



# **KEMPER**

## **Environmental, Social and Governance Report**

2022

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## CEO Message

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Kemper's ownership culture is the cornerstone of our Environmental, Social and Governance (ESG) approach. We have an obligation to our stakeholders to operate responsibly, with a focus on improving our communities through a continued emphasis on sustainability and governance. In doing so, we ensure we continue to be a responsible business partner to our customers, an attractive option to investors, and an employer of choice in a challenging labor market.

In 2022, we performed an assessment aligned with the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) to prioritize key areas of focus for our business. Additionally, we enhanced our ESG transparency with new disclosures aligned with SASB. You can read more about these topics in this report.

## Introduction

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The Kemper (NYSE: KMPR) family of companies is one of the nation's leading specialized insurers. With nearly \$14 billion in assets, Kemper is improving the world of insurance by providing affordable and easy-to-use personalized solutions to individuals, families and businesses through its Auto, Personal Insurance, Life and Health brands. Kemper serves over 6.2 million policies, is represented by approximately 34,500 agents and brokers, and has over 10,000 associates dedicated to meeting the ever-changing needs of its customers.

Kemper takes a holistic approach to how we engage with customers, employees, shareholders and communities, and we focus on areas within ESG that have the most impact on these stakeholders. This includes the environment, how we attract, develop, and retain talent, and how we lead and govern our organization. We believe this thoughtful and focused approach strengthens who we are as individuals and as an organization, and how we do business.



**Joseph P. Lacher, Jr.**

President, Chief Executive Officer and Chairman  
Kemper Corporation

Reflecting on Kemper's accomplishments, I am proud of everything we have achieved. I hope this report provides a better understanding of our commitment to ESG and how we are maximizing the positive impact for our stakeholders.



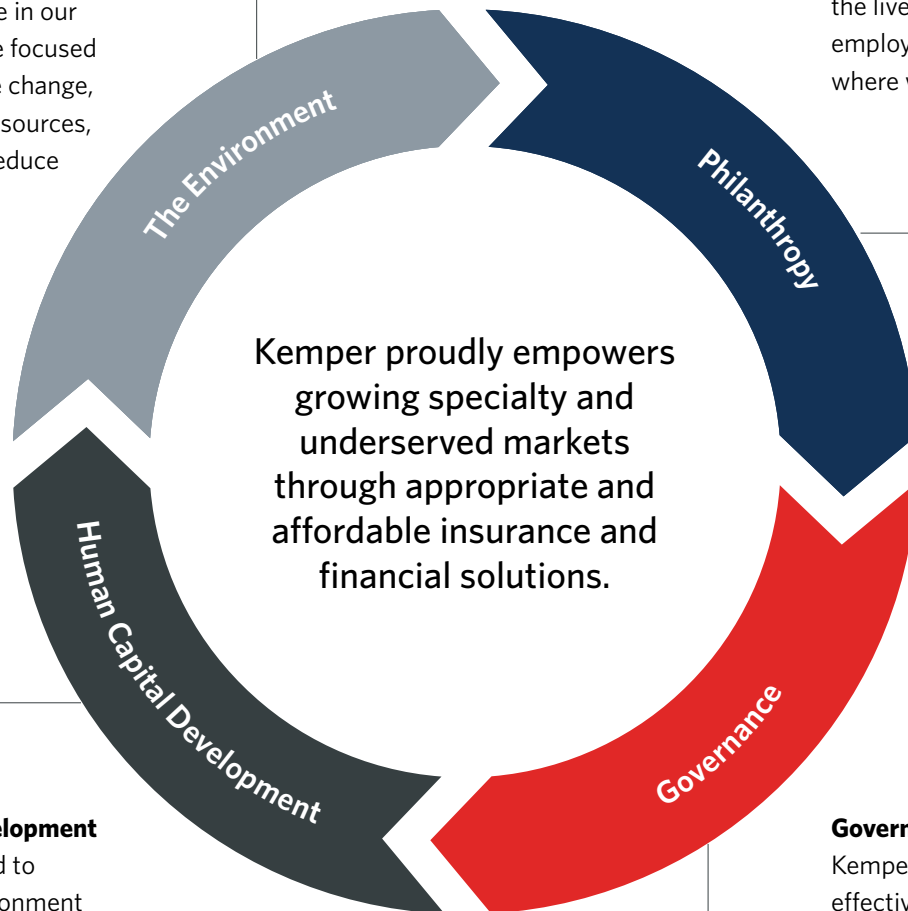
## Our Commitments to Our Shareholders, Employees, Customers and Communities

### The Environment

Kemper is committed to doing our part to protect the planet and the people in our communities. We are focused on mitigating climate change, conserving natural resources, and taking steps to reduce our carbon footprint.

### Philanthropy

Our philanthropic commitment is focused on supporting causes, organizations and initiatives that make a meaningful difference in the lives of our customers, our employees, and the communities where we live and work.



Kemper proudly empowers growing specialty and underserved markets through appropriate and affordable insurance and financial solutions.

### Human Capital Development

Kemper is committed to building a work environment that attracts and retains talent through upskilling, reskilling and development opportunities, and a culture of diversity, equity, inclusion, and philanthropic values.

### Governance

Kemper is committed to an effective governance structure to ensure we act responsibly and make decisions in alignment with our values and business practices.

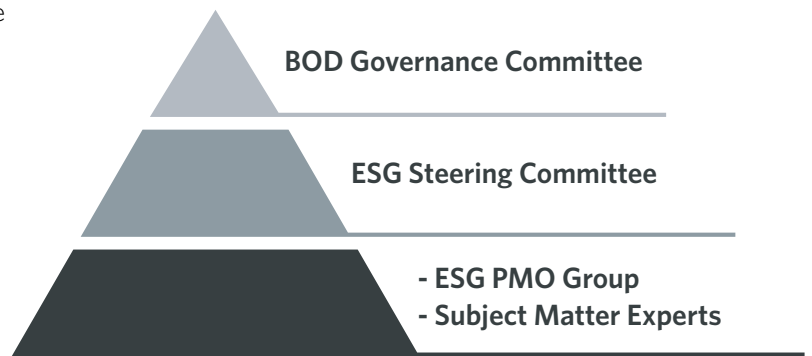
## ESG Governance

Kemper leadership and the Board of Directors have a core responsibility to create shareholder value by thoughtful stewardship of shareholder capital. By incorporating ESG into the company’s business, operational, and financial strategies, Kemper has the ability to maximize long-term stability.

The Governance Committee of Kemper’s Board of Directors oversees the ESG program and receives regular updates from senior leadership. Kemper’s ESG Steering Committee is responsible for setting the overall strategic direction of our ESG program and supporting program execution, and our ESG Program Office, along with subject matter experts across the enterprise, is responsible for day-to-day implementation, development and application of best practices, and reporting.

Our approach to disclosure is informed by leading global standards, including the Sustainability Accounting

Standards Board (SASB) and the Global Reporting Initiative (GRI). In 2022 Kemper prioritized the topics of greatest importance and relevance to our industry and key stakeholders by partnering with a recognized leader in ESG strategy and services to conduct an assessment based on a series of internal interviews, peer analysis, and reporting frameworks such as GRI and SASB. Going forward, this assessment will be refreshed periodically to ensure relevancy. Additionally, this report is issued in conjunction with our SASB index, which is a collection of industry-specific ESG disclosures.



## Kemper’s ESG Priorities

 <b>ENVIRONMENTAL</b>	 <b>SOCIAL</b>	 <b>GOVERNANCE</b>
<p>Energy Efficiency and Waste Reduction</p> <hr/> <p>ESG Product Features</p> <hr/> <p>Climate Risk Management</p>	<p>Human Capital Development</p> <ul style="list-style-type: none"> <li>• Employee Engagement &amp; Culture</li> <li>• Talent Management and Development</li> <li>• Health and Wellness</li> </ul> <hr/> <p>Diversity, Equity &amp; Inclusion</p> <hr/> <p>Philanthropy and Community Support</p>	<p>Governance and Ethics</p> <ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Ethics and Compliance</li> <li>• Anti-Money Laundering</li> <li>• Human Rights</li> <li>• Ongoing Review of Claims Handling</li> <li>• Executive Compensation</li> </ul> <hr/> <p>Responsible Investing</p> <hr/> <p>Data Security &amp; Privacy</p> <hr/> <p>Customer Experience</p>



# Environmental

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We are committed to responsible environmental management and conservation of resources. Our environmental programs are focused on reducing waste, managing energy consumption and managing climate risk. This focus has delivered improvements in energy efficiency across our business footprint.



## Energy Efficiency and Waste Management

Kemper is committed to mitigating climate change, conserving natural resources, and taking steps to reduce our overall carbon footprint. We understand the risks posed by climate change to our company and our stakeholders and look for opportunities to reduce and recycle the natural resources we consume. We work to create environmentally conscious workplaces for our employees. Kemper's environmental strategy is focused on energy efficiency, waste reduction, and recycling programs. We seek to minimize the impact of business operations on the environment and will continue to enhance and optimize our approaches in these areas for maximum impact. Kemper's environmental strategy focuses on the following:

- Identify opportunities to reduce our carbon footprint
- Eliminate use of non-eco-friendly in-office materials including polystyrene
- Reduce non-biodegradable and non-recyclable solid waste from our facilities
- Develop green workplace initiative programs encouraging employees to:
  - › Recycle in-office materials and utilize document shredding
  - › Use reusable receptacles for drinking water
  - › Practice thoughtful use of in-office electricity
  - › Print only when necessary
  - › Use public transit, carpool, or telework options when and where feasible
- Ongoing engagement with property owners and operators in Kemper's non-owned buildings to ensure responsible environmental management controls
- Identify options to incorporate solar energy into the design of our company-owned facilities

- Reduce energy and water use within our company-owned facilities
- Source 100% of printer paper from well-managed forests and recycled materials
- Utilize our social media and website platforms to provide useful and relevant information and resources for natural resource conservation to our customers and communities



The following are examples of our current environmental initiatives:



**Reduce Energy Consumption and Emissions**

We continue to seek and find ways to run our business in environmentally friendly ways. We lease or own over 127,000 square feet of LEED-certified (Leadership in Energy and Environmental Design) space. As we add new locations, we strive to align with LEED certifications and utilize efficient and renewable energy sources, including installation of solar panels.



**Managing Environmental Risks in Purchasing**

Kemper considers sustainability in our purchasing practices and works with vendors to track key environmental indicators. For instance, our travel partner tracks indirect greenhouse gas emissions for air travel and rental car providers. Accordingly, we assess environmental risks and opportunities within Kemper’s supply chain and purchasing operations.



**Reduce Landfill Waste in Operations and Offices**

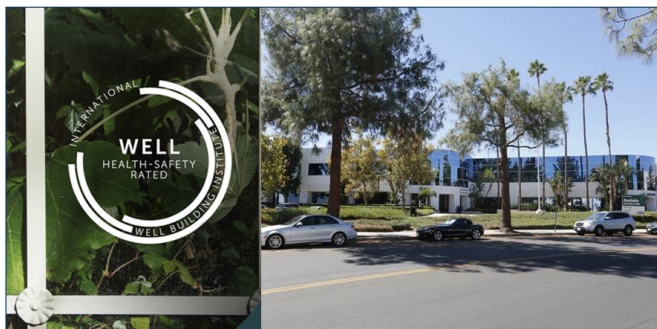
Currently, over 900,000 pounds of materials are recycled annually in our locations. Waste reduction efforts include implementation of plans to significantly reduce paper usage and the plastics in our lunch rooms and break rooms.



**Responsible Fleet Management**

Kemper operates and manages a fleet of approximately 550 vehicles to support sales and customer service. To minimize emissions, we utilize new vehicle models with improved fuel economy and reduced CO2 emissions, and receive regular reports by our leasing partners that track these metrics.

In February 2022, our Chatsworth, California office achieved the WELL Health-Safety Rating (WELL HSR), joining global industry leaders committed to implementing evidence-based strategies to address a post-COVID-19 environment.



The WELL Health-Safety Rating (WELL HSR) is an evidence-based, third-party verified rating through the International WELL Building Institute (WBI) for all new and existing building and space types focusing on operational policies, maintenance protocols, stakeholders engagement, and emergency plans to address a post-COVID-19 environment now and into the future.

To achieve WELL Health-Safety Rating, each facility had to meet criteria regarding cleaning and sanitization plans, health services, air, and water quality management, stakeholder communications promoting health and wellness, and innovation related to the firm’s employee COVID-19 vaccination policy.



## ESG Insurance Product Features

Kemper offers benefits to our customers in various environmentally responsible areas, including the following:

### Specialized Coverage:



#### ECO Upgrade

Provides additional coverage that can be used by the insured to upgrade to energy efficiency covered property at time of loss, for homeowners, renters and condominium owners.

### Discounts:



#### Energy Star/EPA Certified Home

An Energy Star/EPA Certified Home is a dwelling that has been independently verified to meet guidelines for energy efficiency set by the U.S. Environmental Protection Agency and earned Energy Star/EPA certification.



#### Fortified Home

A Fortified Home is a dwelling that is constructed with added protection to resist natural disasters and extreme weather events such as high wind, wildfire, flood, hail and earthquake. The home is constructed with added protection to windows and doors, improved connections between the roof, walls and foundation, and a roof design that is thicker, stronger, and designed to stay drier.



#### LEED Certified Home

A LEED Certified Home is a dwelling that has been independently verified to meet guidelines for design and construction of high-performance green homes.



#### Whole House Water Leak Protection

A whole house water leak detection system shuts off the main water service when a water leak is detected. An automatic shut-off valve is installed on the main water service piping between the water meter and the first branch piping.



#### Automatic Gas Shut-off Valve

Automatic shut-off valves are professionally installed on all gas or propane lines into the home. The discount also applies to all-electric/all-solar homes with no external fuel lines.



#### Kemper Co-Pilot App

Automatically detects when driving starts and stops and uses the phone's sensors to measure a vehicle's driving dynamics; uses low-power sensing methods to reduce battery consumption, displays trip summaries and details on maneuvers, and provides useful feedback to become a better driver.



#### Paperless Discount

The insured can choose to have all policy and billing documents electronically transmitted.

## Climate Risk Management

Kemper identifies and models risks from covered perils to assess the total risk exposure. For example, we use third party catastrophe models to estimate potential losses from extreme weather events like hurricanes. Many of these models use climate measures such as sea surface temperatures to determine estimates for possible loss scenarios and financial impact. These models are periodically updated to include other measures as relevant data becomes more available and reliable.

Kemper also manages its exposure to catastrophes and other natural disasters through a combination of geographical diversification, restrictions on the amount and location of new business production in such regions, modifications of, and/or limitations to, coverages and deductibles for certain perils in such regions and reinsurance. To limit its exposures to catastrophic events, Kemper maintains a catastrophe reinsurance program for the property and casualty insurance companies.

Kemper integrates the effects of climate change into the underwriting process. Kemper’s homeowners policy contracts are in place for a year, which allows for re-underwriting and/



or pricing on a regular basis as expectations change. Kemper reviews the latest results from the catastrophe modeling tools to identify areas of concern and acts accordingly. Additionally, we have developed several policy catastrophe exposure monitoring tools to manage individual risks as well as areas of concentration. Appropriate underwriting and rate actions are taken as the outlook changes.

The totality of these risks are assessed by Kemper’s Enterprise Risk Management (ERM) team. The framework, consistent with NAIC guidance, includes the following:

<b>ERM Framework</b>	
Kemper’s ERM framework is consistent with NAIC guidance	
<b>Governance/Risk Culture</b>	Kemper utilizes a comprehensive model executed through the coordinated activities of the Board of Directors, Enterprise Risk Committee (ERC), ERM, risk management functions within business operations, and internal audit.
<b>Risk Identification</b>	Risks are identified through periodic meetings and ongoing conversations among senior leadership.
<b>Risk Assessment</b>	Risks are assessed through quantitative models and senior leadership evaluations.
<b>Risk Appetite</b>	Kemper’s Risk Appetite statement guides all risk-taking decisions and is monitored monthly.
<b>Risk Monitoring</b>	ERC has established sub-committees to facilitate the monitoring of key risks.
<b>Risk Communication</b>	Risk information is communicated internally and externally as appropriate.



## Social

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Kemper's success is driven by our most important asset, our employees. As such, we promote a culture and provide a platform where employees can own their career, offering opportunities to learn, develop their skills, and advance their careers. We are committed to equal pay, and an inclusive and equitable work environment. Our focus on sustainability across our businesses not only improves our own competitiveness and drives returns for shareholders, but also helps us attract, motivate and retain the best people.



## Employee Engagement

Kemper utilizes a focused and thoughtful approach to positively impact the connection between our employees and the workplace. Our hybrid work environment prioritizes purposeful time in the office where engagement through collaboration and team meetings is optimized. Members of our leadership team hold town hall meetings in all locations to regularly communicate progress on key initiatives, share news and events, and answer employee questions.

We have a regular cadence of collecting feedback to assess employee satisfaction, particularly in the areas of workplace experience, communication, benefit programs, and leadership engagement. We use several tools and channels to procure this information, including periodic engagement surveys, targeted pulse surveys, formal and informal conversations, and surveys from town hall and other leader-led meetings. This feedback program enables a consistent mechanism to gain valuable insights on areas of strength, opportunities and improvement.

For instance, our 2021 engagement survey results reflected that employees are highly engaged, believe Kemper is a great place to work, and feel proud to work at Kemper. The survey also indicated our employees have a high level of confidence in their managers, have a good understanding of company strategy and goals, as well as how their role contributes to Kemper's key priorities. Engagement scores for these metrics were 70% or higher—either meeting or exceeding the benchmark—reflecting the strong foundation we have built around our “act like an owner” culture.

## Human Capital Development

Kemper's ability to deliver on our commitments is dependent on our capacity to identify, attract, develop and retain a robust pipeline of talent, capable of supporting the changing needs of our business. This is best attained in a

high-performance, inclusive culture where each employee is fully engaged. Such an environment is built on a foundation of leadership and professional competencies that reinforce our ownership culture and foster the maximum contribution of our employees. Our focus is on creating a direct line of sight from our employees' individual efforts to their team, department, business and, ultimately, Kemper's enterprise-wide business goals. To achieve these goals, we focus on the following:

- Talent Acquisition
- Leadership, Learning and Development
- Performance Management



## Talent Acquisition

We believe a diverse workforce is important to impart diverse experiences, viewpoints and opinions to achieve greater insights, better decisions, and improved performance and outcomes. We have increased our focus on attracting diverse talent and improved our processes to ensure our hiring programs and recruitment agency partnerships yield diverse representation. In addition, we utilize agencies that specialize in bilingual candidates to ensure we can meet the needs of the Latino/Hispanic market, a key demographic we serve in our specialty auto business.

## Leadership, Learning & Development

We seek to address the enterprise-wide learning needs of our employees. We create compelling development solutions, design and implement processes that help associates identify their current performance opportunities, diagnose their development needs, and chart their path for professional growth. In addition to individual development, we support team development with focused modules featuring leading practices in change management and organizational development. We emphasize leadership capabilities across the spectrum of talent segments from individual contributors to senior leaders. Examples of opportunities offered to our employees include:



Launching this leadership and development program is an initiative I'm very proud of as it will be driving Kemper's ownership culture. Not only do you need to act like an owner but lead like an owner. It's how you optimally lead yourself and others.  
 -Christina Ellis, Senior Vice President, Talent Management

### Lead Like an Owner

A four-part series that provides over 130 leaders across the enterprise the necessary tools to enhance and empower their teams. The curriculum is anchored in Kemper's leadership and professional competencies and provides a roadmap of opportunities to expand our employees' capacities to lead themselves and others in their respective spheres of influence.

### Manager Fundamentals

This comprehensive program is designed to build the core competencies and critical capabilities of new front-line supervisors and managers, to help them develop into strong leaders today and create a foundation for the future. Specifically, we focus on improving confidence in working with new teams, self-awareness, emotional intelligence, inclusivity and coaching skills which help improve employee engagement and retention. In addition, we strive to build skills that drive better business outcomes such as

delegation, time management, problem solving and decision making.

### Own Your Career Development Guide

A resource to help employees build momentum for advancing their careers through self-assessment, goal setting, and follow-up.

### Working Optimally Workshops (WOW)

A series of articles, online trainings, and live courses that offer valuable guidance on how to enhance work performance; each month a different competency is highlighted.

### Claims Training

A development program for claims professionals to improve customer service and efficiency and ensure every customer interaction delivers on our promises of outstanding value, exemplary service, and timely results. This program helps to establish a corporate culture built on ownership, structured accountability, and positive employee engagement that meets our customer's expectations.

### The Kemper Claims Technical Resource Guide

A resource for claims professionals that provides a detailed framework to reinforce claim handling skills, driven by a "customer first" mentality.

### MBA Leadership Development Program (LDP)

A rotational program for students completing an MBA, LDP offers an opportunity to combine professional background, academic skills, and knowledge of our business gained through formal and on-the-job trainings to move toward a management career at Kemper. Throughout the program students will have ongoing professional development, interaction with senior management, and challenging assignments.

Snapshot of L&D in 2021	
New training initiatives introduced:	~100
Total facilitated training hours:	115,000
Total learner completions of facilitated classes:	~4,500
Digital course completions:	138,000

### Tuition Assistance Program (TAP)

We encourage employee self-development and participation in educational activities to further enhance skill development and the potential for growth within the organization. This program provides valuable financial assistance to allow employees to increase their knowledge and skills and move toward long-range career goals.

The TAP aids with the following types of education:

1. University coursework and academia
2. Insurance-related courses and professional designations
3. Non-insurance-related courses and professional designations tied to the individual's functional area
4. Seminars and conferences

### Performance Management

At Kemper, we reward high performance through our competitive benefits and total compensation package. Annual goal setting, and performance management processes establish and align performance goals that achieve business objectives and help employees identify short- and long-term career development opportunities. Our performance management process is anchored in Kemper's leadership and professional competencies to enable an ownership culture.

### IMPACT Employee Recognition Program

At Kemper, we believe those who make positive impressions for the greater good should be encouraged and recognized. IMPACT, our employee recognition program, honors and rewards employees throughout the organization by allowing employees to give and receive recognition for their contributions to Kemper's success. The recognition celebrates how we "act like an owner" and help Kemper deliver on our commitments, including:

- Providing outstanding customer service to a policyholder
- Identifying and solving problems early to ensure goals are achieved
- Implementing a new way to reduce expenses
- Identifying a new technology that makes a process more efficient
- Using constructive feedback and collaborating with others to find solutions
- Challenging old assumptions based on new market insights
- Using tools already available to create a new advantage for Kemper



#### EMOTIONAL WELL-BEING

Emotional Well-being is awareness of your thoughts, feelings and behaviors. It includes your ability to manage your emotions, stress, anxiety, and depression and enhance resilience.



#### FINANCIAL WELL-BEING

Financial well-being is having a sense of security that comes with managing your money to meet your needs, enjoy your life and feel secure about your financial future.



#### PHYSICAL WELL-BEING

Physical Well-being isn't confined to wellness. It's about making daily choices that allow you to thrive while avoiding diseases and injury.



#### SOCIAL WELL-BEING

Social Well-being is your ability to develop meaningful relationships at home and work. It involves your connection to others who share your value system, traditions and beliefs.

Kemper employees can recognize their peers, managers, direct reports, or anyone across the enterprise who make an IMPACT to the organization.

### Health & Wellness - Employee Benefits

Kemper takes a holistic approach to benefits that goes beyond traditional programs. We consider our employees' overall well-being across a spectrum of four different pillars—Emotional, Financial, Physical and Social—to ensure our employees have the right tools to thrive.

This comprehensive approach to well-being allows us to address the varying, multifaceted and evolving needs of our employees. Additionally, we periodically reassess our employee needs by launching company-wide benefit surveys to gauge trending needs and adjust benefits accordingly.

We are committed to making Kemper a place where people can be their best selves and perform their best work. As a result of employee input, we enhanced the Kemper Employee Assistance and Worklife Program (EAP). The EAP is provided by a third party and offers counseling, legal and financial consultation, work-life assistance, and crisis intervention services to all Kemper employees and their household family members.

Highlights of our benefit plans include:

### **Emotional Well-Being**

Our emotional wellness offerings provide employees with the tools necessary to successfully navigate their lives, making mental health a priority. Benefits include mental health services with access to therapists and psychiatrists in person or virtual. The EAP provides free short-term counseling to those feeling overwhelmed by the demands of balancing work and family stress, emotional, financial, or legal concerns, grief and loss, child or elderly care challenges, substance abuse, or issues with mental health. The EAP is free of charge and strictly confidential.

### **Financial Well-Being**

We offer a comprehensive financial benefits package including health savings accounts, comprehensive benefit plans, flexible spending accounts, employer-paid life insurance, an Employee Stock Purchase Program, and retirement savings accounts with 401(k) matching. To assist employees with their financial needs, Kemper partners with a third party to provide direct access to experts and financial information.

During the COVID-19 pandemic, the personal situations of some employees shifted and, in some cases, they required legal assistance such as estate planning or settling leasing issues. Kemper saw the need and made legal help and support available, giving employees and their family members instant access to qualified counsel to ask questions, gain strategic guidance, and plan next steps in the areas of divorce, wills and estate planning, real estate, lawsuits, and bankruptcy. Going forward, employees can participate in a

voluntary legal plan with access to a nationwide network of attorneys to provide legal assistance for a variety of concerns, without the concern of high hourly costs. Employees can also participate in a number of voluntary supplemental plans such as accident expense, hospital indemnity and critical illness to protect against the unknown.

### **Physical Well-Being**

Kemper provides a variety of medical plan options as well as vision and dental plans. As an added benefit, we offer programs providing unique benefits such as HingeHealth (a therapeutic app offering tools and resources to those with back and joint pain to help decrease pain while increasing mobility) and WondrHealth (a digital behavioral change program that teaches clinically-proven weight loss management skills), and Livongo (a personalized health program to help manage diabetes, pre-diabetes, hypertension and other health goals like managing weight, stress and more).

### **Social Well-Being**

At Kemper, we recognize the importance of social well-being. Ensuring our employees are developing and maintaining a healthy life outside of work provides a workforce that is well-adjusted, engaged and driven to high performance. We offer a variety of benefits through the lens of social well-being, including a generous PTO program to take time off for any reason, flexible work-life arrangements, and assistance with finding child, elder or pet care through our EAP program.

### **Diversity Equity & Inclusion (DEI)**

Creating an environment that is diverse, equitable and inclusive is imperative to the success of our company. Our customer segments comprise a highly diverse and underserved population with specific insurance product needs. Customers often have needs to communicate in other languages and require unique, customized and affordable financial solutions. One criterion in our recruitment strategy is an effort to reflect the diversity of our customer base; as such, many of our employees are bilingual to better serve the Latino/Hispanic community—a key market for our specialty auto business—in their familiar or primary language.

Cultivating a welcoming and inclusive work environment that allows employees to thrive by being their authentic selves is part of our culture. Over the past five years we

## WORKPLACE

Maintain an inclusive **workplace** culture where all colleagues believe they can own their career while contributing to the success of the company.



## WORKFORCE

Our **workforce** reaches its fullest potential by attracting, developing, and retaining diverse talent.



## MARKETPLACE

Our business growth in the **marketplace** is driven by our ability to grow the Kemper brand in diverse communities throughout our footprint.



have completed two acquisitions and added over 4,500 employees, enhancing the diversity of our workforce. This level of growth continues to focus on the ongoing need to foster an inclusive workplace. Our ownership culture integrates well with our focus on creating a sense of belonging and provides our employees the opportunity to reach their full potential while contributing to the success of the company.

In 2019 we created a dedicated role, Head of Culture, Diversity, Equity & Inclusion, with the responsibility of expanding our DE&I program and embedding key principles across our organization. Our DE&I leader meets with senior leadership to provide regular updates on DE&I strategy, initiatives, and progress. To level-set our efforts, we hosted a series of culture chats at all levels across the organization to properly gauge perceptions, reality, and expectations of colleagues regarding our DE&I journey.

Our DE&I program is built on the following foundation:

### 1) Workforce

- a. In 2021, The Kemper Foundation launched the next generation Kemper Scholars Program (see Philanthropy section) that supports Kemper's overarching philanthropic and local market efforts. Kemper, in partnership with the Foundation, is providing over 325 internships to Kemper Scholars from our Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs) partners over the next five years. Increased engagement with HBCUs and HSIs will allow us to provide meaningful early career opportunities for

high potential, diverse college students, who have an interest in business, insurance, and finance careers.

### 2) Marketplace

- a. While we have always celebrated our varied backgrounds at Kemper, in 2021 we implemented a robust internal and external communications strategy to celebrate and increase awareness of our unique cultural and heritage areas among our employees.
- b. Newly designed diversity training was launched to ensure all employees and leaders gain greater awareness of their blind spots and unconscious biases.

### 3) Marketplace

- a. During the pandemic, we provided \$1 million for relief-related programs to those who faced greater exposure to COVID-19 through our partnerships with Feeding America, National Urban League, and UnidosUS.
- b. We are funding DE&I organizations and faculty research at our HBCU and HSI partner schools through our philanthropic partner, The Kemper Foundation.
- c. A new Supplier Portal was launched to improve the diverse vendor identification process and on-boarding experience; this will serve as the precursor for our forthcoming supplier diversity program.

We are proud of the progress we have made to date and look forward to building on our successes. Ultimately, Kemper should be a place where employees feel a sense of belonging and our customers feel heard and understood.



## Kemper Philanthropy

Commitment to supporting philanthropic initiatives, causes and organizations is an integral part of the Kemper culture. We aim to make a meaningful difference in the lives of our customers, employees, and the communities where we live and work.

In 2021, the collective impact of our philanthropic efforts totaled over \$3 million. In collaboration with our philanthropic partner, The Kemper Foundation, we donated nearly \$2 million to local organizations and partner schools through donations, grants, scholarships, and sponsorships. Additionally, our employees made donations and raised funds for their community organizations and devoted their time and talents to volunteering for community service projects and nonprofit organizations.



It's important to support and strengthen our communities because we have both a desire and responsibility to positively impact our society... our collective efforts will go a long way to increase our impact, contribute to the well-being of our society and help to elevate our purpose

-Joseph P. Lacher, President, CEO and Chairman

## Employee Volunteering and Giving

Offering employees the ability to connect with their community elevates their work experience and engagement. Our colleagues make all the difference in helping us strengthen our local communities through the Kemper Cares employee volunteer program. Employees can support not only Kemper-sponsored community service events but also those in which they have a personal interest through their volunteering and personal donation efforts.

Our Kemper Cares Ambassador Program provides opportunities for employees in Kemper locations across the country to lead local community service events, act as a liaison between Kemper and the community, and advocate for local philanthropic efforts.



### Education

We inspire and empower people of all ages to achieve their full potential and help develop the next generation of leaders.



### Health

We accelerate research, address patient and caregiver needs, and advance medical and disease education in partnership with leading organizations.



### Community Development

We support organizations improving access to food and housing and advancing civil rights and advocacy for underserved Americans.

## The Pillars of Kemper Philanthropy

### Education

Our focus is to provide:

- Financially supportive opportunities to the next generation of business leaders
- Programs that endorse the distinct educational, social, and financial benefits of the underserved including bilingualism in Latino/Hispanic families

READ CONMIGO: Kemper endorses the distinct educational, social, and financial benefits of bilingualism in Latino/Hispanic families and aims to empower bilingual teachers and students.

In 2022, The Kemper Foundation launched the Read Conmigo bilingual educator grant program. Spanish-English K-5 public and charter schoolteachers can apply for grants of \$3,000 to be used for classroom supplies and resources, and professional development opportunities.

KEMPER SCHOLARS PROGRAM: Kemper believes in supporting the next generation of leaders by awarding scholarships to diverse students with rising junior or senior status in an academic area related to business, including financial services, actuarial science, and insurance.

We have committed \$4.5 million over the next five years through student scholarships, and financial grants to professors and on-campus DE&I initiatives in support of high-achieving, diverse students at 10 universities, including six Historically Black Colleges and Universities and Hispanic-Serving Institutions. To further student growth and professional experience, Kemper is committed to offering over 325 internships to partner schools over the next five years.

### Health

The health and well-being of our communities is an integral part of our mission. Our key partner organizations include:

The AMERICAN CANCER SOCIETY hopes to someday free the world of cancer through funding and conducting research, sharing expert information, supporting patients, and spreading the word about prevention. Kemper serves as a sponsor for many of their critical fundraising events, provides charitable grants and in-kind contributions, and supports employee giving and volunteering. Kemper employees participate in Making Strides for Breast Cancer walks in key cities across the U.S. and support the Chicago Discovery Ball and Taste of Hope events through key sponsorship.

The AMERICAN HEART ASSOCIATION funds cardiovascular medical research, educates consumers on healthy living, and fosters appropriate cardiac care to reduce disability and deaths caused by cardiovascular disease and stroke. Kemper is committed to supporting many of their endeavors including their annual Heart Campaign, Go Red for Women Movement, and Go Red for STEM event, where Kemper employees volunteer as virtual mentors to young

women of color interested in STEM who attend Chicago public high schools.

JDRF (formerly the Juvenile Diabetes Research Foundation) works tirelessly to find better treatments, preventions and a cure for type 1 diabetes (T1D) and its complications through critical research. Kemper supports their efforts through research funding, advocating for policies that accelerate access to new therapies, and providing a support network for millions of people impacted by T1D. Kemper is also a supporter of T1 Detect, a screening and monitoring education and awareness program for underserved communities.



...This scholarship has made it possible for me to continue with this involvement and has enriched my experiences here at UW. Upon graduation, I aspire to work in insurance law. Your generous scholarship has made my life and prospects of graduating exceptionally better, my dreams a little closer, and my passion to give back to my community even stronger.

-Hanna Bounds, University of Wisconsin Kemper Scholars recipient



**Community Development**

Kemper believes everyone should have access to healthy food and affordable housing and aims to create a world where they are available to those in need. Additionally, we partner with organizations to support and advance civil rights and advocate for underserved Americans who live and work in key markets for Kemper. Key partners include:

FEEDING AMERICA is a nationwide network of over 200 food banks that feed more than 46 million people through food pantries, soup kitchens, shelters and other community-based agencies. In 2021, Kemper supported food drives in key offices and donated \$100,000 to 12 local food banks, providing more than 1.2 million meals to families.

The NATIONAL URBAN LEAGUE is a historic civil rights organization dedicated to economic empowerment,

equality, and social justice in the areas of education, jobs, housing, health and justice. Kemper donations furthered the advancement of equality and economic opportunities for African Americans in local communities by helping elevate standards of living and fight racial injustice.

UNIDOSUS serves the Latino community through research, policy analysis, and state and national advocacy efforts. Our donations supported their efforts to promote the economic, political and social advancement of Latinos.

HABITAT FOR HUMANITY builds strength, stability and self-reliance in partnership with families in need of decent and affordable housing. Habitat homeowners help build their own homes alongside volunteers and pay an affordable mortgage. Kemper’s commitment to improving access to housing included corporate donations and employee team builds for needed homes.





## Governance

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At Kemper, we are committed to earning the trust and confidence of our stakeholders. A key component of that is good corporate governance. We ensure that strong governance, ethics and compliance practices are followed, thereby increasing shareholder value over the long-term.



## Corporate Governance and Oversight

The Kemper Board of Directors is responsible for providing oversight of the strategic and operational direction of the company. To provide a framework for effective governance, our Board has adopted [Corporate Governance Guidelines](#) that outline the operating principles, composition and working processes of our Board and its committees. The Governance Committee periodically reviews our Corporate Governance Guidelines, along with trends and developments in corporate governance, and recommends changes as appropriate. Our Corporate Governance Guidelines and other governance-related documents are available [here](#).

The Board of Directors is currently comprised of 11 directors of whom 10 are deemed independent under NYSE standards. Members of our Board have diverse experience across a broad range of industries and their complementary skills and viewpoints strengthen the Board's oversight of the company on behalf of our shareholders. Our Board member biographies can be found [here](#). The Board has a committee structure to facilitate Board actions required for the operation of a publicly-owned company. The Board has committees for Audit, Governance, Human Resources and Compensation, Investment, and Risk. Charters for each of these committees can be found [here](#).

Members of the Board of Directors are elected on an annual basis and their elections are based on a majority vote

### 10 principles of the Code of Business Conduct and Ethics

- Principle 1:** We avoid conflicts of interest
- Principle 2:** We maintain accurate financial books and records
- Principle 3:** We retain records properly
- Principle 4:** We compete fairly
- Principle 5:** We comply with all laws and regulations
- Principle 6:** We provide a positive work environment
- Principle 7:** We properly use and safeguard company assets
- Principle 8:** We maintain the confidences entrusted to us
- Principle 9:** We want to know when something is wrong
- Principle 10:** We are in this together

The Corporate Responsibility Hotline is available for confidential questions and advice, and for reports of possible violations of our Code of Business Conduct and Ethics. The hotline is operated by an independent third party and is available 24/7/365 online or by phone. The Audit Committee reviews any significant issues arising in connection with the Code of Business Conduct and Ethics.

standard with a plurality carveout in the case of contested elections. All shares of Kemper stock are entitled to one vote.

We believe a diverse Board of Directors brings unique perspectives to our organization, and we are committed to maintaining gender and racial diversity on our Board. The Governance Committee evaluates potential nominees for directors against a list of attributes, as stated in our Corporate Governance Guidelines. Key criteria that the Committee considers are qualities that contribute to the Board's diversity of experience, gender, race, and age such that the Board has a diversity of perspectives as well as a balance of skills and experience. Currently, 37% of our Board is composed of women and professionals of color.

## Ethics and Compliance

It is Kemper's policy to conduct business on an ethical basis in full accordance with the law. Kemper's Essential Standards of Conduct (ESOC) program provides a framework and guidance to employees on our corporate values and how to conduct business in an ethical manner. Kemper conducts annual ESOC training for all employees and tracks assigned and completed courses. Our ESOC program consists of four core components:

- 1. The Code of Business Conduct and Ethics** is approved by our Board of Directors and addresses, among other things, conflicts of interest, business record maintenance and retention, fair competition, legal and regulatory compliance, political activity, employment practices, safeguarding of company assets, and maintenance of trusted confidences.
- 2. The Multimedia Code of Conduct** gives guidance on proper usage of electronic and digital devices, networks and platforms, including information security and safeguarding the confidential information we receive from customers, employees and other stakeholders.

- 3. The Anti-Harassment Policy** sets the tone for a workplace that is free of harassment and is respectful of colleagues, customers, and vendors.
- 4. The Insider Trading Policy** prohibits the buying or selling of Kemper stock, or the stock of companies we do business with, based on material, nonpublic information.

### Anti-Money Laundering Program

Our Kemper Life business offers certain products covered under the Money Laundering Abatement Act, Anti-Terrorist Financing Act, and U.S. Treasury Department regulations to individuals seeking insurance protection for themselves and their families. These products are distributed through captive agents, have modest average face amounts, and the applicable premiums are typically paid monthly. It is the policy of Kemper Life to prohibit and seek to actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Kemper Life has established an Anti-Money Laundering (AML) Program with respect to its covered products.

As part of this program, AML training is conducted regularly, and a process is in place to report suspicious activities.

### Human Rights

Kemper is committed to being a responsible, impactful corporate citizen that respects human rights and the protection of those rights. In addition to local, state, and federal laws and regulations, our operations and activities are guided by the spirit of the [Universal Declaration of Human Rights adopted by the United Nations](#). We emphatically support the elimination of human trafficking, modern slavery, and harmful and exploitative child labor. See our Human Rights Policy [here](#).

### Executive Compensation

Consistent with our “act like an owner” culture, Kemper

officers and directors are subject to significant stock ownership requirements. The Company does not provide tax gross-ups to its executive officers or single-trigger vesting provisions in the event of a change in control. All Kemper executives that participate in the equity compensation program are prohibited from hedging, pledging or otherwise encumbering their Kemper stock. Awards under Kemper’s cash and equity incentive compensation programs are subject to the Company’s clawback policy.



### Responsible Investing

As an insurer, the primary purpose of Kemper’s investment portfolio is to fund future claim payments. As such, we take a risk-adjusted approach to investing to ensure we are compensated for the risks we take. Kemper understands the value and potential impact to investment return of ESG factors, and they are considered when relevant in researching, analyzing, and making investment decisions. Kemper has made nearly \$3 billion dollars in ESG-related investments to enable societal and environmental improvements. Highlights of our policy and investment examples include:

- Limited exposure to coal
- Limited exposure to fossil fuel sector and active pursuit of low to non-carbon opportunities
- U.S. small/medium-sized businesses
- State and local capital improvement projects

- Opportunity zone investing
- Solar equity investing
- COIN (California Organized Investment Network) to invest in areas with social benefits in underserved and rural communities in California



## Data Security and Privacy

We understand the importance of protecting company and consumer data and information, and respecting consumer privacy. Our operations are focused on both current best practices for data security and privacy, as well as emerging thought leadership in these areas.

Key aspects of our data privacy program include the following:

- Information is treated as a company asset and must be consistently protected throughout its lifecycle, from origination through useful life and disposal. Information, both physical and digital, must be protected in a manner commensurate with its sensitivity, value, confidentiality and risk of loss.
- Kemper will not give or sell personal information to nonaffiliated third parties for marketing purposes without permission.
- Kemper maintains safeguards designed to help prevent unauthorized use, access and disclosure of personal

information. For example, we limit access to personal information and require those who have access to use it only for legitimate business purposes.

The core pillars of Kemper's strategy of protection against data security risks include:

- Continuous monitoring of the IT environment using state-of-the-art technology and external services to detect activity that potentially indicates cyber risk.
- Ongoing assessment, ranking and reporting of cyber risk utilizing a variety of generally accepted threat models and corresponding risk mitigation planning and implementation.
- Aligning the information security program with established and emerging best practice standards, such as the NIST Cybersecurity Framework and Zero Trust Architecture and the Secure Controls Framework (SCF), among others.
- Certified to current Payment Card Industry Data Security Standards (PCI-DSS) and holds a PCI-DSS Report of Compliance for 2022 issued by an External PCI-DSS Qualified Security Assessor (QSA) Company
- Conducting third-party vulnerability analysis' including simulated hacker attacks
- External assurance of our IT infrastructure and information security management systems
- Employee training and messaging to reduce the human element that can lead to cybersecurity incidents.

As part of our efforts to protect against cyberattacks, Kemper uses an array of sophisticated measures, policies and procedures designed to enhance security of data systems. These include programs and workstreams focused on network security and access hardening, enhancing security operations and response capabilities, and strengthening privileged access management. Examples of practices we have implemented to detect, respond to, and recover from cyberattacks include:

- Adopted and leveraged an intelligence-led strategy.
- Strengthened infrastructure defenses through augmentation of current capabilities to provide visibility across the network, analysis of network traffic, and ability to hunt for threats to detect the next attack on the environment.
- Deployed endpoint protection software to provide 24/7/365 visibility necessary in potential threat vectors.
- Developed and implemented an Incident Response Plan (IRP) with playbooks including Ransomware Detected,

Phishing Detected, Email Report as Phish or Malware by User, Trusted Domain Information Modified, Domain Policy Changes on Critical Hosts, etc.

- Partnered with security service companies that provide Incident Response Retainer Services to provide rapid response, investigation, forensics and coordination of remediation of a security breach or attack.
- Conducted Tabletop Exercises (TTXs) to simulate a cybersecurity scenario and test IRP and playbooks.
- Partnered with security companies to conduct penetration tests as well as purple team exercises to evaluate continued ability to detect and respond to cybersecurity attacks by sophisticated adversaries.
- Implemented formal vulnerability management program that continuously monitors threat intelligence feeds, security scan results, and other feeds such as vendor and community bulletins and notifications. This program analyzes risk and prioritizes remediation timeframes based on Kemper risk factors.
- Maintain, test and continuously build on a disaster recovery plan.

## Customer Experience

### Transparent Information and Fair Advice for Customers

Kemper has established multiple communication channels for prospects, policyholders and agents during the pre-purchase, purchase, and post-purchase phases to ensure effective and efficient communication. Examples of communication channels include the following:

### Ongoing Review of Claims Handling

Kemper is committed to delivering on the promises of our policies while ensuring our products remain affordable and competitively priced. We maintain robust standards, procedures and audit protocols for claims handling and processing to ensure all eligible claims are paid with efficiency and accuracy. To ensure that we provide best in class service, we routinely assess the root cause of complaints to identify targeted improvements in our customer service processes. Based on these assessments, we modify our processes and implement target trainings to address the root causes. For example, in 2021 we developed processes to enhance check handling by our agents, rolled out training to improve address change requests and implemented training for call center staff to ensure a better understanding of claims processes.

## Kemper.com

### Pre-purchase & Purchase Phase

Our website allows visitors to find an independent agent, start a quote, learn about Kemper’s product lines, and about our company.

### Post-purchase Phase

After purchasing insurance, Kemper Auto, Personal Insurance, and Health policyholders can register for self-service online services to policy documents, make online payments, review billing history, and file claims.

## Customer Support

### Pre-purchase & Purchase Phase

Customers may contact Kemper by calling our customer service or emailing or sending a message through our website’s “Contact Us” page.

### Post-purchase Phase

Customers may use our customer support services to get assistance with paying bills or making changes to their policy, such as beneficiaries.

## In-person services (Kemper Life)

### Pre-purchase & Purchase Phase

As a home service business, our primary communication channel with prospects and customers is our field force.

### Post-purchase Phase

Agents will deliver policies directly to the policyholders in their homes, as well as assisting with additional services and collecting monthly premiums.

## Agent Portal

These are different Kemper agent portals depending on the line of business. Within the online portal, agents can sign up for training sessions and watch pro-recorded presentation videos on our products and systems.

Agents also have access to our Marketing Resource Center for valuable collateral about products to help educate their customers to select the best insurance for their needs.