Climate Change 2015 - Allstate Insurance Company

Module: Introduction

Page: Introduction

CC0.1

Introduction

Please give a general description and introduction to your organization.

The Allstate Corporation is the largest publicly held personal lines insurer in America. Allstate was founded in 1931 and became a publicly traded company in 1993. The Allstate Corporation common stock is listed on the New York Stock Exchange under the trading symbol “ALL.” Common stock is also listed on the Chicago Stock Exchange. Its business is conducted principally through Allstate Insurance Company, Allstate Life Insurance Company and other affiliates (collectively, including The Allstate Corporation, "Allstate"). Allstate is primarily engaged in the personal property and casualty insurance business. It conducts its business primarily in the United States. Allstate is widely known through the "You're In Good Hands With Allstate®" slogan. As of year-end 2014, Allstate had $108.5 billion in total assets. In 2014, Allstate was number 92 on the Fortune 500 list of largest companies in America.

CC0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is

the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year. Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Wed 01 Jan 2014 - Wed 31 Dec 2014

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
United States of America
Canada
United Kingdom
India

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD($)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.

If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

i) The job title of the individual or name of the committee:

The Enterprise Risk & Return Council (“ERRC”) is Allstate’s senior risk management committee. It directs enterprise risk and return management by establishing risk-return targets, determining economic capital levels and directing integrated strategies and actions from an enterprise perspective.

ii) A description of its position in the corporate structure:

The ERRC consists of Allstate's chief executive officer, president, business unit presidents, enterprise and business unit chief risk officers and chief financial officers, general counsel and treasurer. The Council

reports to the Board. The ERRC convenes monthly to discuss key topics, strategies and actions regarding Allstate's significant risks, including those risks affected by climate and other factors. The ERRC focuses on identifying and capturing enterprise portfolio risk/reward opportunities, which may include topics such as climate risk.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Facility managers	Monetary reward	Energy reduction project	Two Allstate Real Estate and Construction employees are tasked with the management of performance goals that are related to reducing Allstate's greenhouse gas emissions from energy use. Goals are figured into the employees' overall performance evaluation that determines career progression and monetary bonuses. The specific performance indicators are: 1) identify and implement cost-neutral (three year time horizon) green initiatives and 2) provide monthly reports that will uncover energy-saving opportunities. These activities help Allstate meet its energy and emissions reduction targets.
Corporate executive team	Monetary reward	Other: Climate Risk Management	Allstate's overall executive compensation program is designed to deliver compensation in accordance with performance and not reward excessive risk-taking. It includes both short-term and long-term incentive components. A significant percentage of executive total direct compensation is "pay at risk" through long-term stock option and equity grant awards linked to actual company performance. This encourages a long-term perspective on risk and return. Monetary incentives for achieving corporate and performance goals include risk and return management of all risks, including those affected by climate.
Corporate executive team	Monetary reward	Emissions reduction project	As a member of the corporate executive team, Allstate's Chief Procurement Officer (CPO) is held accountable for incorporating sustainability initiatives into Allstate's purchasing practices. Accordingly, the CPO has spearheaded a sustainability program within the Sourcing & Procurement Solutions department that will assess the environmental risks and opportunities within Allstate's supply chain and purchasing operations, including the potential to reduce emissions for Allstate's purchasing operations. Monetary incentive compensation for the CPO and program development team is based on the successful implementation of this program within the department.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	United States of America, Canada, United Kingdom, India	1 to 3 years	

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Company Level: Risk identification for internal and external company risks is conducted by chief risk officers, senior leaders and business managers within Allstate to drive strategic business decisions. Allstate identifies and manages enterprise risk under an integrated Enterprise Risk and Return Management (ERRM) framework with risk-return principles, governance, and analytics with an executive management committee structure and Board oversight.

Material risks, including those affected by climate, are regularly identified, measured, managed, monitored and reported to the ERRC and the Risk and Return Committee of the Board of Directors. These risks include catastrophes and severe weather events, auto and property insurance underwriting, business continuity and disaster recovery, and investment concentration. Regulatory changes, customer behavior trends, and Allstate's public reputation are also considered. Weather and natural catastrophe loss volatility and other climate impacts are factored into our ERRC-approved risk limits and growth strategies, which are reviewed with the Board.

To identify business opportunities, Allstate communicates with external business partners and experts, and Allstate analysts observe global environmental and business trends.

Asset Level: Allstate has a dedicated team of employees responsible for monitoring and reporting on Allstate’s insurance exposure to catastrophes, and for following ongoing scientific and hurricane modeling research through regular discussions with premiere catastrophe modelers. Allstate creates and tests disaster recovery plans for systems and infrastructure and business continuity plans for its sites and processes to assure continuity in the event of disruptive events, with specific attention paid to natural disaster forecasts.

Allstate is a national member of the USGBC, and maintains three LEED® Accredited Professionals on staff in order to identify opportunities related to energy and emissions management.

CC2.1c

How do you prioritize the risks and opportunities identified?

Allstate relies on two internal groups, the ERRC and the Sustainability Leadership Committee, to evaluate, prioritize, and enact responses to risks and opportunities related to climate change. Allstate’s risk and opportunity management strategies adapt to changes in business and market environments and seek to optimize returns. Allstate prioritizes climate-change related opportunities by the level of financial feasibility of the opportunity and alignment with our strategic and operating plans and enterprise risk and return principles. Our qualitative risk-return principles define how we operate and guide decision-making around risk and return. These principles state that, first and foremost, our priority is to protect solvency, comply with laws and act with integrity. Building upon this foundation, we strive to build strategic value and

optimize risks and returns.

Allstate's Board of Directors, Risk and Return Committee of the Board and Audit Committee provide risk management oversight by reviewing enterprise principles, guidelines and limits for Allstate's significant risks, and by monitoring strategies and actions management has taken to control these risks. Enterprise financial and stochastic modeling, scenario testing, and management discussion and judgment are used to assess the significance of risks and opportunities, including materiality. We consider a broad range of risk objectives and external constraints, including alignment with our strategies and risk and return principles, limiting risks of financial stress, insolvency, likelihood of capital stress and volatility, maintaining stakeholder value and financial strength ratings and satisfying regulatory and rating agency risk-based capital requirements. Along with others in the insurance industry, we use models developed by third party vendors and our own historic data in assessing our property insurance exposure to catastrophe losses. These models assume various conditions and probability scenarios.

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i. As a property and casualty insurer, we may face significant losses from catastrophes and severe weather events. Climate change, to the extent it produces changes in weather patterns, could affect the frequency or severity of weather events and wildfires, the affordability and availability of homeowners insurance, and the results for our Allstate Protection segment. Along with others in the insurance industry, we use models developed by third party vendors as well as our own historic data to assess our property insurance exposure to catastrophe losses. Based in part on the information provided by these models, we continue to take actions to maintain an appropriate level of exposure to catastrophic events while continuing to meet the needs of our customers. Notably, Allstate continues to restrict new homeowners business in certain geographic areas or cede the wind risk to the wind pools where available. North Light Specialty Insurance Company, our excess and surplus lines carrier, expanded to 9 new states (42 total) in 2014. As of December 31, 2014, Allstate agencies had approximately $1.3 billion of non-proprietary personal insurance premiums under management, primarily related to property business in hurricane exposed areas. Allstate manages its exposure to balance availability and affordability to as many customers as possible, while maintaining an appropriate return. Where an Allstate product is not available, we work to find brokered solutions so that our agencies have a solution to offer to as many of our customers as possible. Tropical cyclone and/or wind/hail deductibles have been implemented for a large portion of coastal insured properties, though contract language varies across states and companies.

Allstate also considers ways to adopt key environmental priorities into all business functions and departments, and develops goals and corresponding Key Performance Indicators (KPIs). As part of developing the company's business strategy, Allstate's Sustainability Leadership Committee, composed of senior staff from across the company, reviews the company's operations and other factors to identify key opportunities related to sustainable business practices, including the effects climate change has on severe weather events. Allstate has established an absolute emissions reduction goal as a result of these considerations. Allstate has determined that the company has the most control to reduce its environmental footprint in two areas: paper consumption and energy usage.

ii. The financial risk associated with climate change has influenced Allstate's business strategy. Allstate manages enterprise risk under an integrated Enterprise Risk and Return Management (ERRM) framework with risk-return principles, governance, modeling, analytics, and transparent management dialogue. This framework provides an enterprise view of risks and opportunities and is used by senior leaders and business managers to drive strategic and business decisions, on both a short-term and long-term basis. These risks include: catastrophes and severe weather events, auto and property insurance underwriting, business continuity and disaster recovery, and investment concentration. Allstate recognizes that these risks are affected by climate. The potential impacts of climate change-related issues such as the need for

adaptation, regulatory changes, customer behavior trends, and reputation have also influenced the company's business strategy.

iii. Allstate's most important short-term initiative is its continued development of the Sustainability Leadership Committee, which aims to integrate sustainability more deeply into the company's culture and operations. Allstate has also followed through on additional short-term initiatives. In 2014 the company renewed its partnership with Ceres, which served to produce and promote Allstate's first climate change statement. Further, Allstate continued its application of an engagement program to heighten employees' understanding of sustainability's value as it relates to operational efficiency, customer satisfaction, community engagement, and our overall reputation. Allstate also considers environmentally friendly investment opportunities with attractive risk/reward trade-offs, and the company's investment portfolio now includes debt investments in renewable energy projects.

iv. We have addressed our risk of hurricane loss by, among other actions, purchasing reinsurance for specific states and on a countrywide basis for our personal lines property insurance in areas most exposed to hurricanes, limiting personal homeowners new business writings in coastal areas in southern and eastern states, implementing tropical cyclone and/or wind/hail deductibles where appropriate, and continuing to restrict new homeowners business in certain geographic areas or cede the wind risk to the wind pools where available. Additionally, Allstate's long term strategy includes seeking to conserve natural energy sources and to limit our greenhouse gas emissions. The climate change-driven aspects of the company's long-term strategy influenced its energy reduction target. The energy target, set in 2010, is to reduce energy use by 20% by 2020 for Allstate-owned facilities. Allstate manages energy costs through centralized procurement of energy supplies, and primarily focuses on saving energy by optimizing heating, air conditioning, computers, lighting, and other essentials for building operations.

v. As stakeholders become increasingly interested in companies' environmental awareness and susceptibility to climate change, Allstate has embraced this opportunity to benefit its reputation and has committed to limit and even reduce its impacts. In 2014, Newsweek magazine named Allstate one of the World's Greenest Companies 2014 (#154), one of many years that Allstate has made a Newsweek Greenest Companies list. Allstate has also reduced resource use in its services; Allstate's paperless billing option, for example, is popular with customers. Allstate feels its sustainability initiatives will continue to strengthen customer loyalty and employee engagement, and potentially increase Allstate's customer base.

vi. In 2014, Allstate's Esurance Ogden Service Center location was put into service under LEED certification. This certification represented significant effort to comply with environmental standards for energy and emissions management and serves as an exemplary standard for other facilities under Allstate's operational footprint. Allstate also continued its investment in its electric vehicle charging stations, expanding its offering to 11 stations across 3 states, allowing direct employee engagement with emissions management. Additionally, Allstate continued its significant investment funding in order to complete a data center efficiency upgrade at its Hudson location, which included the incorporation of energy-saving magnetic bearing chillers within the data center's cooling system.

CC2.2c

Does your company use an internal price of carbon?

No, and we currently don't anticipate doing so in the next 2 years

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Funding research organizations

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

No

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

Yes

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

Ceres has worked with Allstate to convene stakeholder panels to obtain external feedback on Allstate's priority social and environmental sustainability issues through a dialogue on the company's disclosures. Allstate is a participating member company of CERES with the understanding that CERES works directly to produce public resources pertaining to the impacts of climate change, which aligns directly with Allstate's corporate position to address its own impact on climate change and report publicly to CDP. Allstate funded Ceres to assist in producing and promoting Allstate's first climate change statement in 2014.

CC2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Allstate has a dedicated team of members from key functions across the enterprise called the Sustainability Leadership Committee. The team includes representatives from the Law and Regulation and Public Policy teams as well as representatives from a variety of other functions including, but not limited to, the Real Estate & Administration, Supply Chain and Risk Management teams. This team considers company policies and practices and their impact on the environment, reviews the policies and engagement of the trade organizations with which Allstate engages, and takes into consideration issues related to climate change to ensure consistency with the company's overall climate change strategy.

The Vice President of Allstate's Law & Regulation team owns Allstate's advocacy relationship with IBHS, while the Director of Corporate Relations owns the relationship with Ceres and ensures that any feedback or initiatives on which Allstate partners with Ceres are run through the proper review process and receive internal stakeholder feedback and approval.

CC2.4

Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

No opinion

CC2.4a

Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)

No opinion

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1+2	40%	20%	2007	188715	2020	Reduce energy use at owned facilities 20% by 2020. Percentages calculated based on changes in energy consumption (btu) over time. Note, base year emissions have been adjusted to reflect structural changes.

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	57%	100%	Percentages calculated based on changes in energy consumption (btu) over time.

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

i) Explanation of how emissions are/were avoided by the third party;
Allstate has implemented a suite of paperless solutions (eBill, EZPay, ePolicy, eSignature) to deliver greater convenience, cost savings and compelling environmentally-friendly options for Allstate customers. Marketing also ramped up use of E-mail awareness campaigns in lieu of direct mail, which further reduced and/or suppressed paper use. Paperless solutions and electronic messaging help reduces overall paper consumption, thereby avoiding emissions associated with the harvesting of trees, energy consumption in the paper production process, and transportation of paper from manufacturer to consumer.
ii) Estimate of the amount of the emissions that are/were avoided over the time (must include timescale over which emissions are avoided or baseline year);
Allstate sends a significant volume of mail through the U.S. Postal service. In an effort to reduce the volume of paper distributed to customers, Allstate continues to offer the eBill and ePolicy options (electronic version of paper bills and policy documents) and electronic payment options to customers. These programs helped to reduce approximately 22.2 million pieces of paper in 2014 resulting in a greenhouse gas emissions reduction of approximately 277.77 MTCO2e.
iii) Methodology, assumptions, emission factors and GWPs (if figure given in CO2e) used for the estimations;
Emissions reduction calculations are based on research done by the Paper Task Force, a peer-reviewed study of the lifecycle environmental impacts of paper production and disposal. The following emissions factors and conversions were used to conduct the calculation:
* 22.2 million pieces of paper = ~111.11 short tons of paper
*Emissions Factor: 1 short ton of paper = ~2.5 MTCO2e (Source: Documentation for the Paper Calculator Version 3.2 https://s3.amazonaws.com/EPNPaperCalc/documents/Paper_Calculator_Documentation.pdf)
* GWP: CO2: 1, CH4: 21, N20: 310 (Source: IPCC Fourth Assessment Report: Climate Change 2007) (http://c.environmentalpaper.org/home)
iv) Whether considering originating CERs or ERUs within the framework of CDM or JI (UNFCCC);
Allstate is not considering originating CERs or ERUs.

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	1	360.31
Not to be implemented		

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Co
Energy efficiency: Building services	Aside from the criticality of ensuring systems availability in our Data Centers at all times, Allstate understands the significant impact of energy consumption within its data centers, particularly with regard to its cooling systems. In 2014, Allstate invested in a high-	360.31	Scope 2	Voluntary	34164	118800	4-10 years	21-30 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Co
	efficiency chilled water system in its Hudson Data Center Facility in order to reduce energy consumption. Allstate decided to opt for JCI high efficient, magnetic bearing chillers. These magnetic bearing chillers eliminate the friction inherent in normal centrifugal compressors that reduces efficiency, as the frictionless compressor shaft rotates on a levitating magnetic cushion. With a 3.5 year payback, Allstate decided the investment would be fundamental								

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Co
	to high efficiency and carbon reduction efforts for its data center.								

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	We educate employees about the importance of reducing paper use and energy reduction and easy ways to save paper and energy.
Internal incentives/recognition programs	Two Allstate Real Estate and Construction employees are tasked with performance goals that are related to reducing Allstate's greenhouse gas emissions from energy use. Allstate has set a goal to reduce energy use by 20% by 2020 for Allstate-owned facilities (compared with our 2007 baseline).Goals are figured into the employees' overall performance evaluation that determines career progression and monetary bonuses. Additionally, monetary bonuses for the Allstate Corporate Executive team are tied to meeting overall corporate goals. While there are no specific incentives for management of climate change issues, incentive for achieving corporate and performance goals include risk and return management of all risks, including those affected by climate change.

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document
In mainstream financial reports but have not used the CDSB Framework	Underway - previous year attached	11; 293	Allstate-2014-Annual Report.pdf
In voluntary communications	Underway - previous year attached	Report - page 24; PDF page 27	Allstate 10-k.pdf

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Managem metho
Other regulatory drivers	We are subject to extensive regulation and we are involved in various legal and regulatory actions, all of which have an effect on specific aspects of our business. Over time, we have limited our aggregate insurance exposure to catastrophe losses in certain regions of the country that are subject to high levels of natural catastrophes. However, the impact of these actions may be diminished by the growth in insured values, and the effect of	Increased operational cost	Up to 1 year	Direct	Unknown	Unknown	As of December 31, 2014, we have less than a 1% likelihood of exceeding average annual aggregate catastrophe losses by $2 billion, net of reinsurance, from hurricanes and earthquakes, based on modeled assumptions and applications currently available.	Allstate is engaged i an ongoin evaluatior climate change as relates to company' future risk exposure. Allstate monitors a significant enterprise risks, including those rela to climate change, o regular ba using fluic risk identificat processes reflect a continuou shifting external a internal ris environme We also participate the Insura Institute fo Business Home Saf (IBHS), ar organizati that condu objective,

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Managem metho
	state insurance laws and regulations. In addition, in various states we are required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations that provide various types of insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers. Because of our participation in these and other state facilities such as wind pools, we may be exposed to losses that surpass the capitalization of these facilities and to assessments from these facilities.							scientific research t identify ar promote effective actions th strengthe homes, businesse and communit against natural disasters other cau of loss.

CC5.1b

Please describe your inherent risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Manage meth
Tropical cyclones (hurricanes and typhoons)	Climate change, to the extent it produces changes in weather patterns, could affect the frequency or severity of weather events and wildfires, the affordability and availability of homeowners insurance, and the results for our Allstate Protection segment. As a property and casualty insurer, we may face significant losses from catastrophes and severe weather events. There is generally an increase in the frequency and severity of auto and property claims when severe weather conditions occur. We consider the greatest areas of potential	Increased operational cost	Up to 1 year	Direct	Unknown	Unknown	As of December 31, 2014, we have less than a 1% likelihood of exceeding average annual aggregate catastrophe losses by $2 billion, net of reinsurance, from hurricanes and earthquakes, based on modeled assumptions and applications currently available (10k). Our historical catastrophe experience includes losses relating to Hurricane Katrina in 2005 totaling $3.6 billion and Hurricane Andrew in 1992 totaling $2.3 billion. Allstate estimates an annual cost consistent with average total catastrophe losses over the last 10 years, which	Allstate is engaged ongoing evaluatio climate c as it relat the comp future ris exposure Allstate monitors significar enterpris and opportun including related to climate c on a regu basis, us fluid risk identifica processe Allstate u models develope third part vendors a as our ov historic d assessin property insurance exposure catastrop losses. T models a various condition probabilit scenarios have add our risk c hurricane by, amon actions, purchasi reinsurar specific s and on a countryw

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Manage meth
	catastrophe losses due to hurricanes generally to be major metropolitan centers in counties along the eastern and gulf coasts of the United States.						amounted to $2,492 million	basis for personal property insurance areas mo exposed hurricane by implemer tropical c deductibl where appropria have also limited ou aggregat insurance exposure catastrop losses in certain re through c participat various s facilities, as the California Earthqua Authority ("CEA"), provides insurance California earthqua losses, a Florida Hurricane Catastrop Fund, wh provides reimburs to partici insurers f certain qualifying Florida hurricane losses. W work to promote measure

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Manage meth
								prevent a mitigate l and make homes ar communi more res including enactmer stronger building c and effec enforcem those cod Additiona continue seek appropria returns fo risks we

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Mana m
Reputation	Increased scientific research and policy research has in turn increased customer awareness of both climate change issues and the capacity of organizations to mitigate climate change-related risks and impacts. This directly affects the reputation that Allstate maintains with regard to sustainable operations and products. As a	Increased operational cost	Unknown	Direct	Unknown	Unknown	Reputational damage is a significant risk to Allstate. If customers perceive that Allstate is not responding appropriately to climate change risk and lose confidence in Allstate's management approach, demand for Allstate's products and services could decrease. Allstate understands that as a company's reputation	Allsta mana reput risk v multip chann These chann includ meas and r our e use a emiss annua alloca resou Allsta reput mana depar and a ongoi partn with C to pro

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Mana m
	property casualty insurance company, it is essential for Allstate to maintain a solid understanding of climate risks that directly affect both our liability insurance products and our assets. If we do not act in accordance with this understanding, we risk negative exposure towards our customers and a reduced demand for our products. Allstate understands that as a company's reputation decreases, so does corresponding support for the company, including for behaviors with a clear financial impact, such as willingness to buy a policy and communication with other potential customers.						decreases, so does corresponding support for the company, including for behaviors with a clear financial impact, such as willingness to buy a policy and communication with other potential customers. As a result, there could be a negative impact on revenue in the short term and the long term. Allstate also recognizes that a decrease in a company's reputation may also lead to a decrease in valuation of the company's stock.	scien resea clima chang reinfo positi expos our custo More speci 2014 worke CERE conve stake panel obtair exter feedb Allsta priorit and envir susta issue throu dialo the comp disclo

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in other climate-related developments

CC6.1c

Please describe the inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications
Reputation	There is an opportunity for Allstate to build its reputation for its sustainability efforts among consumers, employees, shareholders and other key stakeholders who are increasingly interested in the environment and the impacts of climate change on our company and communities. For example, there is potential to increase employee and agency engagement via Allstate's company-wide commitment to environmentally responsible business practices. Allstate also understands that as a company's reputation increases, so	Increased demand for existing products/services	1 to 3 years	Direct	Likely	Low-medium	By improving Allstate's reputation, thi opportunity could enhance customer and consumer consideration thereby potentially increasing Allstate's customer base For example, our suite of paperless solutions which deliver greater convenience, cost savings, and compelling environmental friendly option for Allstate customers has garnered significant uptake, as enrollments in the ebill program grew by 6.7% from 2013 to 2014. Allstate now suppresses or electronically sends 47% of its bill documents. Allstate estimates savings of $9.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications
	does corresponding support for the company, including for behaviors with a clear financial impact, such as willingness to buy a policy and communication with other potential customers.						million dollars in 2014 due to Paperless and Print Optimization program initiatives, based on previously recorded data

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications

CC6.1d

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

Allstate does not consume large amounts of raw materials, manufacture physical products, or maintain large fleets of vehicles. As such, the company's direct environmental impact is less than many other members of the Fortune 100. Regulation is unlikely to reduce our costs, enable us to provide increased services, or give us a competitive advantage. It is unlikely that regulation will increase demand for our products. In the unlikely situation that our industry is subjected to emissions regulations, Allstate may potentially have an advantage over its competitors, given our already established environmental commitments. However, this will likely not be substantive given the low emissions of our industry and low probability that our industry would be impacted by emissions regulations. While Allstate actively addresses climate related risks and opportunities, we do not see any benefits from this position providing substantive opportunities in the occurrence of regulatory actions. We will continue to monitor developments in these areas and continue to re-assess the potential impacts on Allstate as the components and timeline of likely policy developments become clearer.

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

Substantive opportunities are defined as potentially impacting our bottom line. While Allstate actively addresses climate related risks and opportunities, we do not see any benefits from this position providing substantive opportunities related to changes in physical climate parameters. To the extent that climate change impacts mortality rates and those changes do not match our long-term mortality assumptions in our product pricing, our Allstate Financial segment would be impacted. To the extent that climate change impacts valuation of commercial real estate properties or municipalities we invest in, our Investment results would be impacted. To the extent climate change produces rising temperatures and changes in weather patterns that could impact the frequency or severity of weather events and wildfires, we continue to monitor such potential changes to attempt to make sure they are accurately reflected in the rates we charge for insurance that provides coverage related to extreme weather events and wildfires. However, we do not consider these possibilities to drive any substantial opportunities for Allstate. During the company's assessment of opportunities driven by changes in physical climate parameters, Allstate considered

opportunities related to rising temperatures and changes in weather patterns. The geographic areas considered: United States. How far into the future they have been considered: Next two to three years.

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Mon 01 Jan 2007 - Mon 31 Dec 2007	58691
Scope 2	Mon 01 Jan 2007 - Mon 31 Dec 2007	178015

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
			See attached

Further Information

Attachments

2014EF.xls

Page: CC8. Emissions Data - (1 Jan 2014 - 31 Dec 2014)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

52690

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

117019

CC8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but less than or equal to 10%	Data Gaps Extrapolation	The main source of uncertainty in the development of Allstate's GHG inventory is related to data gaps. Allstate currently does not have access to activity data from all of our leased space and Sterling facilities, but is investigating systems to manage the activity data at North American leased office spaces so that the associated GHG emissions can be calculated directly. Allstate developed extrapolation methodologies based on energy intensities provided by U.S. DOE to estimate emissions where data are unavailable. Allstate believes that these methodologies provide a reliable estimate of the GHG emissions. As Allstate's GHG management program matures, we anticipate requiring base year adjustments when actual data differs from estimated values. In such cases, Allstate will disclose the scope and rationale for any adjustments. The estimated emissions from Allstate's leased space constitute 20% of Allstate's total inventory. If the energy use estimates of the leased portfolio are off by 25%, this results in a variation in the total inventory of 5%.
Scope 2	More than 2% but less than or equal to 5%	Data Gaps Extrapolation	The main source of uncertainty in the development of Allstate's GHG inventory is related to data gaps. Allstate currently does not have access to activity data from leased space, but is investigating systems to manage the activity data at North American leased office spaces so that the associated GHG emissions can be calculated directly. Allstate developed extrapolation methodologies based on energy intensities provided by U.S. DOE to estimate emissions where data are unavailable. Allstate believes that these methodologies provide a reliable estimate of the GHG emissions. As Allstate's GHG management program matures, we anticipate requiring base year adjustments when actual data differs from estimated values. In such cases, Allstate will disclose the scope and rationale for any adjustments. The estimated emissions from Allstate's leased space constitute 36% of Allstate's total inventory. If the energy use estimates of the leased portfolio are off by 25%, this results in a variation in the total inventory of 9%.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Limited assurance	CDP Verification Letter Allstate CY2014 v1 (1).pdf	1-4	ISO14064-3	100

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Limited assurance	CDP Verification Letter Allstate CY2014 v1 (1).pdf	1-4	ISO14064-3	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2014 - 31 Dec 2014)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
United States of America	51590
Canada	663.6
United Kingdom	274.2
India	162.5

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2014 - 31 Dec 2014)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for in CC8.3 (MWh)

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for in CC8.3 (MWh)
United States of America	11364.4	186267	35547
Canada	974.0	6450	
United Kingdom	1218.5	2666	
India	1462.6	1580	

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	152812
Electricity	2665.5
Heat	0
Steam	0
Cooling	0

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	1193
Jet kerosene	10156
Motor gasoline	130790
Natural gas	106973

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Tracking instruments, RECS (USA)	35547	10% of Northbrook Campus

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	.2	Decrease	In 2014 360 tCO2e were reduced by our emissions reduction projects, and our total adjusted S1 and S2 emissions in the previous year was 175,809 tCO2e, therefore we arrived at .2% through (360/ 175809)*100= .2%
Divestment	1.4	Decrease	Last year 2,602 tCO2e were reduced through divestments, and our total unadjusted S1 and S2 emissions in the previous year was 189,051 tCO2e, therefore we arrived at 1.4% through (2,602/189,051)*100= 1.4%
Acquisitions	0	No change	
Mergers	0	No change	
Change in output	0	No change	
Change in methodology	0	No change	
Change in boundary	0	No change	
Change in physical operating conditions	0	No change	
Unidentified	3.3	Decrease	Last year 5,740 tCO2e were reduced through other unidentified drivers, and our total unadjusted S1 and S2 emissions in the previous year was 175,809 tCO2e, therefore we arrived at 3.3% through (2,602/189,051)*100= 1.4%
Other	0	No change	

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.00000473	metric tonnes CO2e	unit total revenue	8.5	Decrease	Increase in revenue, decrease in emissions due to emissions reduction activities and other changes.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
4.12	metric tonnes CO2e	FTE employee	8.85	Decrease	Increase in number of FTE employees, decrease in emissions due to emissions reduction activities and other changes.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
.019	metric tonnes CO2e	square foot	12.8	Decrease	Increase in total area, decrease in emissions due to emissions reduction activities and other changes.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Purchased goods and services	Relevant, calculated	109	Allstate has estimated the emissions from the production of the paper used in b documents. Calculations are based on research done by the Paper Task Force reviewed study of the lifecycle environmental impacts of paper production and *Emissions Factor: 1 short ton of paper = ~2.5 MTCO2e (Source: Documentatio Paper Calculator Version 3.2 https://s3.amazonaws.com/EPNPaperCalc/documents/Paper_Calculator_Docu * GWP: CO2: 1, CH4: 21, N20: 310 (Source: IPCC Fourth Assessment Report: Change 2007) (http://c.environmentalpaper.org/home)

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Capital goods	Relevant, calculated	2104	Cradle-to-gate emissions associated with furniture acquired during the reportin estimated based on dollars spent and on LCA data sourced from Environmenta Declarations published by Steelcase.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	7021	Electricity losses during transmissions and distribution to Allstate facilities have estimated to be 6% based on a loss-rate published by the U.S. Energy Informa Administration. Emissions associated with these losses have been calculated b regional eGRID factors. All GWPs were sourced from the IPCC Second Assess (SAR).

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Upstream transportation and distribution	Relevant, calculated	3.03	Allstate has estimated the emissions associated with the upstream transportati not already included in Purchased Goods and Services. This estimation is base purchase paper transported an average of 229 miles. CO2, CH4, and N2O emi for highway vehicles are from Table 2-15 of the Inventory of U.S. Greenhouse G Emissions and Sinks: 1990–2012. Vehicle-miles and passenger-miles data for vehicles are from Table VM-1 of the Federal Highway Administration Highway S 2012. O2e emissions data for non-highway vehicles are based on Table A-116 Greenhouse Gas Emissions and Sinks: 1990–2012, which are distributed into G and N2O emissions based on fuel/vehicle emission factors. Freight ton-mile da highway vehicles are from Table 1-50 of the Bureau of Transportation Statistics Transportation Statistics for 2012. All GWPs were sourced from the IPCC Seco Assessment Report (SAR). Distance estimates are based on Commodity Flow Department of Transportation et al. 1999, 2004, U.S. Environmental Protection 2006)

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Waste generated in operations	Relevant, calculated	565	Emissions were estimated based on the dollars spent on waste management d previous year using an EIO-LCA model developed by Carnegie Mellon Univers Design Institute. (2014) Economic Input-Output Life Cycle Assessment (EIO-LC (428 sectors) Producer model [Internet], Available from: All GWPs were source IPCC Second Assessment Report (SAR).
Business travel	Relevant, calculated	28461	Reported emissions are the result of air and vehicle travel activities during the year. Emissions associated with air travel have been estimated based on miles 2013 DEFRA Government GHG Conversion Factors for Company Reporting: M Paper for Emission Factors. Emissions associate with vehicle travel have been based on miles driven and emissions factors published in the EPA Final Manda Reporting of Greenhouse Gases Rule Tables C-1 and AA-1. All GWPs were so the IPCC Second Assessment Report (SAR).

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Employee commuting	Relevant, calculated	113	Estimate reflects rout trip commuting for employees out of the Northbrook, IL c Assumptions: “Summary of Travel Trends: 2009 National Household Travel Su transportation, 10% carpool, 85% single occupancy 23.9 mi/gal (mpg) US EPA Gas Emissions from a Typical Passenger Vehicle" Passenger car: 8.8 kg CO2/ CO2/gal). US EPA "Average Carbon Dioxide Emissions Resulting from Gasolin Bus: 0.058 kg C02/passenger-mile: US EPA Emission Factors for Greenhouse Inventories GWPs are from the IPCC Fourth Assessment Report.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Upstream leased assets	Not relevant, explanation provided		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Downstream transportation and distribution	Not relevant, explanation provided		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Processing of sold products	Not relevant, explanation provided		
Use of sold products	Not relevant, explanation provided		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
End of life treatment of sold products	Not relevant, explanation provided		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Downstream leased assets	Not relevant, explanation provided		
Franchises	Not relevant, explanation provided		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology
Investments	Relevant, calculated	145	Allstate held a diverse portfolio of equity investments in 2014. Emissions assoc of these holdings have been estimated based on the holdings' company's scop emissions, which have been reported to the CDP, and have been proportionally Allstate based on its percentage of shares held during the previous year.
Other (upstream)	Not evaluated		
Other (downstream)	Not evaluated		

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	CDP Verification Letter Allstate CY2014 v1 (1).pdf			

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Other: Increase in air travel	28	Increase	

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

i.)

In 2014, Allstate started incorporating sustainability language into our supplier contracts. Allstate is committed to procuring environmentally sustainable products and services whenever possible. As part of Allstate's commitment, Allstate's contracts have incorporated requests that its suppliers use commercially reasonable efforts to: (i) perform its obligations under this Agreement in an environmentally sustainable manner that gives appropriate regard to the protection of the natural environment; (ii) seek to conduct its business in an environmentally sustainable manner and work to regularly improve its business processes to reflect current industry practices and improvements in environmental sustainability; and (iii) provide such information as reasonably requested by Allstate with respect to Supplier's sustainability activities.

In 2014 Allstate also released a supplier sustainability survey to 149 of our key suppliers in order to develop benchmarks for annual measurement of key suppliers' sustainability activity. This engagement covered supplier activities related to energy, GHG emissions, CSR policies, sustainability policies and goals, materiality, paper, and waste.

ii)

Our supplier survey has allowed us to measure the success of key suppliers with regards to their sustainability initiatives, and to gather information on activities that may be shared with other suppliers. Through information from the survey, Allstate has been able to see absolute emissions performance numbers, year to year energy reductions, and suppliers' environmental goals and progress towards meeting these goals. In doing so, we prioritize engagement with suppliers with measurable data that will allow us to benchmark and measure their success

In order to determine supplier involvement in Allstate's sustainability survey, Allstate has implemented a Supplier Management Framework which involves classifying all suppliers into specific segments which drive the required supplier management rigor. Suppliers are classified into 4 segments (1-4 with 1 being the most strategic). The segmentation process involves assessing the business impact and risk associated with each supplier. There are a standard set of questions which are answered and scored to determine the segment for the supplier, and the outcome of the segmentation questionnaire is reviewed and approved by a select group of internal stakeholders. The suppliers chosen for the sustainability survey fall into the top 2 tiers.

Allstate insists that our suppliers adhere to the same strict standards that we set for ourselves, and to do so we build partnerships throughout our supply chain to further Allstate's sustainability priorities. Allstate looks for its suppliers to be in alignment with our commitments to energy and carbon emissions reduction as stated in Allstate's annual Corporate Responsibility Report. Allstate aligns with the UN Global Compact Office's definition of sustainability as the management of environmental, social and economic impacts, and the encouragement of good governance practices, throughout the lifecycles of goods and services. The objective of supply chain sustainability, and thus its measure of success, is to create, protect and grow long-term environmental, social and economic value for all stakeholders involved in bringing products and services to market.

Allstate's Sourcing and Procurement Solutions department also identifies environmentally responsible opportunities with the company's supply chain streams, and encourages business partnerships with suppliers who implement environmental policies of their own. Our procurement representatives purchase recyclable, recycled and refurbished products and materials whenever these products are available,

economical and suitable. For example, we ensure that 93 percent of our paper purchases meet leading certification standards, and we have several programs in place to responsibly dispose of ink cartridges and computers.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
149	39%	

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Other	Allstate's Sourcing & Procurement Solutions team surveys a small percentage of the company's suppliers on their sustainability practices and behaviors. Questions include asking if vendors calculate their GHG inventory, publish a climate change statement and CSR report, and engage in significant energy reduction initiatives. At this time, we do not ask our suppliers for specific emissions data and only use the supplier responses for anecdotal purposes in publications such as Allstate's CSR Report, and to establish baseline measurements to inform Allstate's long-term supplier engagement strategy.

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Craig Keller	Director, Corporate Social Responsibility and Sustainability	Environment/Sustainability manager

Further Information

CDP: [X][-,-][P2]