpted a grouping of fiberglass formations. The sculptures suggest different cloud-like forms which reveal themselves fully as the viewer traverses the levels of the atrium, and force the audience to physically change their perspective in order to understand the full picture. Lighthearted and even humorous, the work harkens back to childhood days spent looking up at the sky to make meaning from the clouds, intent on finding wonder and exercising creativity in even the most mundane of moments.



**Vik Muniz**

*Cleveland Clouds*

1994

fiberglass sculptures  
dimensions variable

## 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 2023 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. The inclusion of any topic or data in this report or the use of certain terms in this report is not an indication that we view such topic or data as “material,” nor should any terms be confused with terms such as “material” or “materiality,” as defined by or construed in accordance with United States (U.S.) securities laws, as used in the context of U.S. GAAP financial statements and financial reporting, or defined, construed, or used by any other jurisdiction imposing reporting or disclosure requirements relating to ESG matters.

All numerical figures in this report corresponding to 2023 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, or projection can or will be achieved. The data also remains subject to change as a result of, among other things, new information, future events or subsequent developments. Inclusion of such data in this report should not be interpreted as a determination of the materiality or financial impact of such figures.

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 (Board), executive leadership, and various subject matter experts.

## Forward-looking information

This report provides an overview of some of Progressive’s long-term commitments, targets, goals, and aspirations, and efforts in support of achieving them. Investors are cautioned that certain statements in this report, including those relating to our commitments, targets, 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 risks, assumptions, 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 U.S. 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, 2023. 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

It's hard to believe that it's been five years since we launched our first Corporate Sustainability Report. With everything that's happened in that time, inside and outside our walls, sometimes it feels like that time has flown by, and other times those five years feel more like 20. But as much as things have changed around us, I'm so proud that Progressive has lived up to our name and [our Purpose](#): to help people move forward and live fully.

One of the most visible changes in recent years has been that fewer people have been working from our offices since we officially reopened them in early 2022. We weighed our options for how to adapt to this. That's why we started the process of reducing our real estate footprint. In Mayfield Village, Ohio, where we're based, we anticipate reducing our footprint by more than 30%, including—heartbreakingly for many—the upcoming closure of our current headquarters, which we call Campus 1, in late 2024. This decision wasn't easy, but we concluded that by reducing this excess space, we'll ensure that we preserve our culture and continue operating as efficiently as possible, while also enabling our people to thrive in a truly hybrid workforce, with some working onsite, others working remotely, and a majority blending the best of both options.

As a tribute to our iconic Campus 1 architecture, artwork, and memories, you'll find its imagery throughout this report.

Moving from our bricks and mortar to our people, we made great strides with our [diversity, equity, and inclusion](#) (DEI) efforts. In 2020, we set an ambitious aspiration to double the representation of people of color in senior leadership positions. We did this to challenge ourselves far and wide to attract diverse, highly qualified applicant pools when recruiting opportunities arose, to invest broadly in developing internal talent, and to help measure the success of these efforts, knowing that we will always hire the best candidate for every role, regardless of demographic. During 2023, representation of people of color in senior leadership increased from 17% to 18%. Additionally, we introduced an important cultural initiative in 2023: our Chosen Name program. This enables employees to use the first name that most appropriately represents them—rather than their legal name—on our internal platforms like email, video chats, etc. The overwhelming response to this has been enthusiastic and positive, including for me: my legal first name is Susan, but I prefer to be called Tricia, which is short for my middle name, Patricia (it's a long story ...).

A new social initiative we introduced for our people this year is our [Volunteer Time Off](#) program. As its name suggests, it enables our people to receive additional paid time to individually support a 501(c)(3) organization that's meaningful to them. Paired with our existing [Name Your Cause](#)<sup>®</sup> program—where each employee can recommend an eligible charity of their choice to receive a donation from The Progressive Insurance Foundation without the employee having to make an out-of-pocket donation—we're not only helping our people move forward, but we're also propelling our communities ahead.

Of course, this wouldn't be a sustainability report without a lot of information about our [environmental](#) initiatives. A new one we're introducing goal-wise is our commitment to strive to achieve 75% renewable energy by 2027 for our owned buildings and data centers. Additionally, as you'll see in the coming pages, we're making great progress toward our 2025 Scope 1 and 2 carbon neutrality goal. As we prepare for a path to net zero for Scope 1 and 2 in the following decade, we introduced an additional aspirational goal to reduce our total Scope 1 and 2 emissions by 40% by 2030, when compared to the 2022 base year. Furthermore, starting with next year's report, we expect to begin reporting on Scope 3 emissions in specific categories.

As I've said before, there's still plenty of work to be done on all the exciting initiatives and programs outlined in this report. To me, sustainability and corporate responsibility are an ongoing journey, not simply a box to be checked on a to-do list, and I'm proud to lead an organization of people who feel the same way.



**Tricia Griffith**  
President and Chief Executive Officer

# Introduction

At Progressive, 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.

## Andy Yoder

*Rebus*

1997

porcelain

50' x 26' x 7'





2023 marks our fifth year of publishing our Corporate Sustainability Report and through these reports we hope we have communicated the value we place on our sustainability efforts. Sustainability and its reporting are difficult. Many different topics fall under the sustainability umbrella. These topics impact areas across our organization and, as such, sustainability is addressed across our organization. When it comes to sustainability, we work hard to make continued progress while always ensuring our efforts remain grounded in our [Core Values](#).

Our 2023 report reflects a constant evolution and refinement of our message, informed by feedback from various stakeholders. This year, one enhancement you'll find is a new carbon emissions goal in our [Environment](#) section. This will allow interested parties to track our progress in our larger goals of carbon neutrality for Scope 1 and 2 emissions by 2025 and the path to net zero in these emission categories in the following decade.

Additionally, we're announcing the launch of a [Supplier Diversity](#) program. While still very new, we're excited about this program and the ways it can help further support our broader DEI efforts. Furthermore, in our [Human capital](#) section you'll see summaries of many of the benefits we're proud to offer to our people, who ultimately make Progressive great.

These are some of the larger changes you'll see in this report but throughout you'll see updates as we continue to make progress on sustainability. We're proud of our accomplishments to date but acknowledge that there is always more work to do. This report is an opportunity to celebrate our accomplishments and reflect on our progress thus far. Sustainability is an area in which we're seeking to make continuous improvement, so we encourage readers to periodically review our other external communications as the year unfolds.

## Core Values



Integrity



Golden Rule



Objectives



Excellence



Profit



## 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

# Corporate governance

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, independent agents, communities, and the millions of customers who trust us to protect what is important to them.

## Joseph Kosuth

*A Monument of Monuments*

1996

engraved  
bluestone blocks  
dimensions variable





## Our approach to reaching new horizons

Progressive's [Corporate Governance Guidelines](#) describe The Progressive Corporation's Board of Directors (Board)'s 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 [2024 Proxy Statement](#) for a discussion of significant corporate governance practices, which we designed to support sustained value creation for our shareholders.

*The Board recognizes its role and ongoing commitment to strong corporate governance practices, which we believe enhance long-term shareholder value. The Board, through its committees, oversees the company's financial reporting, investment activities, technology and cybersecurity risks, and environmental and social considerations. The committees receive regular updates regarding the changing regulatory landscape and we discuss related trends and opportunities both in committees and as a full Board.*

**Lawton Fitt**

Chairperson of the Board, Letter to Shareholders, March 2024

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.

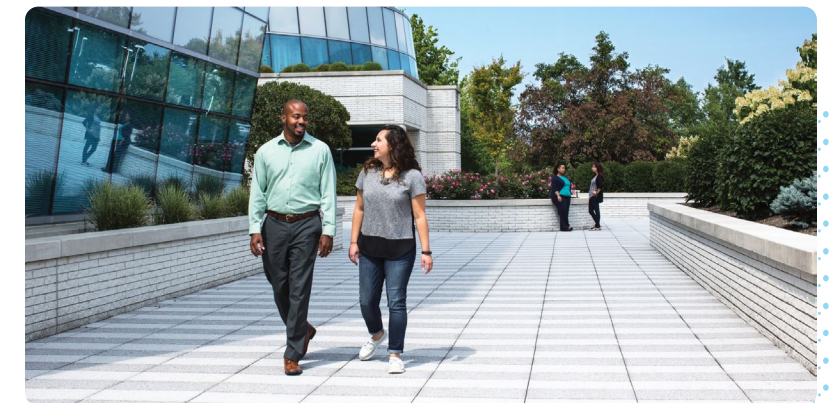
The Board generally discusses strategic topics at each Board meeting, and the Board and management annually participate together in a separate strategy session. In setting and monitoring strategy, the Board, along with management, considers the risks and opportunities that impact the long-term sustainability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

## Board oversight and monitoring process

Our Board is ultimately responsible 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 full 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 pages.



# 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, Corporate Legal, 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
- Enterprise Risk Management program (as part of that oversight, the Audit Committee is kept apprised of certain operational risks, such as climate change and our reinsurance programs) and Management Risk Committee
- Major risk exposures not covered by another committee

## Compensation and Talent Committee

The Compensation and Talent 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, including our diversity, equity, and inclusion (DEI) efforts and related risks. The committee exercises this responsibility through discussions with management on these topics.

### Risk oversights

- Companywide compensation plans and programs
- Executive officer compensation
- Various clawback/recoupment provisions
- Director compensation
- Diversity, equity, and inclusion efforts

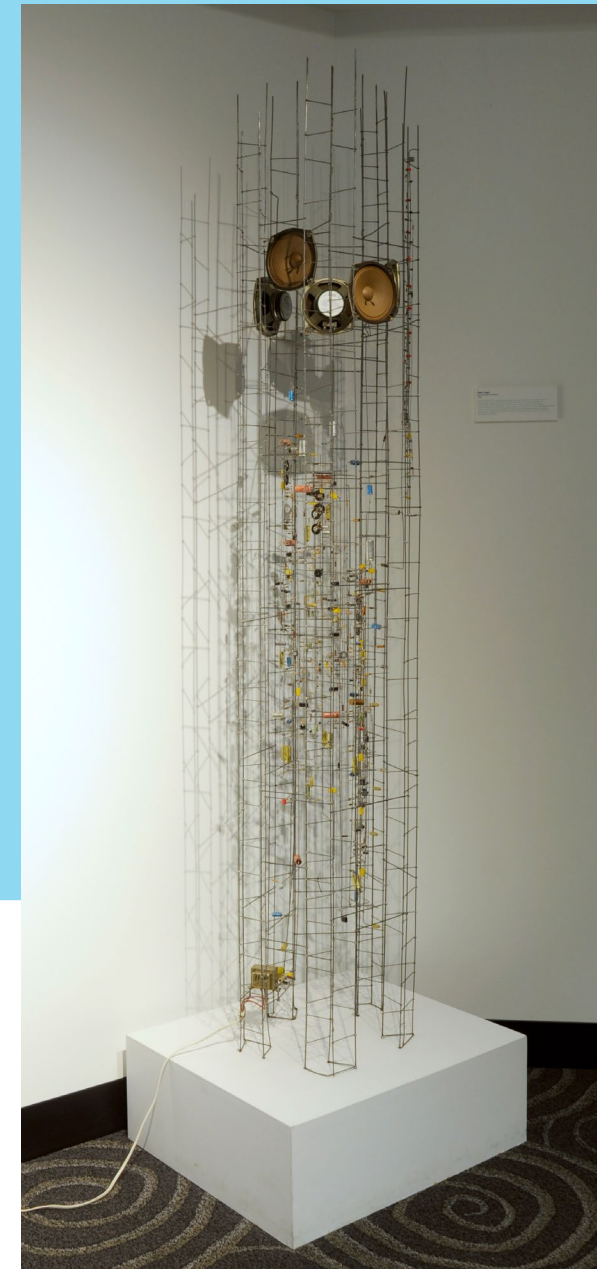
### Peter Vogel

*Minimal Music Sculpture*

1982

speakers, transistors, mounted on metal frame

12" x 16" x 76"





### Gary Stephan

Untitled

1983–84

aluminum and  
stainless steel

216" x 36"

## 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. The committee exercises this responsibility through discussions with management on these topics.

## 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. The committee exercises this responsibility through discussions of 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 regarding potential candidates for election to the Board. The committee also monitors the risk allocation among the Board's other committees.

## 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

- Investment operations
- Capital plan and structure
- Strategic investments

### Risk oversights

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

### Risk oversights

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

## Board diversity

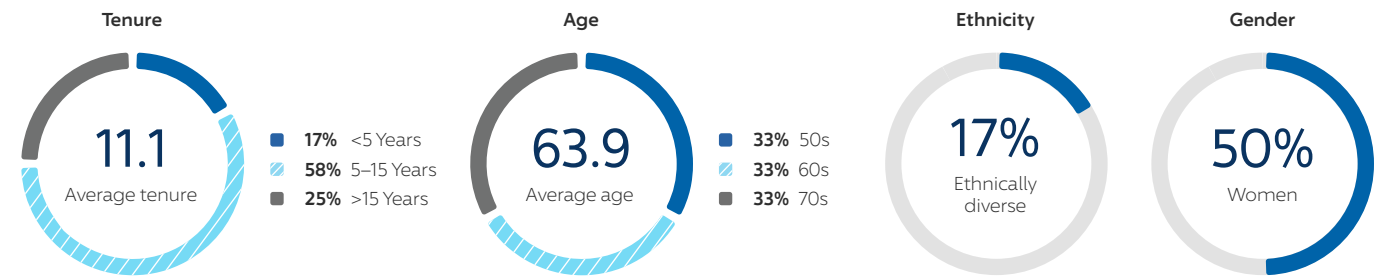
Our commitment to diversity starts at the top with our highly skilled and diverse Board. Our DEI efforts are overseen by our Compensation and Talent Committee on behalf of the entire Board, and those efforts are implemented at all levels of the organization.

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, independent agent, and employee bases. The committee's work in recruiting new members will continue to reflect their commitment to achieve such diversity.

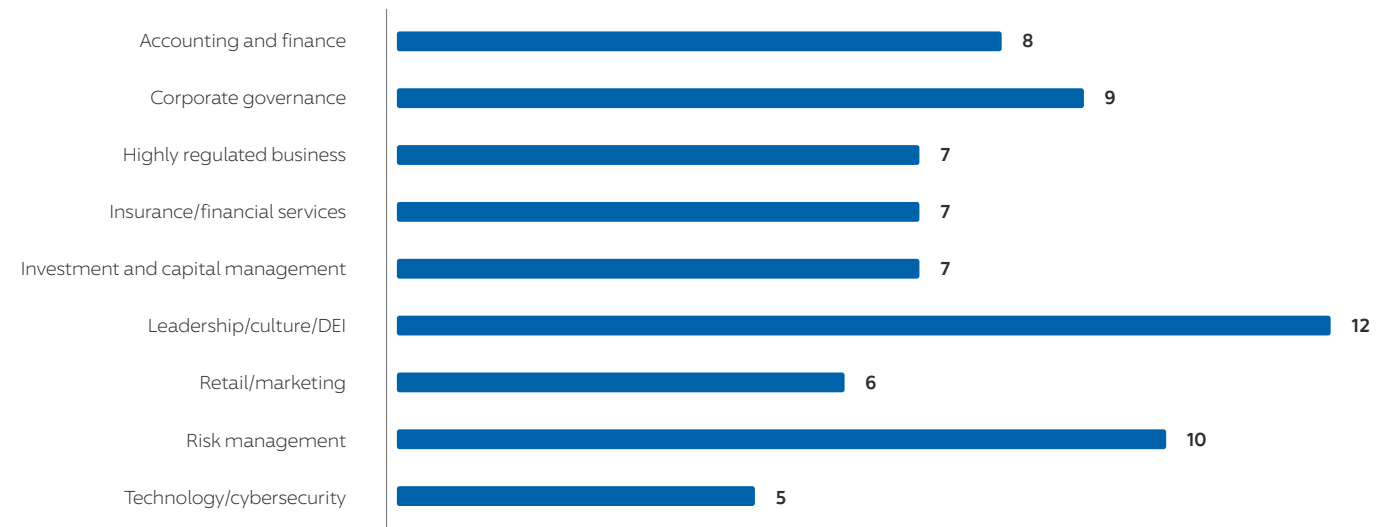
## Board diversity statistics<sup>[1]</sup>

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.



## Board skills and experiences<sup>[1]</sup>

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. The distribution of skills and experiences among the 12 Board members is summarized below.



*The Board continues to believe that Progressive's diversity, equity, and inclusion (DEI) efforts have been an important contributor to the company's performance. As Tricia explains in her letter, DEI at Progressive is about enabling every Progressive person to contribute fully, to connect and engage with their work and their colleagues, and to enjoy the vast professional opportunities that are available in Progressive's thriving business.*

### Lawton Fitt

Chairperson of the Board, Letter to Shareholders, March 2024

[1] Data is presented as of March 25, 2024.

# Progressive's Board of Directors<sup>[1]</sup>

**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  
U.S. 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**

Operating Partner, Advent International (global private equity)

For additional information regarding our current directors, review the information included in our [2024 Proxy Statement](#).

[1] Data is presented as of March 25, 2024. Effective as of August 21, 2024, Rear Admiral Barrett resigned from the Board due to personal health reasons and not as a result of any disagreement with Progressive or the Board.





**James Hyde**

*Rise*  
 1993  
 fresco on  
 styrofoam  
 6' x 10 1/2' x 4' each

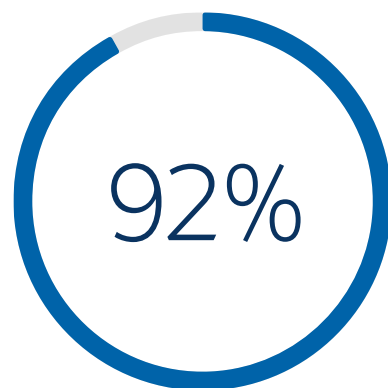
## Board independence

As described in our [2024 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 and Talent Committees also satisfies the additional requirements for independence under applicable SEC and NYSE rules.

Lawton Fitt currently serves as Chairperson of the Board. Ms. Fitt is independent from management under NYSE listing standards. She has substantial business experience and acumen, 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.

### Board independence<sup>[1]</sup>



[1] Data is presented as of March 25, 2024.

For additional information on our Board structure and the role of the independent Chairperson, see our [Corporate Governance Guidelines](#) and our [2024 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, as well as those of the broader communities in which Progressive operates.

## Other corporate governance practices

We’re committed to meeting high ethical standards of ethical behavior, corporate governance, and business conduct. Please see our [2024 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 [2024 Proxy Statement](#) and the [Governance Documents](#) section of our Investor Relations website for additional information with respect to shareholder rights and communications.

# 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. The 2023 Progressive mandatory companywide program, Core Conversations, was created in response to data showing how leader-led discussions of ethics and compliance topics help strengthen key cultural attributes. The program, which encourages leaders to have these discussions regularly, 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, share a diversity of views, 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.

Progressive leaders have significant influence on the ethical culture across the organization. The [Code of Conduct](#) has a “Manager Responsibilities” section describing their responsibility for enhancing and preserving the culture as follows:

## Manager responsibilities

Our managers and business leaders have a special responsibility for communicating, promoting, and preserving our Core Values and the culture they reflect. If you’re a manager or business leader, you must be aware that:

- Ethical business conduct begins with you. Your actions set the tone for the people you support, your function, and your internal and external customers.
- Ethical business conduct is part of your job. You’re responsible for ensuring that your team members read, acknowledge, and understand their responsibilities under our [Code of Conduct](#). If your team members seek your guidance, you’re responsible for helping them get the answers they need.

If you’re not a manager or business leader, you nevertheless should be aware of the expectations we set for our managers and leaders and should feel empowered to hold them to their responsibilities. Most importantly, you should use the reporting resources listed in “Voicing Concerns and Reporting Possible Violations” if you’re concerned that a Progressive manager or business leader is violating our [Code of Conduct](#) or engaging in conduct that is or may be harmful to Progressive’s business interests or reputation. And remember that no manager can make you violate the Code of Conduct, and that you have the power and responsibility to speak up if you ever feel that a manager has asked or pressured you to engage in a Code of Conduct violation.

## Speaker series

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

- 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 [ERGs](#) 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 partners 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. A piece from the exhibit, *It's About Power*, is featured on the right with further information about the artwork.



### Steve Lambert

*It's About Power*

2009

laser cut acrylic,  
wood, lights,

41" x 41" x 4"

(b. 1976—Los Angeles, California, U.S.) Steve Lambert's work is concerned with advertising and how it impacts the way we understand ourselves and our shared public space. He explains, "For me, art is a bridge that connects uncommon, idealistic, or even radical ideas with everyday life. I carefully craft various conditions where I can discuss these ideas with people and have a mutually meaningful exchange. Often this means working collaboratively with the audience, bringing them into the process, or even having them physically complete the work. I intend what I do to be funny, but at the core of each piece there is also a solemn critique. It's important to be able to laugh while actively questioning the various power structures at work in our daily lives." Lambert's *Capitalism Works For Me!*—a large voting machine where viewers are invited to select "Yes" or "No" in response to the statement in the title—exemplifies this. In *It's About Power*, the question is begged, "What is about power?" and even further, "What isn't about power?" Lambert might answer, "Exactly."



## 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 companywide, 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.

Our Ethics and Compliance team has developed a self-paced resource, Leader’s Toolkit: Responding to Employee Concerns, to support leaders when an employee contacts them with concerns about business ethics or misconduct. The toolkit describes our commitment to non-retaliation, employee and leader expectations, active listening, confidentiality and reporting options and procedures.

### 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.

*As a Board, we have regular opportunities to engage with Progressive’s employees, including interaction with members of the employee resource groups, advisory councils, development programs, and leaders. We leave these interactions impressed with the caliber of Progressive people and the level of engagement, ownership, and pride they project in their work, culture, and organization.*

**Lawton Fitt**

Chairperson of the Board,  
Letter to Shareholders, March 2024





**TR Ericsson**

*Everyday Is Like Sunday*

2005

porcelain decorated in blue toile

8" x 20 1/2"

## 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. Our [Core Values](#) serve as the foundation for the Code of Conduct.

Of equal importance is the Code of Conduct's message about the manner in which we interact with our customers, independent agents, regulators, coworkers, 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.

### Progressive employees who reported they're familiar with our Core Values<sup>[1]</sup>



[1] Based on Progressive employee responses to the 2023 Ethical Culture Assessment.

Our [Code of Conduct](#) addresses a variety of topics, including:

- Voicing concerns
- Commitment to nonretaliation
- Diversity and inclusion
- Equal employment opportunity 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

## 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 complete Whistleblower Protections are available in the [Governance Documents](#) section of our Investor Relations website.

### 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](https://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.

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, 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.

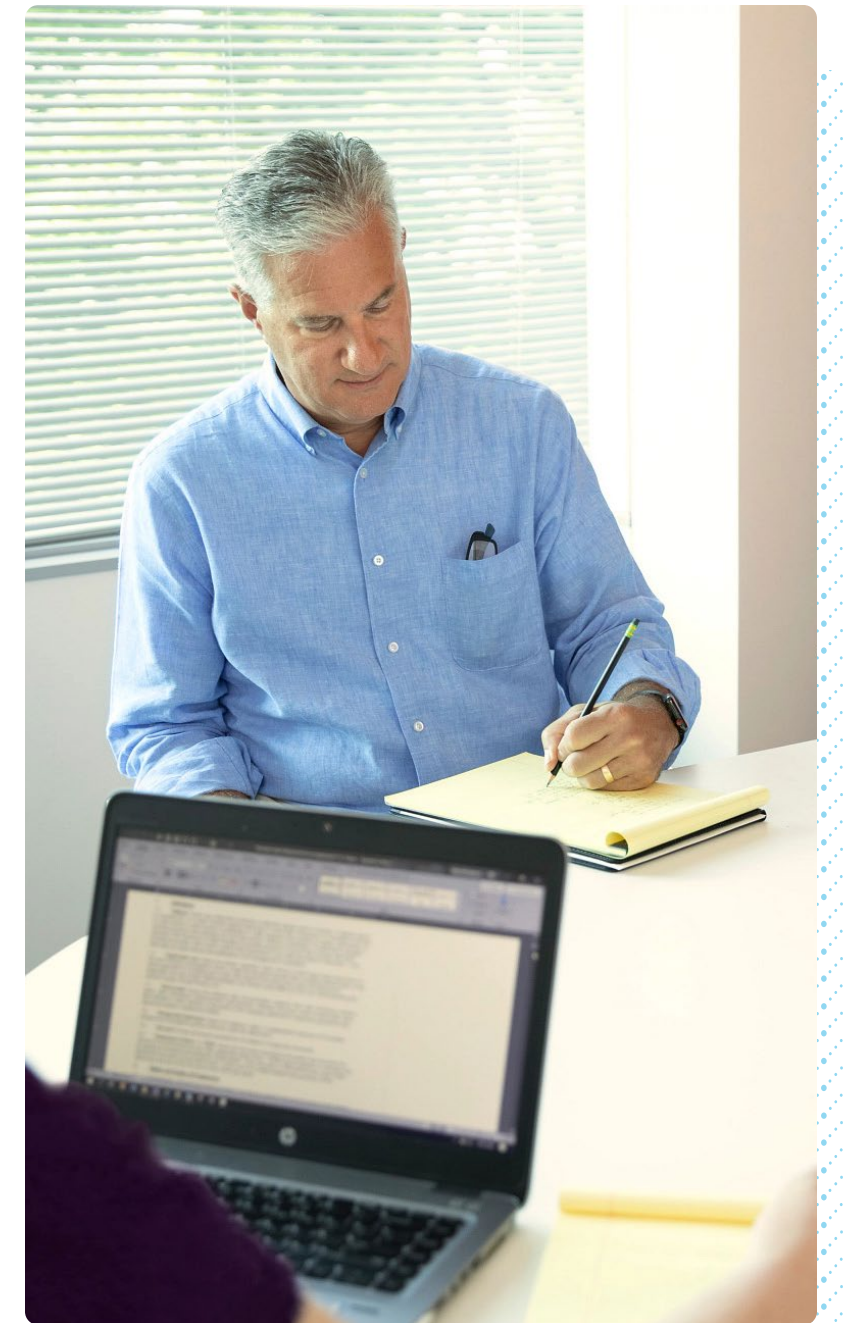
Progressive's Alertline is a confidential, toll-free ethics and compliance hotline. It provides a way for employees and others to raise a concern anonymously.

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're 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 2023.

### Available governance information

Our 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.





**Frank McGuire**

*Outdoor Office*

1983–84

steel sculpture

13'6" × 24'6" × 19'6"

## 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 administers an anti-bribery and anti-corruption compliance program which includes employee training as well as due diligence and appropriate controls for international third-party vendors. Our policy documents are not public, but the Progressive [Code of Business Conduct and Ethics](#) includes a section regarding our “International Business Practices.” We require certain business groups to complete anti-bribery and anti-corruption training, including Corporate Legal, Information Technology (IT), and employees who work with third-party vendors outside the U.S. This training is required every three years on a rolling basis. We also require additional training for employees who travel outside the U.S. for Progressive business.

## Sanctions

Progressive also administers a sanctions compliance program which includes frequent screening and due diligence for our independent agents, claimants, customers, employees, vendors, and others with whom we conduct business against international sanctions lists to ensure compliance with applicable laws as well as requirements issued by the Office of Foreign Assets Control.

# 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, broadly distributing the responsibility for the managing 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, Core Values, and Purpose 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.

We believe that our ERM program supports Board oversight of the most significant risks facing the company. Our ERM program was established to ensure a companywide holistic approach to evaluating risk over five distinct but overlapping categories. 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 estimate 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 in 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 compiles risk owner reports quarterly and distributes them to select members of the Executive Team including the CEO and CFO, and to the Audit Committee of the Board. 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). After MRC review, if appropriate, enterprise-level risks identified in the business unit assessment process will move to the list of the enterprise's top risks. Enterprise 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 believe that our ERM program continues to evolve and adapt to meet the needs of our dynamic business and changing operating environment. We report progress and changes we make to our ERM program annually to regulators and rating agencies.



**Jonathan Schipper**

*Model for Slow Motion Car Crash*

2005

steel, motor, model cars

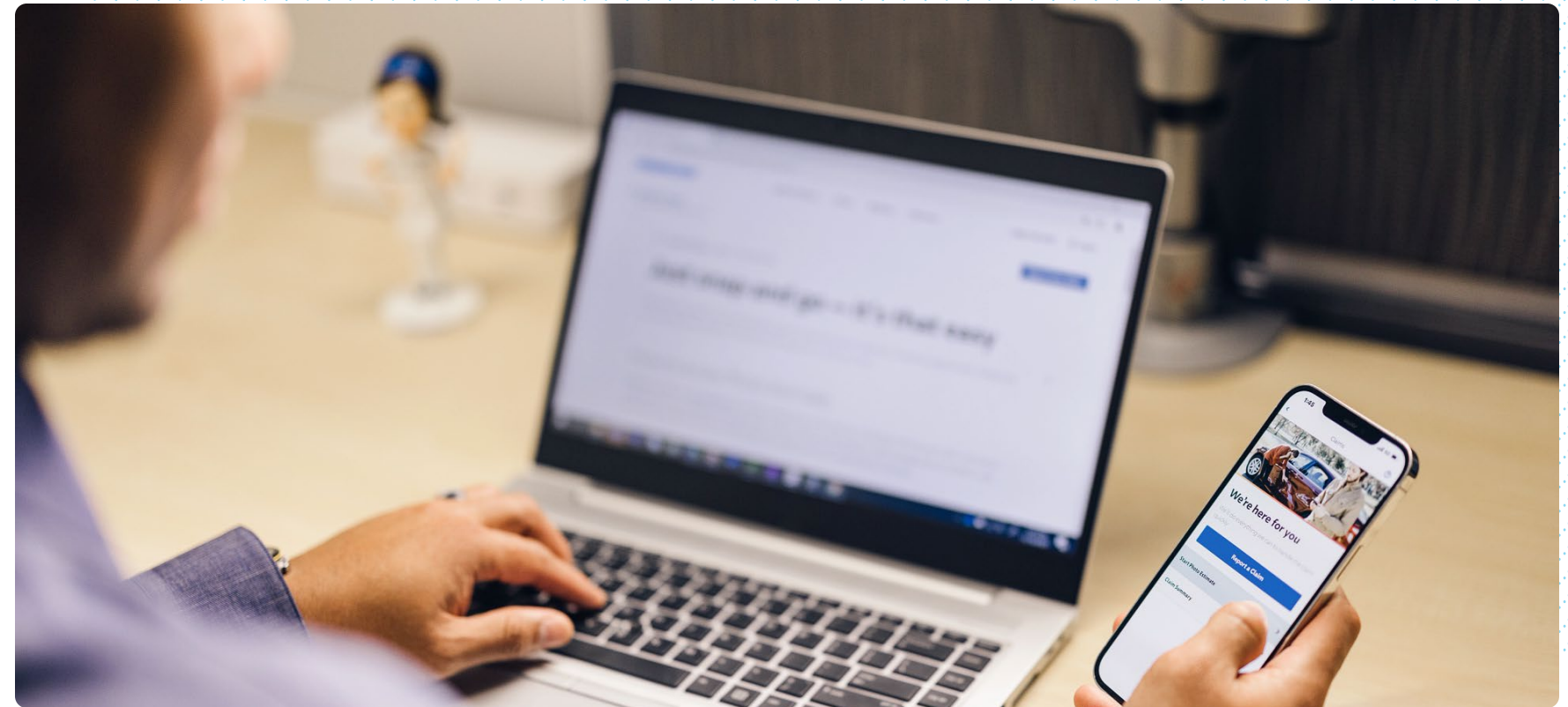
16" x 37" x 14"

## Risk governance

Progressive has a well-established risk governance process. The Board oversees, and our executive leadership maintains, the risk governance process with a view towards continuous improvement to identify, monitor, and manage current and emerging risks.

The Audit Committee oversees our ERM program, which includes climate change and our reinsurance programs. 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, Corporate Legal, 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.

Our MRC coordinates our ERM program. Our ERM program is intended to maintain an effective process to identify, evaluate, mitigate, and report critical risk exposure information, including any significant gaps in our ability to manage risk, to executive management and the Audit Committee of the Board at least annually. The MRC is comprised of senior members of management representing a variety of business units and functions and may also include other senior leaders with functional expertise. The MRC supports the organization with clearly defined accountabilities and a culture that supports risk-based decision making.



## 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.

Our success depends on our ability to underwrite and price risk accurately, which is subject to a number of risks, including those related to changes in the frequency, severity, duration, geographic location, and scope of severe weather events, which may be becoming more severe and less predictable as a result of climate change. 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 certain operational risks such as climate change and our reinsurance programs, among other things. As part of our ERM program, we attempt to 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.

### Assessment of risk capital

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 of capital 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 The Progressive Corporation.
- 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 noninsurance subsidiary of Progressive.



## Sustainability in our investment portfolio

How we choose to invest our capital is an important consideration for corporate responsibility. 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.

For our actively managed fixed-income portfolio, we believe that there is less risk in securities that score higher across various ESG factors, in addition to many traditional considerations of fixed-income investing. 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 track our investment mix as it relates to ESG risk, where available.

We use MSCI ESG Research<sup>[1]</sup>, 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, 2023, about \$10.3 billion, representing over 95% of our corporate bond portfolio with an MSCI rating, was invested in companies with an

[1] For certain information in this section for MSCI ESG Research LLC, see [msci.com/disclaimer](https://www.msci.com/disclaimer).

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 \$123.2 million in green bonds/loans.<sup>[2]</sup>

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

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

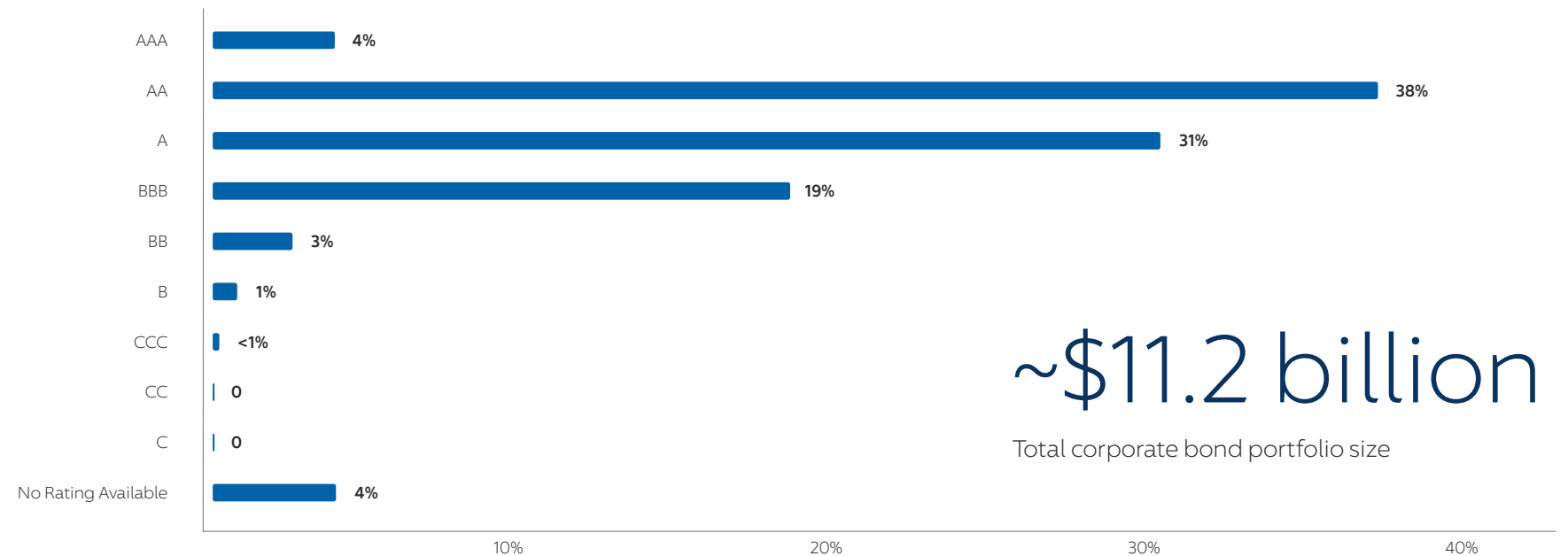
[3] LEED—an acronym for Leadership in Energy and Environmental Design<sup>™</sup>—is a registered trademark of the U.S. Green Building Council<sup>®</sup>.

As of December 31, 2023, our CMBS portfolio has \$1.4 billion (approximately 35% of the CMBS portfolio) directly invested in securities backed by LEED Certified<sup>®</sup> buildings.<sup>[4]</sup>

We recognize the evolving nature of tracking and evaluating ESG aspects in an investment portfolio and 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, 2023)<sup>[5]</sup>



~\$11.2 billion

Total corporate bond portfolio size

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

## Purchasing/procurement

We believe that clearly conveying our expectations through our [Supplier Code of Conduct](#) gives us a competitive advantage in the marketplace and ultimately 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.

We're excited to create new and expanded relationships with certified small and diverse suppliers through our Supplier Diversity Program, fully launching in 2024. Suppliers within the scope of the program include small businesses or businesses that are at least 51% owned and operated by women, minorities, service veterans, people with disabilities, and people who identify with the LGBTQ community.

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 interest, using our confidential, 24-hour Alertline (1-800-683-3604 or [progressivealertline.com](https://www.progressivealertline.com)).

Additionally, we require any contract workers who are granted access to our systems to acknowledge our Contract Worker Standards of Conduct. This document outlines our expectations of contract workers who have access to Progressive systems 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 may include independent contractors engaged directly by Progressive or employees of one of Progressive's suppliers.

We expect anyone procuring goods or services on behalf of Progressive to follow our Procurement Policy, which was designed to support consistent procurement objectives, offering a unique combination of quality and value for the applicable goods and services to further Progressive's business goals while protecting Progressive from the 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 below.

SUPPLIER RISK CATEGORY	DESCRIPTION
<b>Brand and reputation</b>	Risks arising from negative public opinion toward Progressive's brand and reputation.
<b>Business continuity</b>	Risks of interruption or termination of services causing a significant disruption and Progressive's ability to operate continuously.
<b>Country</b>	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.
<b>Supplier financial and credit</b>	Risks to Progressive through supplier illiquidity or a lack of supplier financial management and credit standards/controls.
<b>Information security</b>	Risks to Progressive through exposure to suppliers' services or goods with potential cybersecurity vulnerabilities or a lack of supplier cybersecurity controls.
<b>Infrastructure, applications, and disaster recovery</b>	Risks to Progressive through lack of supplier infrastructure and applications controls.
<b>Physical security</b>	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.
<b>Subcontractor</b>	Risks to Progressive through exposure to potential fourth parties or lack of supplier controls in proactively identifying and mitigating risks with Progressive fourth parties.

# Business model and innovation

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.

**Felice Varini**

*Twelve Disks Over  
Sixteen Hollowed Halves  
and Four Quarters*

2013

mixed media

dimensions variable





## Maintaining relationships built on transparency, protection, and innovative thinking

Our business requires us to develop, procure, configure, and maintain large and complex technology systems to run our operations. Furthermore, we store and, when appropriate, securely dispose of 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.

As described above in the [Corporate governance](#) section, the Board's Technology Committee oversees Progressive's use of technology in business strategy as well as the major risks arising from our technology, digital and data strategies, legacy information systems, technology investments, data privacy, operational performance,

cybersecurity programs, and technology-related business continuity and disaster recovery programs. The committee, which includes directors with technology and cybersecurity experience, also oversees management's effort to mitigate these risks. Meetings typically occur five times a year. Generally, at each of these meetings our Chief Information Officer (CIO) and Chief Security Officer (CSO) or senior members of their teams, among other members of management, brief the committee on technology and security-related matters, including significant technology investments, IT programs and operations, and our information security programs, matters, and efforts, among other things.

### Cybersecurity

Our CSO is ultimately responsible for cybersecurity at Progressive, with management oversight of the prevention, detection, mitigation, and remediation of cybersecurity incidents. The CSO reports directly to the Chief Financial Officer. The CSO, or a senior member of his team, provides regular cybersecurity updates to the CEO, Executive Team members, and the Board's Technology Committee. Our CSO is also a member of our MRC, which leads our Enterprise Risk Management program. As a member, they ensure that cybersecurity risks remain a focus of the overall risk management process.

Our overall efforts to safeguard the information 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. Our information security efforts are designed to evolve with the changing security threat environment through ongoing assessment and measurement. In our efforts to keep our data and technology systems secure, we leverage both the International Organization for Standardization (ISO) 27002 Security Framework for the body of security control requirements and the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) to assess the strength of our processes and defenses. This integrated approach to protect data and information 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 resources and, regularly, external resources, to evaluate our environment, information systems, and processes.

Through appropriate risk evaluation, security assessments, and financial due diligence, we seek to protect the security and confidentiality of information provided to our vendors under service provider, cloud computing, or other arrangements. We also employ contractual nondisclosure requirements and use limitations consistent with applicable laws and our published [Privacy Policy](#), and typically reserve the right to review third-party compliance against the required standards, where we consider it appropriate.

Our response to cybersecurity 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 cybersecurity incidents and provide all required consumer and regulatory notices regarding cybersecurity 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. For example, we provide a [Snapshot Privacy Statement](#) so participants can understand how information provided through the Snapshot program is used and protected. This notice is incorporated into our Privacy Policy.

We respect every customer's selected privacy preferences. We work 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 delete certain consumer information from our records.

We keep personal information entrusted to us confidential and use it 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 help 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.

Our Privacy Officer, who is responsible for data privacy, leads a team of attorneys within Corporate Legal, and works closely with a separate Data Privacy team 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 Item 1C. Cybersecurity and the applicable risk factors in our [2023 Annual Report on Form 10-K](#).





**Larry Bell**

*Sumer #12, The Watcher*

1996

cast bronze

36' x 24' x 26'

## 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. We rank as the second-largest U.S. personal auto insurer, and we approach insurance with a notable forward-thinking perspective. Over the years 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 (known as Progressive Fleet & Specialty Programs). In 2022, we launched a digital, term-life insurance product, Progressive Life.

We're also introducing a new line of coverage to sell alongside an auto insurance policy which will officially roll out in 2024. Progressive's [Vehicle Protection](#) plan covers what car insurance typically doesn't: system failures once your manufacturer's warranty has expired, minor dents and dings, and keys that need to be fixed or replaced.

We recognize the evolving nature of customer demands throughout the many stages of life. We strive to provide for and anticipate our customers' changing needs by offering a range of products. 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 support our commitment to innovation.

## Three Horizons framework

### 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.

## 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 often 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.

### 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.
- **Property rates that reward non-smokers:** Customers who are non-smokers typically receive lower rates than those who do smoke.
- **Fire and burglar protection:** Customers who have certain devices encouraging safety from burglary and fire prevention typically receive lower rates than those who do not.
- **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.
- **Water leak protection:** Customers in certain areas who have homes with a water leak detection or automatic shut off device to limit damage and conserve resources typically receive lower rates than those who do not.

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.



Innovation Highlight

## Advanced technologies in customer service

Our Customer Relationship Management automated servicing capabilities span our digital and phone channels, where we use natural language processing and speech recognition to meet the needs of our customers. In our Ask Flo digital servicing chatbot, customers interact with advanced technologies to complete transactions like moving a payment date or requesting roadside assistance.

In our phone channel, our Natural Language Interactive Voice Response (NL IVR) system allows customers to self-serve using conversational language. Advanced technologies in the NL IVR allows callers to complete a robust suite of self-service transactions that are wholly contained within the phone channel. Both the Ask Flo chatbot and the NL IVR offer personalized customer solutions that save time, reduce effort, and recognize the need to escalate to a live customer service representative when appropriate. We're continuing to explore how emerging technologies can improve our chatbot, phone and online experiences.

## 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 state laws as well as 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: prepurchase and purchase aids, regulatory documentation and communications, and post-purchase communications.





## Pre-purchase and purchase aids

### Progressive.com

Our current and potential customers can accomplish multiple insurance objectives online using our progressive.com portal. These tools and content 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.

### Progressive.com resources section

Progressive.com includes an expanding Resources section that includes Progressive Answers and Insights articles. We designed our Progressive Answers experience to simplify insurance and answer frequently asked questions. We recently upgraded Progressive Answers to make it even easier for consumers to navigate within an expanding array of educational insurance content. We also continue to expand our Insights section which hosts longer form data-driven insurance-related articles.

### 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.

### 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

State legislatures and 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.

# Human capital

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.

## Stephen Dean

*Proscenium*

1995

nylon fabric  
with stitching

dimensions variable



## 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.

Progressive remains focused on three key objectives: managing growth, supporting our people and culture, and managing complexity.



## 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. We have a hard-earned reputation among job seekers as a great place to make a career, and we've focused our recruiting efforts on reaching every corner of the diverse talent market as we strive to find the best people to fill open jobs. Our recruitment efforts and successes have naturally led to greater diversity in our candidate pools and throughout our workforce, which in turn helps us reflect and better serve our customers. In short, we have the right people working together in the right way, which is critical to driving our results and building an enduring business.

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.

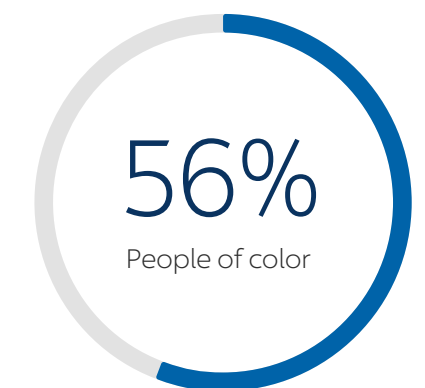
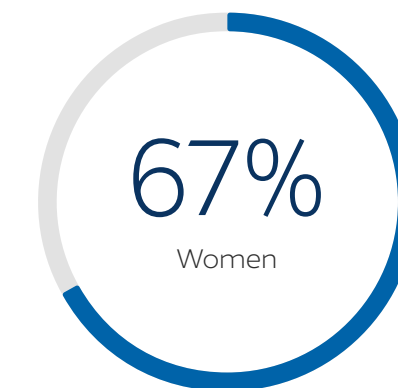
During 2023, we hired more than 14,600 new employees, representing about 1.7% of the total applicants for a job at Progressive. Of these new hires, 67% were women (9,824) and 56% were people of color (8,254), which reflects the demographic diversity of our candidate pools. For us, this validates our efforts to attract, retain, and develop exceptional people with a wide range of skills, backgrounds, and experiences.

While popular job search websites still help us cast a wide net for our recruitment efforts, we have, over 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. In our continued efforts, we've established a new partnership starting in 2024 with Jopwell, a career advancement organization for Black, Latinx, and Native American students and professionals.

Through this partnership, we will connect with members of the Jopwell community to identify strong quality candidates for current and future openings. Additionally, to help us recruit highly motivated and diverse talent, we actively recruit from four historically Black and Latinx colleges and universities. 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, offering our leaders an impressive selection of highly qualified individuals from which to build their teams.

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 an inclusive workplace that leverages the value of diversity.

### New hires in 2023



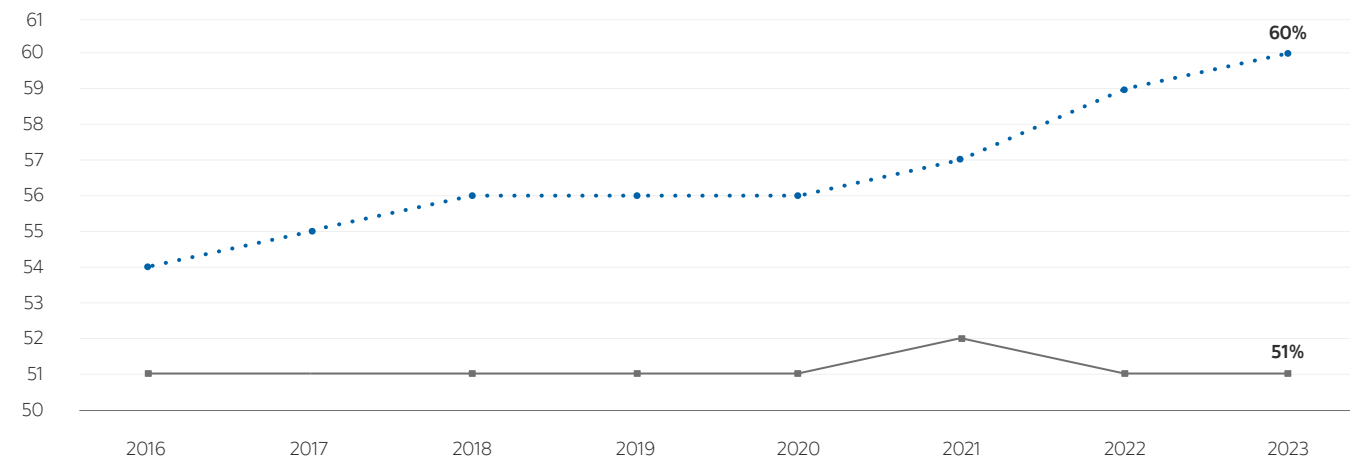
## Aspiring toward diversity

“Diversity” means far more to us than just race, ethnicity, and gender. It covers a whole host of visible and invisible traits, including work experience, communication style, physical ability, educational background, family status, and so much more. Some of these traits are, of course, more easily quantifiable than others. For that reason, we look at race, ethnicity, and gender—demographic traits tracked by both the U.S. Census and (as mandated by law) by Progressive—to get a view of our overall workforce diversity. By these measures, 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.

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



## Gender

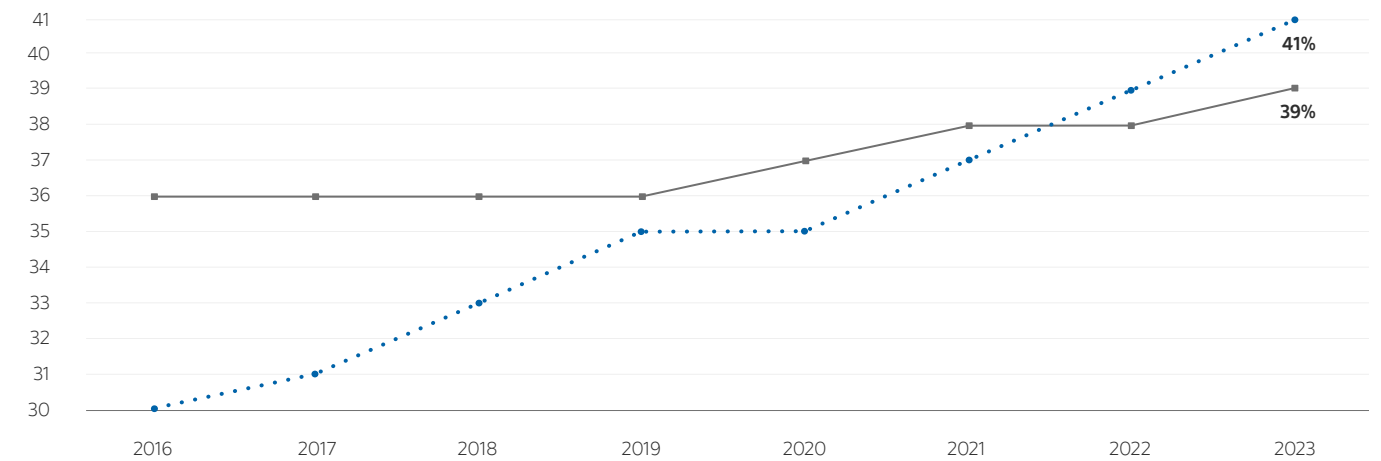


..... Women at Progressive<sup>[1]</sup>    — Women in U.S. population<sup>[2]</sup>

[1] As of December 31, 2023.

[2] U.S. population refers to individuals 18+ years of age. Source: Current Population Survey, U.S. Census Bureau, November 2023.

## Race/ethnicity



..... People of color at Progressive<sup>[1]</sup>    — People of color in U.S. population<sup>[2]</sup>

[1] As of December 31, 2023.

[2] U.S. population refers to individuals 18+ years of age. Source: Current Population Survey, U.S. Census Bureau, November 2023.

# Supporting our people and culture

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

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

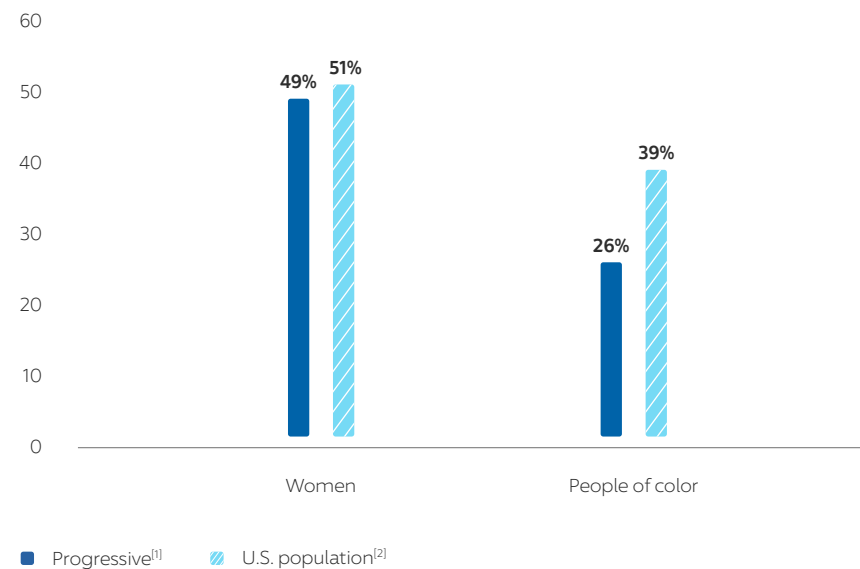
Our attention to continuous learning begins with the principles and behaviors of DEI and begins with our leaders, who we expect to help their teams grow in their careers.



## Leading the way to inclusion

One goal of our Talent Management and Acquisition team is to remove any barriers candidates may face to accessing our jobs and any barriers we may face to accessing candidates, including any obstacles that could affect the representation of women and people of color in management. This is why, in 2020, we stated an aspiration to increase the representation of people of color in senior leadership positions. We did this to challenge ourselves to reach far and wide to attract diverse, highly qualified applicant pools when recruiting opportunities arose and to invest broadly in developing our internal talent, and to help measure the success of these efforts, knowing that we will always hire the best candidate for every role, regardless of demographic.

## Leadership representation



[1] As of December 31, 2023.

[2] U.S. population refers to individuals 18+ years of age. Source: Current Population Survey, U.S. Census Bureau, November 2023.

We are proud to say that this deliberate effort to increase the diversity of our candidate pools has been successful in attracting and developing incredible talent throughout our organization. As of December 31, 2023, people of color represent 18% of our senior leadership ranks.

We don't just strive for diversity in its many dimensions. 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.

## DEI learning is key to our culture

While we have significant momentum from being focused on DEI for more than a decade, the last several 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.

We created a single-source online DEI reference guide—True to Our Name. True to You.—which 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.

While many of us continued working remotely or hybrid in 2023, we came together as a company in many ways throughout the year. This includes hosting regular Inclusion Quarterly events, where the company comes together four times a year for a “share and show” of inclusive behaviors and ways to think differently. Inclusion Quarterly events feature a series of speakers, discussion groups, and storytelling focused on themes of diversity, equity, and inclusion.

Our ERGs' membership also continues to keep pace with our growth. 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, while our Progressive population grew 25% over the past two years, overall membership of Progressive ERGs grew 30%.

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.

## Progressive ERGs

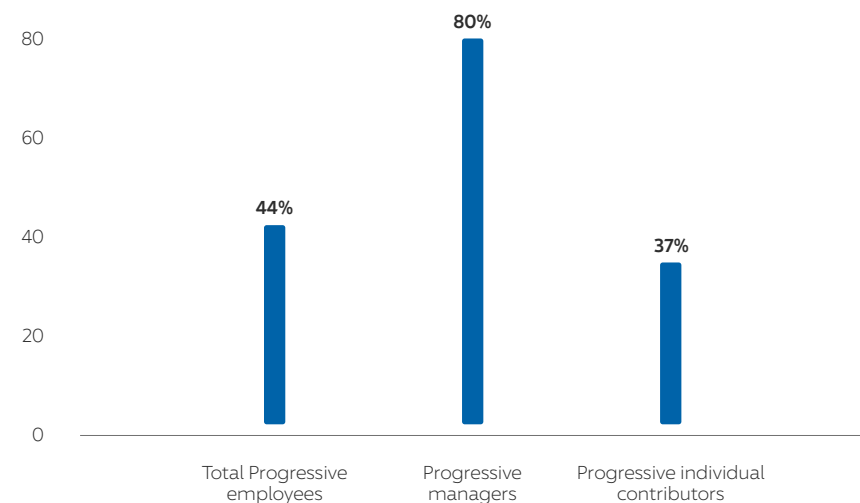
- Asian American Network (AANet)
- Disabilities Awareness Network (DAWN)
- Lesbian, Gay, Bisexual, and Transgender Plus (LGBT+ Network)
- Military Network (MILNET)
- Network for Empowering Women (NEW)
- Parent Connection
- Progressive African American Network (PAAN)
- Progressive's Latin American NETworking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

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

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

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.

## ERG membership<sup>[1]</sup>



[1] As of December 31, 2023.

## Engagement and retention

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. We understand that engaged employees are more productive, provide better service to our customers, and are more likely to stay with Progressive.

Our 2023 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, Gallup®, 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

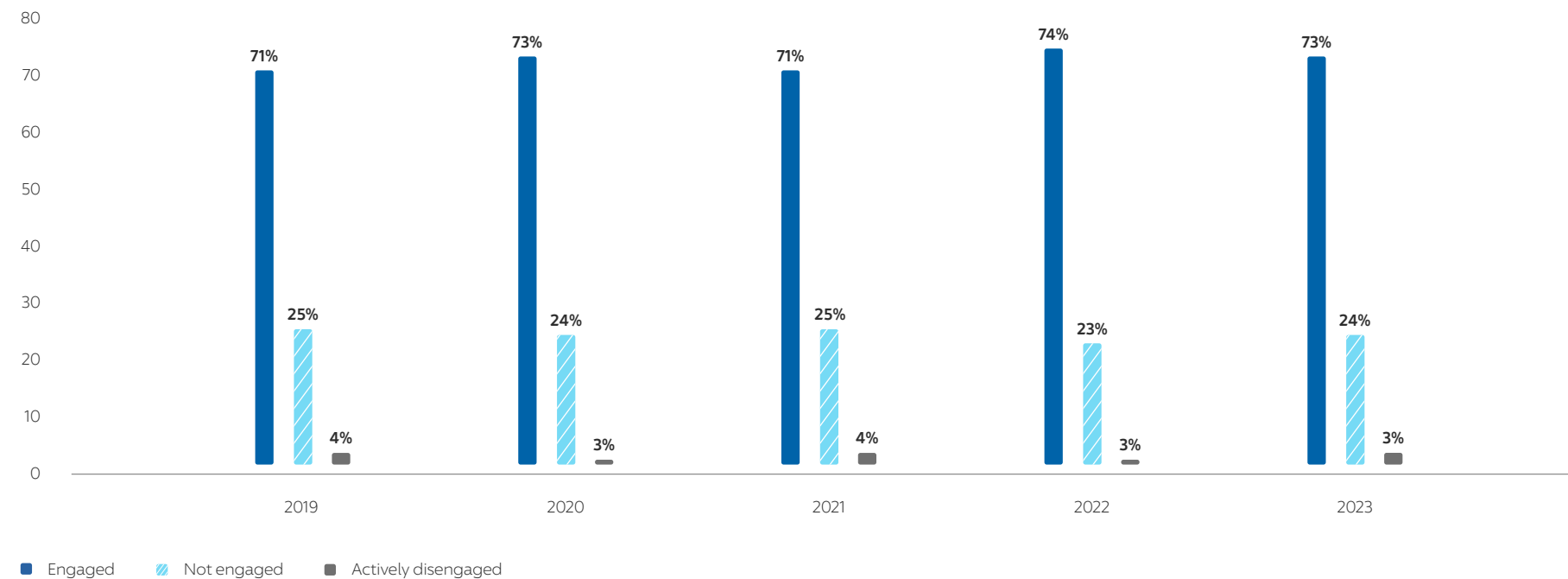
Gallup® 2023 Exceptional Workplace Award, which recognizes companies that incorporate employee engagement into every aspect of their strategies for transforming the way they do business.

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.

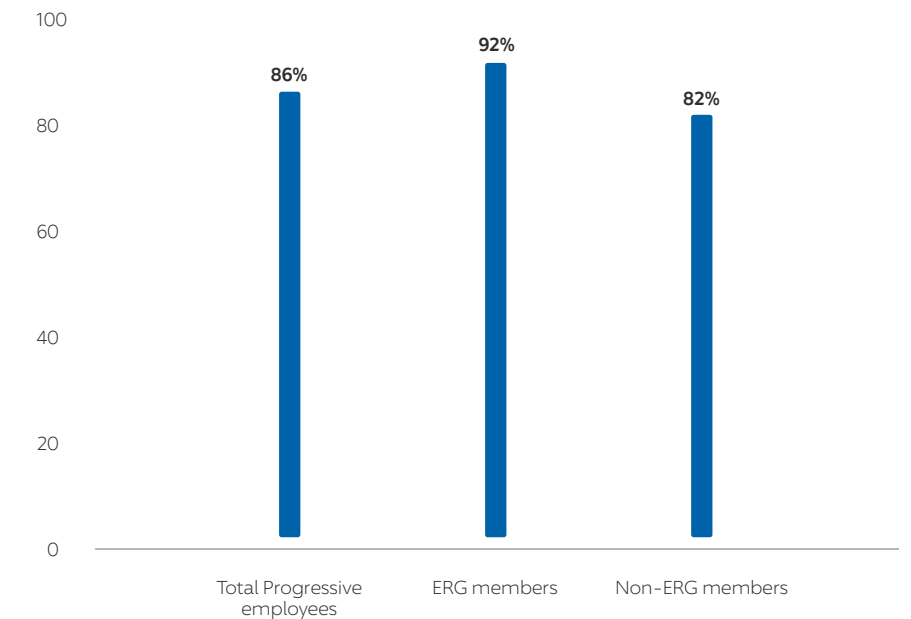
Employee retention is an important part of our strategy. As of December 31, 2023, our employee retention rate was 86%, up three points from the prior year, and, as of December 31, 2023, more than 16,000 employees had over 10 years of tenure with Progressive. We believe this continues to pay dividends with their institutional knowledge and stewardship of our culture.



## Progressive Gallup® survey trends



## Employee retention rate<sup>[1]</sup>



[1] As of December 31, 2023.

## 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. Progressive believes mentoring can have a profound impact for our people whether as a mentee or mentor. We offer formal mentoring programs for a variety of business areas, including our Customer Relationship Management, Commercial and Personal Lines, IT, and Corporate groups, which is intended to help participants learn more about others' experiences and perspectives, support career development, expand networks, and encourage movement through mentorship. We also have mentorship in our Claims organization which covers a range of career levels as outlined below:

- **Individual contributors**—As part of our Claims Accelerated Development Program (ADP), Progressive people have the opportunity to apply for a zone-based ADP and receive a formal mentor.
- **New leaders**—Through our frontline leader onboarding program, each new leader is paired with a peer mentor during their first two weeks of orientation with a focus on job transition and job shadowing. This mentorship helps build confidence in the role and strengthen peer networks.
- **Directors**—Through the director onboarding program, each director is paired with a mentor through their program as they transition into this senior leader role in Claims.

Moreover, our personal development strategy, "Career Central," encourages employees to take control of their careers through team-building exercises, coaching techniques, and communication strategies. In 2023, we filled over 70% of our open positions above entry level by promoting from within, including just over 2,200 managerial positions.

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 2023, we held an IT Programmer Boot Camp and an Analyst Boot Camp, which included rigorous in-class and on-the-job training programs. These programs are open to all Progressive people in select roles who are interested in a career in analytics or computer programming but don't have the technical background required, and we're deliberate in encouraging participation by women and people of color—two demographic groups traditionally underrepresented in these jobs.

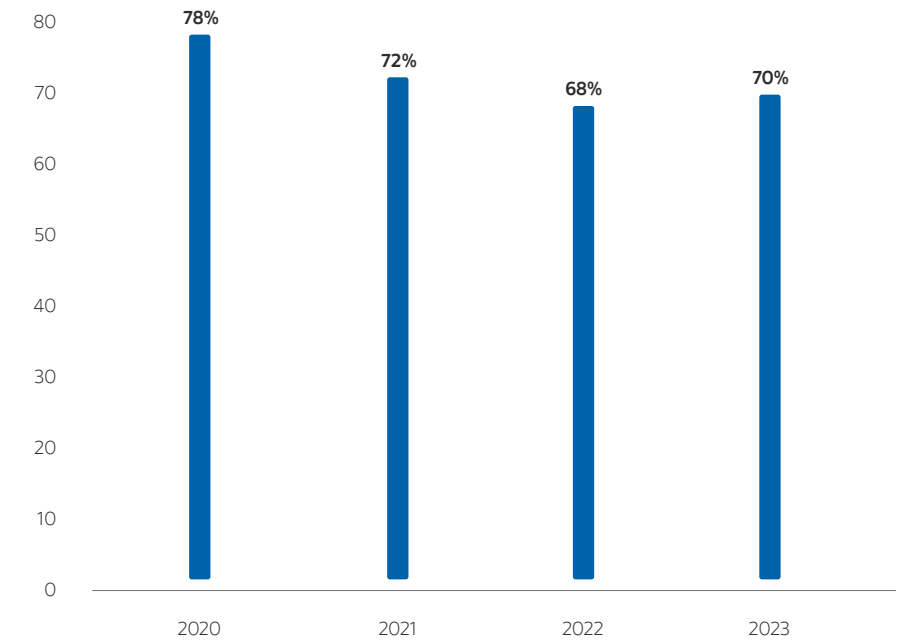
Another DEI-focused learning opportunity that has been successful for Progressive and our people is our Multicultural Leadership Development Program (MLDP), which we've offered since 2014 and is open to every eligible employee at Progressive, across every demographic and business area. Since its inception, 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 MLDP 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.

## Employees promoted from within<sup>[1]</sup>

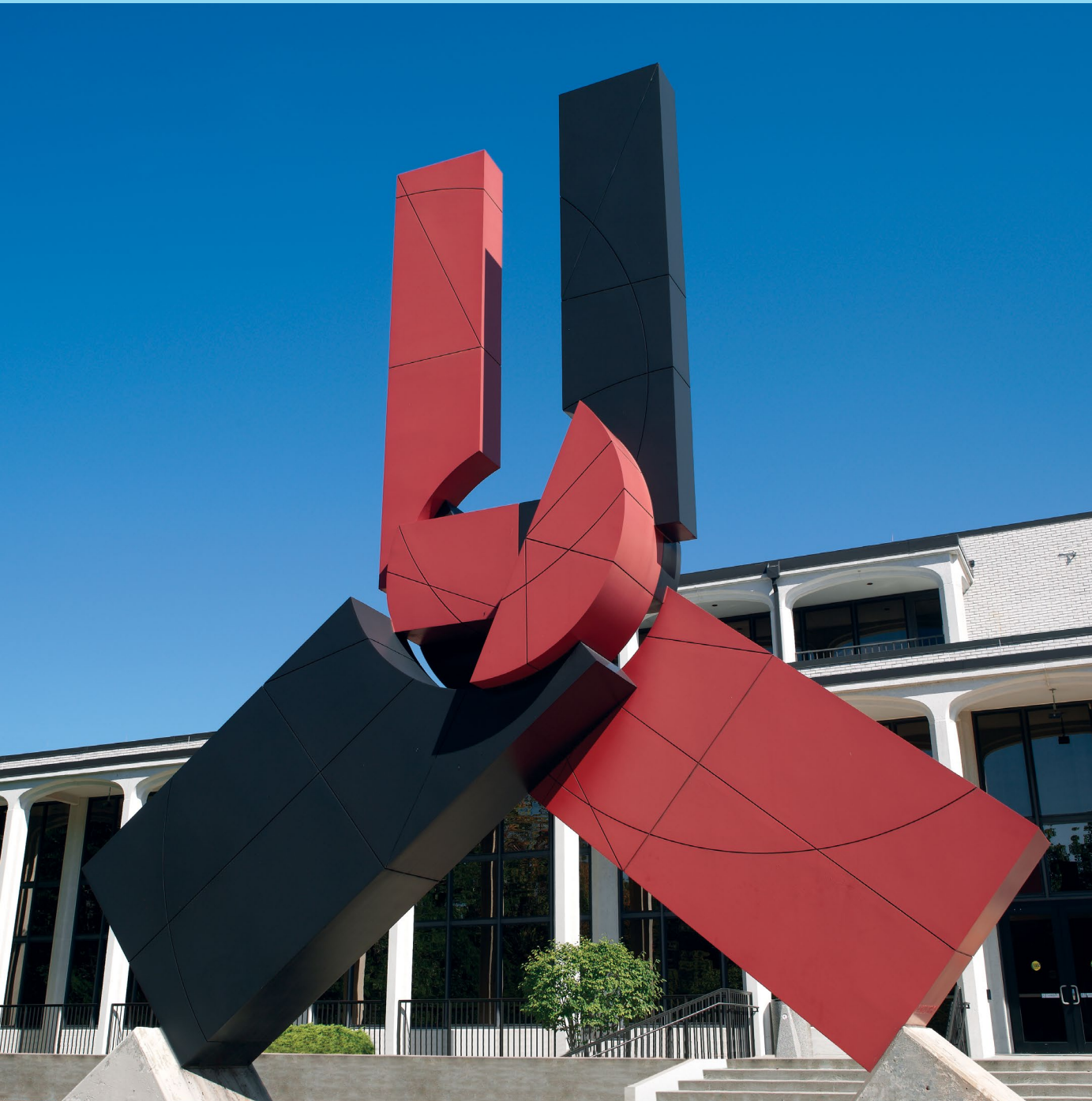


[1] Percentage of internal promotions to fill open positions above entry level.

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 IT. These employees can take courses and measure their progress at their own pace. In 2023, nearly 4.6 million total credit hours were completed by Progressive employees. The average number of hours per employee was 67.

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.





**David Davis**

*Harmonic Grid LX*

1978

painted corten steel

23' x 17' x 6'

## 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 HR 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.



Use this QR code to access Progressive's Alertline.

## 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.<sup>[1]</sup>

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.

[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 2024) that include all Progressive employees other than our CEO and the C-level executives, whose compensation is approved by the Board's Compensation and Talent Committee (formerly known as the Compensation Committee). For information on executive compensation, please refer to our Proxy Statement.

## Gainshare is a companywide event

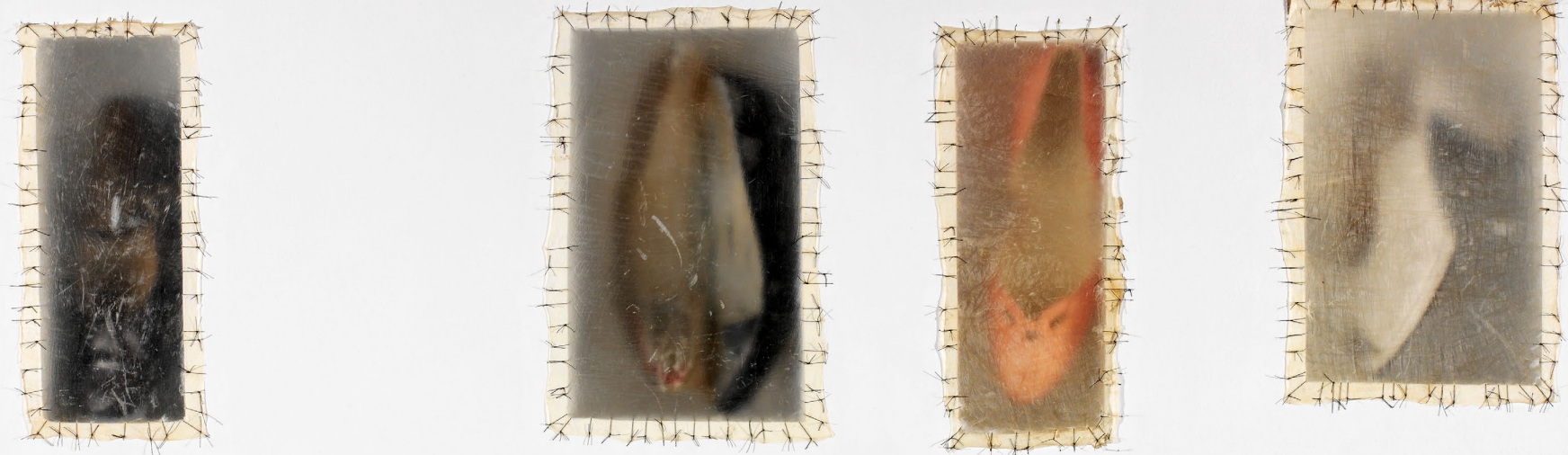
Nearly all Progressive people participate in our annual cash incentive program, named Gainshare, which measures the growth and profitability of our insurance businesses. We believe Gainshare contributes to the cooperative and collaborative way we work together and, in part, defines our culture.

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.

## Benefits and more inclusive health and wellness

Our employee health and wellness programs 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.





**Doris Salcedo**

*Atrabiliarios (Defiant)*

1992–1993

wall installation with plywood,  
shoes, stretched cow bladder,  
and surgical thread,

36" × 66" × 5"

Recently, we implemented several initiatives to support families with diverse needs. For example, during annual enrollment for 2024, we expanded eligibility for benefits coverage to Domestic Partners and their children, expanded our existing \$10,000 adoption reimbursement program to include reimbursement for surrogacy, donor eggs, and donor sperm, and introduced a reduced premium medical plan option for employees in lower pay bands.

Better serving the health needs of our employees 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.

Progressive 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. With most employees now working from home offices, our wellness team created a comprehensive virtual regimen that includes 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 24-hour mental, emotional, and other support through our Employee Assistance Program (EAP), in addition to 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 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 some of our employees were 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 2023, 91% of Progressive people were enrolled in the program.

We also administer the Progressive 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.

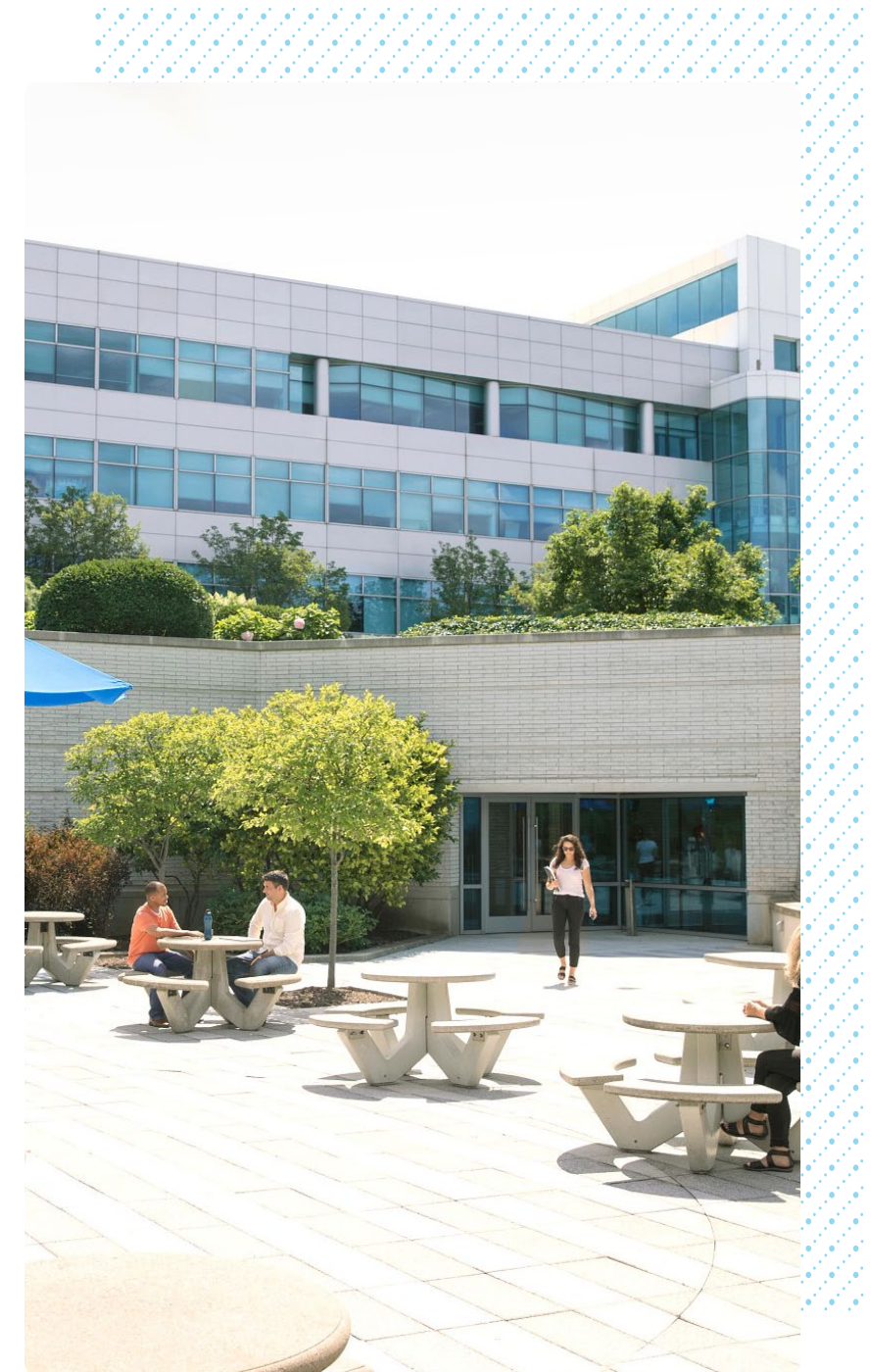
For several years, our Paid Time Off (PTO) program has recognized Martin Luther King Jr. Day as an official company holiday. We also added two additional PTO days for all employees to take time for other, individually significant days, such as cultural holidays. In the fall of 2023, we announced our new Volunteer Time Off program, giving employees eight hours of time off with pay to volunteer with nearly any 501(c)(3) organization of their choosing beginning in January 2024.

## 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:

- Best Companies for Latinos to Work (2024)
- Best Workplaces for Women: Great Place to Work (2023)
- Best of the Best: Top Black Employers (2024)
- Best of the Best: Top Diverse Employers (2024)
- FORTUNE 100 Best Companies to Work For® (2024)<sup>[1]</sup>
- Forbes Best Employers for Diversity (2024)
- Gallup® Exceptional Workplace Award (2024)
- Glassdoor Best-Led Companies (2024)
- Military Friendly Employer (2024)
- Newsweek America's Greatest Workplaces for Diversity (2024)
- Top Workplaces for Compensation & Benefits (2024)
- Top Workplaces for Remote Work (2024)
- Top Workplaces for Work-Life Flexibility (2024)
- Top Workplaces in the USA (2024)

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# Managing complexity

## Finding new ways to work while focusing on transparency and compliance

### The new workplace

We 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 2023, we hired over 14,600 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.



### Todd Pavlisko

*Trophy Member*

2003–2009

trophies

dimensions variable

# Social capital

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.

## **Beverly Semmes**

*Rhonda*

*Lavonda*

*Yolonda*

*Chiffonda*

1995

organza and  
crushed velvet

32' long each



## 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.

## Our ERGs guide the way

Our Employee Resource Groups (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 44% of Progressive people belonged to at least one ERG at the end of 2023.

To more broadly represent our employees and communities, in 2020, The Progressive Insurance Foundation (the Foundation) began funding national charitable organizations identified by our ERGs. In 2023, Progressive donated \$1.45 million directly or through the Foundation to the national charities identified by our ERGs.

ERG involvement with these organizations, however, was much more than monetary contributions. Our ERGs partnered with their selected charities on special programs, events, and campaign drives. As an example, our Military Network continues to support Fisher House, which provides free, temporary housing to military and veteran families across the country, allowing them to be close to a loved one when they’re in the hospital. Through the generosity of the Progressive community, we were able to support nine houses with much needed household supplies.

Progressive African American Network (PAAN) began supporting and collaborating with Big Brothers Big Sisters of America (BBBS) in late 2023, and we’re excited to work with them in the coming years. This marks a major accomplishment for PAAN, which is better able to carry out the empowerment and education pillar of its mission through BBBS’ mandate to foster one-to-one mentoring relationships, particularly within the African American community. Through our shared vision with BBBS, PAAN is ready to make a lasting impact on the education of the next generation.

### Progressive ERGs

In 2023, directly or through the Foundation, Progressive donated \$1.45 million to charitable organizations supported by our ERGs.

## National charities supported by Progressive ERGs

PROGRESSIVE ERG	SUPPORTED CHARITY
<b>Asian American Network; Young Professionals Network</b>	<b>Foster Love (formerly Together We Rise)</b> Changing the way children experience foster care
<b>Disabilities Awareness Network</b>	<b>The Arc of the United States</b> Supporting inclusion and participation of those with intellectual and developmental disabilities (IDDs) in the community
<b>Lesbian, Gay, Bisexual, and Transgender Plus</b>	<b>Centerlink, Inc.</b> Supporting the strength and sustainability of LGBT+ community centers
<b>Military Network</b>	<b>Fisher House Foundation, Inc.</b> Building homes for veteran families to stay for free while a loved one is in a hospital
<b>Network for Empowering Women; Parent Connection</b>	<b>Family Promise</b> Serving children and families at risk of homelessness
<b>Progressive African American Network</b>	<b>Big Brothers Big Sisters of America</b> Creating and supporting one-to-one mentoring relationships that ignite the power and promise of youth
<b>Progressive’s Latin American NETWORKing Association</b>	<b>National Coalition for the Homeless</b> Ending homelessness and protecting civil rights



**Petah Coyne**

*Untitled #788, #790, #795, #796, #799, #800, #804*

1993–95

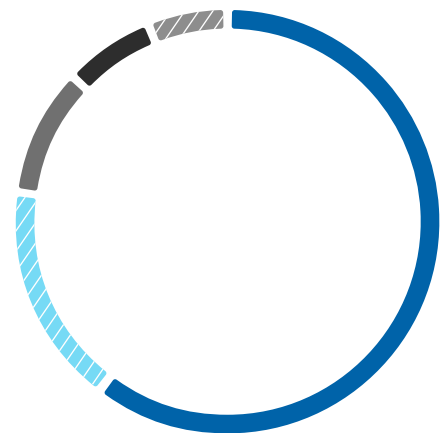
wax, candles, steel, wire, silk flowers, ribbons

dimensions variable

## Employee-driven social responsibility

Our ERGs are an important part of our bigger story of giving. In 2023, Progressive people across the U.S. participated in more than 330 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. For over 20 years, we have contributed to the Foundation, which provided matching funds to eligible 501(c)(3) charitable organizations to which employees contributed. Beginning in mid-2022, in lieu of matching funds and through the Name Your Cause® program, each employee can recommend an eligible charity to receive a fixed amount of the Foundation’s charitable giving without requiring the employee to make an out-of-pocket donation. This is the Foundation’s way of supporting more causes and reaching more communities across the country where Progressive’s people, and its customers, live and work.



### Percentage of Name Your Cause® dollars by charity type

- 61% Health and humanities
- 17% Civic and cultural
- 10% Religious
- 7% Educational
- 6% Environmental

In 2023, the Foundation contributed over \$4.4 million to eligible charities nominated by nearly 19,000 employees through Name Your Cause®. We’re proud to announce that Progressive, directly or through the Foundation, contributed over \$15 million last year across all of our community support efforts.

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 Foundation

The Foundation donated over \$4.4 million through Name Your Cause® in 2023.

### Progressive Employee Relief Fund

In addition to employee contributions, Progressive donated \$1.7 million to The Progressive Employee Relief Fund for employees who experienced financial hardship because of natural disasters and personal financial hardships.



## Insurance industry initiatives

In 2023, Progressive contributed to the Insurance Institute for Highway Safety (IIHS), an independent, nonprofit and non-political organization whose mission is to reduce losses, including deaths, injuries, and property damage, from crashes on the nation’s roads. The IIHS is funded by the nation’s insurance companies, including Progressive.

Additionally in 2023, Progressive contributed to The Insurance Institute for Business & Home Safety (IBHS), an independent, 501(c)(3) nonprofit scientific research and communications organization supported by property insurers, reinsurers, and affiliated companies to support “building safety research [that] leads to real-world solutions for home and business owners, helping to create more resilient communities.”

## Notable contributions in 2023

RECIPIENT	AMOUNT
Insurance Institute for Highway Safety (IIHS)	\$4,993,150
Name Your Cause® charities	\$4,400,000
Charity Cars, Inc.	\$2,200,000
Progressive Employee Relief Fund	\$1,700,000
Humble Design	\$500,000
Family Promise	\$300,000
Insurance Institute for Business & Home Safety (IBHS)	\$265,907
Big Brothers Big Sisters	\$200,000
Centerlink, Inc	\$200,000
Fisher House Foundation, Inc.	\$200,000
National Coalition for the Homeless	\$200,000
The Arc of the United States	\$200,000
Foster Love (formerly Together We Rise)	\$150,000
<b>Total</b>	<b>\$15,509,057</b>



## Focusing on mobility and homelessness

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

### Homelessness program

Since 2020, Humble Design Cleveland has furnished over 260 homes for families moving from homeless shelters.

### Vehicle giveaways

Keys to Progress® veteran vehicle giveaway program has donated more than 1,000 cars in 11 years to veterans in need.

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.

In 2023, we celebrated the gifting of our 1,000<sup>th</sup> vehicle since starting the Keys to Progress program in 2013. We gifted over 80 vehicles to veterans and veteran organizations across the U.S. in 2023.

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 2023, Humble Design Cleveland, with Progressive's and our employees' help, furnished and designed 83 homes, serving 257 individuals, over half of whom were children and eight were veterans.

To expand our efforts in the homelessness space, in 2023 we developed a relationship with Family Promise, the nation's leading nonprofit organization focused on family homelessness. Family Promise's unique holistic, community-based approach enables families to stay together during a housing crisis and get the support and services they need to achieve stability. With Family Promise's network of affiliates across the U.S., this allows us to engage Progressive employees countrywide in this meaningful work.

Progressive employees relish opportunities to work with these organizations to keep at-risk families together during times of need and furnish homes for those emerging from homelessness. Combating homelessness is a natural evolution for our community outreach efforts and another expression of our values in action.



### Jon Kessler

*Hall of Birds*

1995–96

painted aluminum  
dimensions variable

## Education and technology initiatives

We share knowledge and information we have to help people make good insurance decisions, promote safe driving and financial literacy, and encourage students to connect classroom learning to career opportunities.

Since 2013, hundreds of Progressive people have inspired more than 35,000 elementary, middle, and high school students across the country. Our volunteers present internally-developed Crash Courses that help students better understand how financial literacy and classroom skills apply to real-life situations and can lead to job opportunities in the insurance sector.

Our IT organization helps high school students in the Cleveland, Ohio and Colorado Springs, Colorado areas expand their skill sets and map out their professional future through high school internship opportunities as well. Students apply classroom learning to on-the-job situations through the Progressive Educational Partnership Program. This program gives high school students in IT tech prep school a first-hand taste of what a career in IT at Progressive is like.

In addition, we donate office supplies and personal computer (PC) equipment to educational institutions to support education and our communities. We've been donating PC equipment to people in need since 2011. As of 2022, we started making those donations to PCs for People, a nonprofit organization specializing in refurbishing and upgrading computers for students and those in need.

In 2023, we completed an internal initiative to collect and repurpose monitors and equipment for redistribution to Progressive employees, and we also donated more than 300 pieces of computer equipment to PCs for People. Through our 2023 donations to PCs for People, we helped provide computers to an estimated 410 people,<sup>[1]</sup> including 163 children. In addition to computer donations, PCs for People also accepts and recycles e-waste and other electronic equipment. Progressive's involvement in this initiative resulted in recycling or reusing 253,130 pounds of e-waste in 2023, thereby preventing it from ending up in landfills.

[1] A single computer can serve an entire household. Not all donations are redistributed because some may not pass stress testing/refurbishment standards or be used for parts.



## 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 Progressive operates. We believe that, from time to time, Progressive's responsible and constructive participation in the political process is important to Progressive's success. Progressive participates in a highly regulated industry, and we believe it is appropriate for us to exercise our rights to help inform and be a part of the debate on initiatives and proposals that could affect the industry or our business. Progressive does not have a political action committee.

### 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 Corporate Legal 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 our public advocacy and public policy philosophy. 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. All political contributions must comply with the policy statement, the Foreign Corrupt Practices Act, and all other applicable laws and regulations in the jurisdictions in which the contributions are made.

### Overview of expenditures

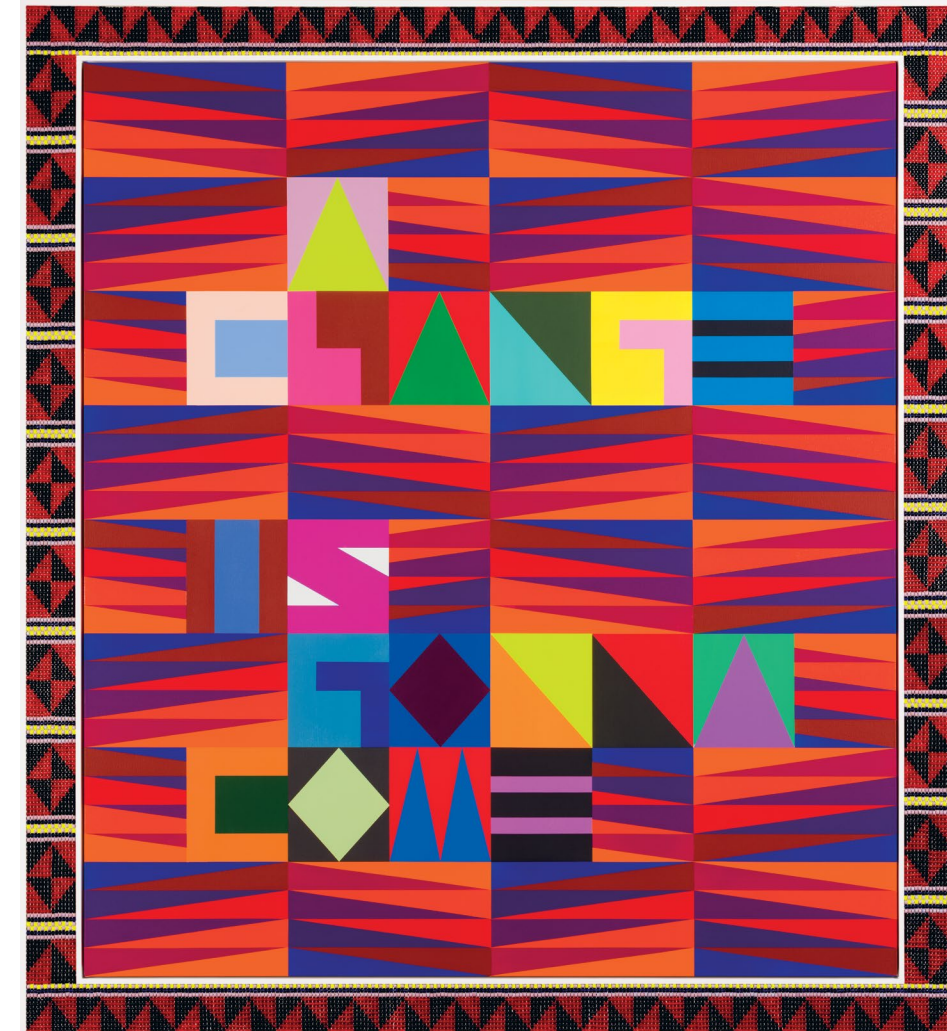
Progressive supports industry trade associations, candidates for public office, and other groups to advance key priorities and a competitive insurance marketplace. We may not agree with every position taken by a specific organization, candidate, or committee. However, sometimes we find it is beneficial to work across such differences in the interests of our stakeholders.

### 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, without regard to the private political preferences of Progressive officers.

In addition, we participate in trade groups and engage lobbying firms that can advocate for 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 payments to any trade or industry association exceeding \$50,000 in the aggregate on an annual basis.

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](#).



**Jeffrey Gibson**

*A CHANGE IS GONNA COME*

2019

acrylic on canvas, glass beads and artificial sinew in custom wood frame

82" x 74"

# Environment

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.

## Valerie Hegarty

*Climbing Rosebush*

2005

archival paper, pH  
balanced glue, acrylic  
paint and wire

dimensions variable



## 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. As a property-casualty insurance company that operates its businesses throughout the U.S., our success depends on our ability to underwrite and price risk accurately, which is subject to a number of risks, including those related to changes



in the frequency, severity, duration, geographic location, and scope of severe weather events, which may be becoming more severe and less predictable as a result of climate change. 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 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.

We believe that managing climate change-related risks can help reduce expense and allow us to offer competitive rates while maintaining our obligations to our customers. For more information on how we believe climate change and severe weather events can affect our business results, refer to our [2023 Annual Report on Form 10-K](#).

## Environmental stewardship

We continue to make increasing efforts to reduce our 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 advance our environmental stewardship efforts by seeking investments in green energy usage for our facilities, exploring opportunities to shift toward a lower emissions vehicle 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.

*“Even as we approach our existing goal of carbon neutrality by the end of 2025 for Scope 1 and 2 emissions, we have our sights set on what comes next for Progressive. That is why we are introducing additional aspirational environmental goals and continuing to focus on how we manage our operations.”*

**Tricia Griffith**

President and CEO, September 2024

## Energy and carbon emissions management

We continue to strive to be responsible environmental stewards. In 2020, we established an aspirational goal of carbon neutrality by the end of 2025 for Scope 1 and 2, which we believe will help set the path to net-zero for Scope 1 and 2 in the following decade. To achieve this, we continue to work to reduce our carbon footprint through several means, including investing in renewable energy, exploring fuel-efficient vehicle alternatives, and focusing 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 operate our facilities more efficiently 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 2023 and is contributing renewable energy to that location.

We have a renewable energy agreement with a wind farm in Pennsylvania, which provided approximately 65,000 MWh of renewable energy in 2022 and 61,500 MWh in 2023. This agreement provides a source of renewable energy for Progressive into 2026.

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. To that end, we are excited to announce an additional aspirational goal to achieve 75% renewable energy for our owned buildings and data center locations by the end of 2027.



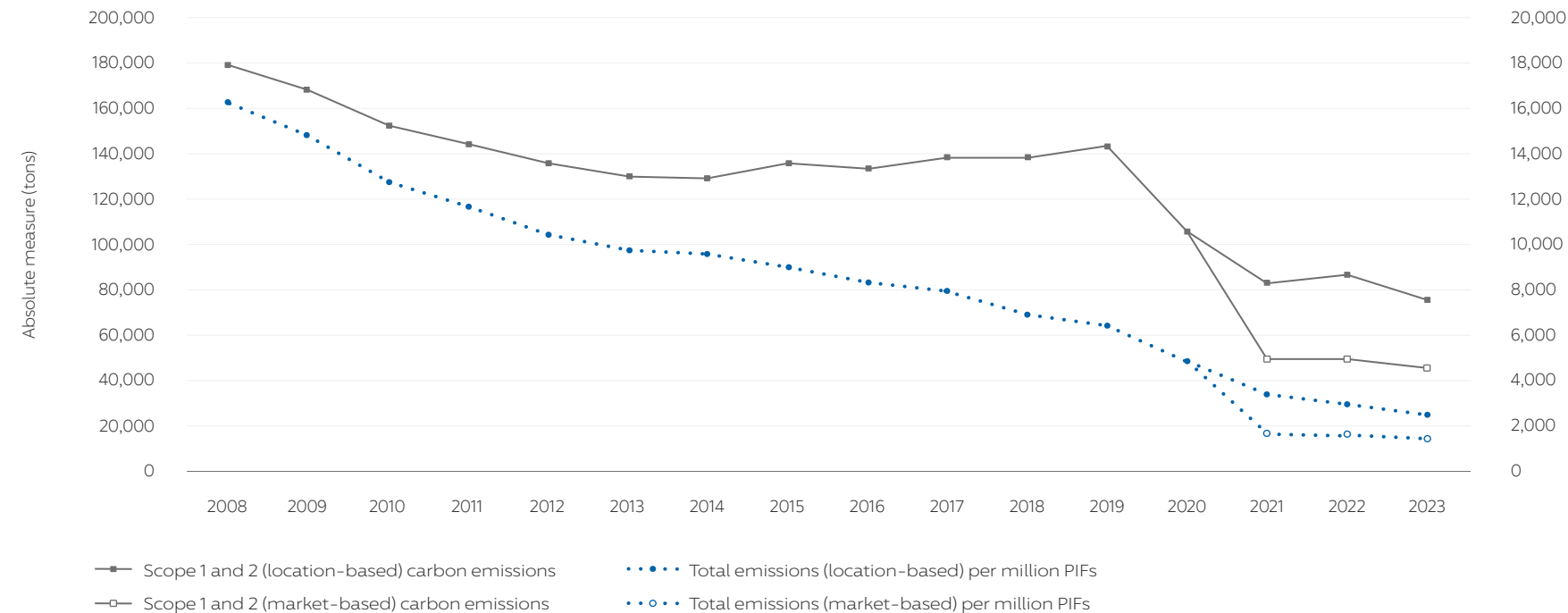
# Our carbon emissions reductions

In 2023, we continued to expand the way we manage, track, and report our carbon emissions. We revised our electric and gas consumption calculations to include less estimated site readings across our real estate portfolio.

We are excited to share our new aspirational goal to reduce by 40% our total Scope 1 and 2 emissions by 2030, when compared to the 2022 base year.

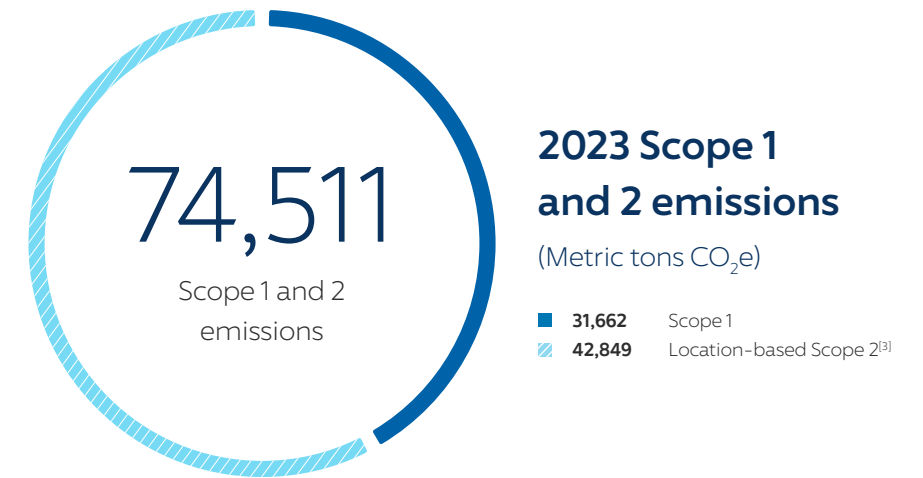
Compared to 2022 readings, our 2023 Scope 1 emissions decreased 1% and our Scope 2 location-based emissions decreased 15% primarily due to ongoing real estate portfolio consolidation efforts, a continued focus to increase actual gas and electric tracking, and a decrease in company aircraft usage.

## Scope 1 and 2 carbon emissions 2008–2023<sup>[1][2]</sup>

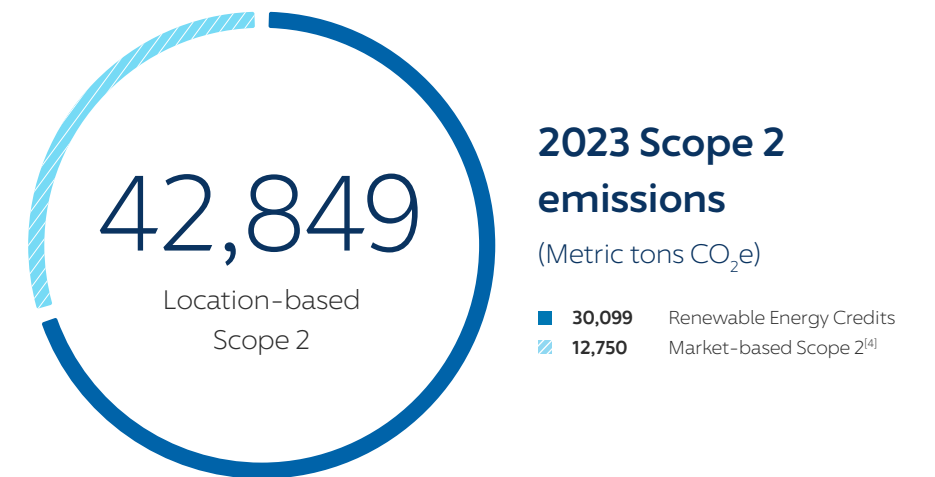


[1] Includes carbon emissions from electricity and natural gas consumption, fuel used by fleet vehicles, company aircraft, generators, and refrigerants. The volume of carbon emissions from these sources have been estimated using actual real estate portfolio information and industry standard calculation methods. Emission factors were adjusted for 2023 calculations to reflect updates to standards. Prior years were not retroactively updated. In 2021, Progressive began purchasing Renewable Energy Credits (RECs) to reduce emissions which has been reflected in the market-based figures. Emissions intensity factors were updated in 2023 to reflect U.S. Energy Information Administration (EIA) standards and will be reviewed annually as part of Progressive's emissions reporting efforts.

[2] Intensity measure is per million policies in force (PIFs).



[3] 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, 2023 (see their report in the [Appendix](#)).



[4] In 2023, Progressive purchased Renewable Energy Credits to reduce emissions, which has been reflected in the market-based figures.



## Fleet operations

Our fleet consisted of more than 6,300 vehicles at the end of 2023 and, as with our other assets, we continue to advance our environmental stewardship efforts. We continue to explore additional opportunities to reduce our fleet's carbon emissions by shifting to a lower emissions vehicle fleet through hybrid and electric vehicle purchases. We're implementing changes to a more fuel-efficient sedan, including hybrid alternatives in vehicle orders, and utilizing an all-electric vehicle at our main campus in Cleveland, Ohio. We're exploring and pursuing relationships that will allow us to provide 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.

### Gene Kangas

*Survivor*  
painted steel,  
painted bronze  
1982  
83" x 168" x 4"



## 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% (353 tons) of the waste collected at our campuses was diverted from landfills to recycling centers in 2023. Due to reduced building occupancy, efforts to optimize and realign waste removal were implemented in 2022 and continued during 2023; 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.

Progressive has embraced a hybrid workplace. The resulting consolidation of several office locations over the past few years created a surplus of furniture and equipment. To minimize waste, Progressive has actively sought out charitable organizations in need of furniture or equipment for their operations. Throughout 2023, Progressive has proudly donated workstations, chairs, miscellaneous office furniture, and kitchen equipment to 12 different 501(c)(3) organizations. As real estate portfolio consolidation continues into 2024 and beyond, we're committed to exploring future charitable donations to minimize used office furniture ending up in landfills.

For Earth Day in 2023, 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.

## 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 49% 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.

Since the beginning of 2023, we've provided 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. Within Progressive, we are beginning to explore certain Scope 3 carbon emissions categories related to our business. Starting with our 2024 Corporate Sustainability Report, Progressive plans to begin to report externally on Scope 3 emissions in select categories.

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. We believe our goal of carbon neutrality by the end of 2025 for Scope 1 and 2 honors that commitment, and we're working to chart a course with the goal of being net-zero for Scope 1 and 2 in the following decade.

We expect that Progressive's plan to be net-zero for Scope 1 and 2 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 continue to help us operate more efficiently.



# Appendix

## SASB index

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
<b>Transparent Information and Fair Advice for Customers</b>	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 <a href="#">Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q</a> (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 <a href="#">Closed Complaint ratio</a> .
	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 <a href="#">SEC Filings</a> . 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 <a href="#">Customer experience and communication</a> section of our 2023 Corporate Sustainability Report.

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
<b>Incorporation of Environmental, Social, and Governance Factors in Investment Management</b>	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 <a href="#">2023 Annual Report on Form 10-K</a> .
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	See the <a href="#">Sustainability in our investment portfolio</a> section of our 2023 Corporate Sustainability Report.
<b>Policies Designed to Incentivize Responsible Behavior</b>	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 <a href="#">ESG product features</a> section in our 2023 Corporate Sustainability Report.
<b>Environmental Risk Exposure</b>	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	See the <a href="#">Risk management</a> section of our 2023 Corporate Sustainability Report.  Additionally, see Reinsurance under Item 1. Business—Description of Business in our <a href="#">2023 Annual Report on Form 10-K</a> 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 <a href="#">SEC Filings</a> . The SEC Filings also include a discussion of reinsurance and the recoverables recorded.
	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 <a href="#">Risk management</a> and <a href="#">Climate change</a> sections of our 2023 Corporate Sustainability Report.  See Reinsurance under Item 1. Business—Description of Business in our <a href="#">2023 Annual Report on Form 10-K</a> for a discussion of our reinsurance program.

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
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, 2023, 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 2023, please refer to Note 1—Reporting and Accounting Policies and Note 2—Investments in our <a href="#">2023 Annual Report on Form 10-K</a> .
	FN-IN-550a.2	Total fair value of securities lending collateral assets	As of December 31, 2023, 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 <a href="#">2023 Annual Report on Form 10-K</a> .

CODE	ACCOUNTING 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 <a href="#">2023 Annual Report on Form 10-K</a> . We also disclose policies in force in our monthly earnings releases and SEC Filings.

## TCFD index

METRIC	RECOMMENDED DISCLOSURE	RESPONSE	CDP SECTION ALIGNMENT
<b>Governance:</b> Disclose the organization’s governance around climate-related risks and opportunities.	a.) Describe the board’s oversight of climate-related risks and opportunities.	<p>Our Board of Directors is ultimately responsible 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.</p> <p>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.</p> <p>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 <a href="#">Nominating &amp; Governance Committee Charter</a> on our website and the <a href="#">Board oversight and monitoring process</a> section of our 2023 Corporate Sustainability Report.</p>	4.1.2
	b.) Describe management’s role in assessing and managing climate-related risks and opportunities.	See the <a href="#">Risk management</a> section of our 2023 Corporate Sustainability Report.	4.3

METRIC	RECOMMENDED DISCLOSURE	RESPONSE	CDP SECTION ALIGNMENT
<b>Strategy:</b> 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 <a href="#">2023 Annual Report on Form 10-K</a> and the <a href="#">Climate change</a> section of our 2023 Corporate Sustainability Report.	2.1
			3.1
			3.1.1
			3.6
			3.6.1
	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 <a href="#">2023 Annual Report on Form 10-K</a> and the <a href="#">Climate change</a> section of our 2023 Corporate Sustainability Report.  For information on our reinsurance program, refer to Reinsurance under Item 1. Business in our <a href="#">2023 Annual Report on Form 10-K</a> .	3.1.1
			3.6.1
			5.1.2
			5.2
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 <a href="#">Risk management</a> section of our 2023 Corporate Sustainability Report.	5.3.1	
		5.3.2	
		5.14	
			5.14.1

METRIC	RECOMMENDED DISCLOSURE	RESPONSE	CDP SECTION ALIGNMENT
<b>Risk management:</b> 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 <a href="#">Risk management</a> section of our 2023 Corporate Sustainability Report.	2.1
			2.2.1
			2.2.2
			2.2.5
			2.2.6
	b.) Describe the organization’s processes for managing climate-related risks.	See the <a href="#">Risk management</a> section of our 2023 Corporate Sustainability Report.	2.2.8
			2.2.9
			2.1
			2.2.1
c.) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	See the <a href="#">Risk management</a> section of our 2023 Corporate Sustainability Report.	2.2.8	
		2.2.9	
		2.1	



METRIC	RECOMMENDED DISCLOSURE	RESPONSE	CDP SECTION ALIGNMENT
<b>Metrics and targets:</b> 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 <a href="#">Environmental stewardship</a> section of our 2023 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 <a href="#">2023 Annual Report on Form 10-K</a> .	7.52
			7.54
			7.54.1
			7.54.2
	b.) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	See the <a href="#">Environmental stewardship</a> section of our 2023 Corporate Sustainability Report.	7.6
			7.7
			7.8
			7.8.1
			12.1
			12.1.1
c.) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	See the <a href="#">Environmental stewardship</a> section of our 2023 Corporate Sustainability Report.	12.1.3	
		12.3	
		7.53	
		7.53.1	
		7.53.2	
		7.53.4	
		7.54	
		7.54.1	
7.54.2			

# 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, 2023 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.

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.

Greenhouse gas (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* 

Cleveland, Ohio  
July 29, 2024

## The Progressive Corporation Management Assertion (Dated: July 29, 2024)

With respect to the greenhouse gas (GHG) emissions metrics presented in the table below for the year ended December 31, 2023, 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 <sup>[1][2][3][4]</sup>	METRIC QUANTITY <sup>[5]</sup>
Scope 1 emissions	Direct emissions from stationary and mobile combustion of fuels and refrigerants. <sup>[6]</sup>	31,662 tCO <sub>2</sub> e
Scope 2 emissions (Location-based)	Indirect emissions from purchased electricity (Location-based). <sup>[7]</sup>	42,849 tCO <sub>2</sub> e
Scope 2 emissions (Market-based)	Indirect emissions from purchased electricity (Market-based). <sup>[7]</sup>	12,750 tCO <sub>2</sub> e

[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<sub>2</sub>e) emissions are inclusive of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>), where present. Emissions data by individual gas is not disclosed as a majority of CO<sub>2</sub>e relates to CO<sub>2</sub>. CO<sub>2</sub>e 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, 2023 Emission Factors for Greenhouse Gas Inventories (modified September 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 United Kingdom (UK) Department for Business, Energy & Industrial Strategy 2023 Government Conversion Factors for Company Reporting of GHG Emissions (last updated June 2023) for 100% mineral diesel.
- Refrigerants: GWPs from the United Kingdom (UK) 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”) 2022 factors by sub-region (released January 2024) 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<sub>2</sub>e = Metric tons of carbon dioxide equivalent.

[6] Related to Scope 1 emissions:

- Scope 1 emissions include combustion of (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 3% 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 (fuel purchases assumed to be gasoline only) using expense reimbursement reporting and 2023 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 repairs or preventative maintenance performed, as tracked and reported by Progressive’s HVAC team.

[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 13% of the reported location-based Scope 2 emissions and approximately 43% 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.



## The Progressive Corporation

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**Learn more about our ongoing environmental,  
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