



WE ARE THE

**GOOD**

HANDS

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**2016/2017  
SUSTAINABILITY REPORT**

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# Messages from Our Leadership



**Tom Wilson, CEO**

Allstaters share a common commitment to helping others. Every day, we're focused on three things:

- + Helping people who are our customers
- + Building a business that provides good returns to shareholders
- + Improving our local communities

These commitments come together in our corporate responsibility efforts.

Allstate is working to create the 22nd century corporation. One that is a Force For Good. Customers, shareholders and employees will be well served. The people, capabilities and resources that are driving this transformation will also be focused on improving the local communities where we work and live. Customers will do business with us because of who we are, not just what we sell.

Allstate's approach to corporate responsibility is innovative, focused and long-term. Following are a few highlights:

- + We have taken innovative approaches to reducing teen driving fatalities and reducing inner-city violence.
- + Over the past decade, our many new approaches to helping victims of domestic violence have been recognized for their meaningful impact.
- + We are partnering with WE to empower youth across America.
- + The 2016 Allstate Giving Campaign raised \$7.1 million from Allstate employees, agency owners and agency staff contributions, up from \$6.48 million the prior year.

Our commitment to be a leading corporate citizen includes Allstate's business practices as well. Our strong focus on a multicultural workplace and supplier network was recognized by Diversity Inc., which named Allstate to its Top 50 Companies for Diversity list. In addition, Allstate was recently recognized by Ethisphere Institute, the global leader in defining

**Honesty, caring  
and integrity: This  
is who we are.**

Integrity

and advancing the standards of ethical business practices. We also continued to lead in the fight against insurance fraud, leveraging our big data capabilities to detect criminal activity and to help avoid passing on these costs to consumers. Finally, we surpassed our long-term goal to reduce energy use in our owned facilities by 20 percent—six years ahead of schedule.

Through our actions we're helping people live a good life—today and for years to come. I hope you will take a closer look at our achievements and ongoing opportunity areas on our new sustainability report website.



Tom Wilson  
Chairman and Chief Executive Officer



Victoria Dinges, SVP

As Allstaters, we are the good hands, and every day, we live into the good hands promise through our caring, compassion and commitment to our customers and society.

We never waver from upholding the highest of ethical standards. For the third year in a row, we've been recognized as one of the "World's Most Ethical Companies" by Ethisphere. We were also named to *Fortune* magazine's 2017 "Change the World" list.

When it comes to being a force for good, we believe that corporations **can** and **should** do more to better society.

We know that, on their own, governments, social service agencies and nonprofits simply do not have all the resources they need to meet the growing needs of our communities. We also know the corporate sector has much to give—in ways far more valuable than financial support. We can lend

our **knowledge** and **experience**—our innovative thinking and leadership—to find solutions to society’s toughest problems.

One of my priorities this past year has been to stay in touch with Allstate’s many stakeholders and seek out different perspectives so we can remain relevant. To that end, we conducted a robust **materiality assessment**. It gave us an opportunity to learn about what’s important to people both within and outside the walls of Allstate.

We learned you’d like to know more about how we:

- + Strengthen local communities in meaningful ways
- + Ensure the protection of our customers’ privacy and personal information
- + Take care of and develop our employees
- + And tackle climate change

Our sustainability council has created a roadmap to guide our journey. It touches every part of the business—including how we:

- + Invest
- + Reduce our carbon footprint and paper use
- + And manage our supply chain

In the report, you’ll see the personal side of our commitment through inspiring stories of Allstaters doing good. You’ll discover the many ways our employees give back and learn about Allstate’s agency force and the role it plays in the health of communities across America.

We’re helping our next generation of leaders—our youth—build skills like persistence and confidence to improve their likelihood of success in life. We’re also tackling domestic violence and helping more survivors break free and stay free from abuse through economic empowerment.

# Values

We never compromise our values.

The “Good Hands” is not just a slogan for us. It’s who we are—it drives our purpose as a company and as individuals. We protect people from life’s uncertainties and prepare them for the future so they can realize their hopes and dreams. Whether the action is great or small, we’re passionate about making the world a better and more humane place.



Victoria Dinges  
Senior Vice President, Corporate Responsibility



# COMPANY

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We promised to keep people in good hands over 85 years ago. We do the right thing, put people like you ahead of policies and defy expectations to prove we're a different kind of company.

# Governance

We bring out the good by cultivating exceptional corporate governance through our long-standing commitment to exemplary integrity and transparency.

## Corporate Governance Structure

Board composition, effectiveness diversity, and accountability remain top priorities for Allstate. Allstate's three cornerstones of corporate governance—dialogue, transparency and responsiveness—drive Allstate's success and inform the actions of our board of directors, who are ultimately responsible for Allstate's activities both in the near- and long-term. This report is a manifestation of these values.

### Board Composition

Our board selects nominees based on their diverse skills and experiences and believes each director should be well-versed in certain core competencies including strategic oversight, stockholder advocacy, corporate governance and leadership. This diversity of experience and expertise facilitates robust and thoughtful decision-making on Allstate's board. The board screens all potential candidates for conflicts of interest, and all directors are independent, except the CEO. The board believes that a mix of long- and short-tenured directors ensures an appropriate balance of views and insights and allows the board as a whole to benefit from the historical and institutional knowledge that longer-tenured directors possess and the fresh perspectives contributed by newer directors. At year-end 2016, Allstate's board comprised 11 members, 6 of whom joined the board in the past five years. [Click here](#) to see our current board of directors.

### Relevant GRI indicators:

G4-34

G4-36

G4-38

G4-39

See <https://allstatesustainability.com/> for details.

Thomas J. Wilson serves as both the company's board chair and CEO. Mr. Wilson has served as chair of Allstate since May 2008, and as CEO since January 2007. Judith A. Sprieser has served as our independent lead director since 2015. Among many responsibilities, the independent lead director serves as liaison between the chair and the independent directors, chairs executive sessions of the independent directors, shapes agendas and information provided to the board and presides at all board meetings at which the chair is not present. See page 21 of Allstate's [2017 Proxy Statement](#) for a complete list of the lead director's duties.

### Board Effectiveness

The primary role and responsibility of the board is to oversee the affairs of the company for the benefit of the stockholders. As the highest authority within the company, the board is responsible for selecting executive leadership who manage and operate Allstate effectively and responsibly. The board provides counsel and direction to executive leadership and monitors their performance. The board's responsibilities include, but are not limited to, oversight of the company's strategy, business performance, compensation programs and shareholder advocacy. The board also regularly reviews the company's significant risk exposures and how those exposures are managed. The board houses five sub-committees: audit, compensation and succession, nominating and governance, risk and return, and executive. For a more detailed description of the duties and responsibilities of each individual committee, please see pages 28–29 of Allstate's [2017 Proxy Statement](#).

### Diversity

The board believes that directors should act on behalf of all stockholders, should not represent the interests of particular constituents and should reflect a diversity of background, expertise and perspective arising from gender, age, experience, ethnicity, skill sets and viewpoints. As of year-end 2016, Allstate had five directors who brought gender or ethnic diversity to the board.

### Accountability

With input from the lead director, the nominating and governance committee annually reviews, and recommends for approval by the board, the criteria and processes to be used to evaluate the performance of the board as a whole, and each committee. The contributions and performance of each individual director are evaluated annually by the lead director, the chair and the chair of the nominating and governance committee. We utilize an ongoing board and committee self-evaluation process, including at the end of each regularly scheduled in-person meeting. Please see page 18 of the [2017 Proxy Statement](#) for more information.

### Executive Compensation

Executive compensation programs are designed with assistance from an independent consultant to be aligned with our strategy, key performance metrics and total shareholder returns. The executive compensation programs deliver pay in accordance with corporate, business unit and individual performance. A large percentage of total target compensation is at risk through long-term equity awards and annual cash incentive awards.



These awards are linked to performance measures that correlate with long-term stockholder value creation. These programs have been consistently receiving high stockholder support, as reflected by the stockholder advisory vote with 95 percent support for each of the last three years.

### Shareholder Engagement

Allstate has a proactive practice of discussing corporate governance issues with significant stockholders throughout the year. Such discussions are held before the annual meeting, during stockholder voting and after the annual meeting and include our lead director, chair of nominating and governance committee, chair of the board and other committee chairs or directors as necessary. Each board committee reviews relevant feedback and determines if additional discussion or actions are necessary by the respective committee or full board. During 2016, Allstate reached out to stockholders representing approximately 40 percent of outstanding shares.

### Succession Planning

In 2016, Allstate expanded our management succession planning discussions to four times a year. The processes are designed to ensure sufficient in-house talent is available for all senior management positions by incorporating individual reviews, scenario planning, specific development plans and one-on-one meetings with more than 20 senior leaders and board members.

### Long-Term Strategy

Since the pace of economic change continues to accelerate, a diligent board must simultaneously focus on current performance and long-term strategy. As part of strategic planning, the board reviews Allstate's

relative competitive positioning and alternatives to maximize profitable growth. In 2016, the board focused on overseeing management's operating performance, execution of the customer segmented go-to-market strategy and investment activities. The board also spent considerable time discussing the strategic options for taking advantage of a changing personal transportation system, and a new entity, Arity LLC, was launched to fully leverage and expand automotive telematics offerings. The board also approved the acquisition of SquareTrade, a protection plan provider for mobile devices, laptops, tablets and other consumer electronics and appliances from malfunctions, accidental damage and life's frequent mishaps.

For more information on Allstate's corporate governance, visit our [Investor Relations](#) site.

## Governance of Sustainability

Our commitment to transparency gives Allstate the opportunity to demonstrate our governance and management of the topics our internal and external stakeholders deem most material. [Click here](#) to learn more about our 2015 sustainability materiality assessment. Because of the assessment, Allstate is focused on four topics significant to both Allstate and our stakeholders—[Community, Workforce & Diversity](#) (Human Capital), [Risk & Climate](#) and [Privacy & Information Security](#). In response, our report now focuses on these four topics with detailed information designed to answer the questions of all interested stakeholder groups.

While the board of directors is responsible for the oversight of the overall performance of Allstate, the following three bodies of leadership directly guide Allstate's corporate responsibility and sustainability efforts:

- + **Our CEO and Select Executive Leaders.** These individuals provide counsel, strategic oversight and direction to the groups below.
- + **The Corporate Responsibility and Sustainability Team.** Residing in Allstate's Corporate Relations department, the corporate responsibility and sustainability team—in partnership with The Allstate Foundation and corporate citizenship team—manages sustainability, environmental reporting, strategic philanthropy, corporate sponsorships and grants, employee engagement and company-wide volunteer service. They regularly report to our senior executives regarding sustainability trends and initiatives. In addition, the corporate responsibility and sustainability team briefs the board of directors on the status of Allstate's corporate responsibility efforts.
- + **The Allstate Sustainability Council.** Many topics that fall under corporate responsibility do not fall solely within the domain of the corporate responsibility and sustainability team. To this end, Allstate has maintained a sustainability council since 2007. Our corporate responsibility officer and other senior leaders meet up to three times a year to perform a comprehensive review of our corporate responsibility performance. This includes developing strategies for creating greater

impact and identifying risks and opportunities related to environmental topics, such as climate change. The council, which meets quarterly, represents each of the following departments within Allstate:

- Allstate Brand Operations
- Accounting Services
- Administration and Real Estate
- Agency Operations
- Allstate Technology and Strategic Ventures
- Claims
- Corporate Relations
- Enterprise Risk and Return Management
- Human Resources
- Investments
- Marketing
- Product
- Sourcing and Procurement

This cross-functional council reviews opportunities regarding operational efficiency, climate change and enterprise sustainability initiatives. Allstate's senior vice president of corporate responsibility leads the council and updates senior executives annually on its activity.

# Ethics & Integrity

Integrity is central to our business. We believe doing what’s best for our customers begins and ends with operating with the highest ethical standards. We are proud of our reputation, which we have built on the sturdy foundation of our values: integrity, honesty, caring, inclusive diversity, accountability and superior performance.

Conducting business with integrity doesn’t just attract new customers and benefit our bottom line—it engages our workforce. Allstate’s environment of trust is one of the nine most significant drivers of engagement, retention and satisfaction, according to the survey. We received an 89 percent favorable score (considered “exceptional” performance) on our 2016 VOICE survey for our environment of trust, as measured by employees’ experience with their immediate manager.

## Definition

Maintaining governance practices that prevent unethical behavior, including anti-competitive behaviors, anticorruption and compliance with regulatory and voluntary codes.

# Trust

“We received an 89 percent favorable score (considered “exceptional” performance) on our 2016 VOICE survey for our environment of trust, as measured by employees’ experience with their immediate manager.”

VOICE survey results:  
“Senior Leadership in my business area promotes an environment of trust”



VOICE survey results:  
“My immediate manager actively creates an environment of trust”



## Relevant GRI indicators:

- G4-56
- G4-57
- G4-58
- G4-DMA

See <https://allstatesustainability.com/> for details.

## Highlight Story



Allstate's family of companies follows one universal code of ethics.

"We're all sitting in different chairs today. Every chair looks different, but the frame, the support system, those are all the same, just like the foundation of ethics and integrity. And that's a really great environment to work in."

—Jennifer, an Allstate employee

### Global Code of Business Conduct

One Code, One Family. That's the idea behind the Global Code of Business Conduct, a new roadmap for acting ethically when confronted with any number of situations at any of the Allstate family of companies. The Global Code of Business Conduct was launched to employees in May 2017.

Allstate's family of companies follows one universal global code of ethics. The roots of this global code span far beyond what's written on paper. For example, Allstate employee Candace finds meaning working for an ethical company, knowing everything she does honors her Lithuanian and Mexican immigrant grandparents. Similarly, when asked why integrity matters,

Allstate employee Anjum thinks back to her mother's career as a teacher. "She would never bring home any supplies or anything, even if it was a pencil or eraser. These little things you see in your parents and elders as you grow up is what you adopt." At Allstate, we believe ethics and integrity is about the little things you do every day like being accountable, accurate, honest and inclusive. Allstate employee Jennifer shares, "We're all sitting in different chairs today. Every chair looks different, but the frame, the support system, those are all the same, just like the foundation of ethics and integrity. And that's a really great environment to work in."

## Global Code of Business Conduct

Allstate's [Global Code of Business Conduct](#) (formerly the Code of Ethics), published in both English and French, outlines the values that are core to who we are and what we do. Our values define our culture and our beliefs, and set forth expectations for how we conduct our work. In addition to our Global Code of Business Conduct, we have policies for:

- + Anticorruption / bribery
- + Antitrust / competition
- + Confidential information
- + Conflicts of interest
- + Data privacy laws and regulations relevant to employee, customer, or consumer data
- + Diversity / discrimination / equal employment opportunity
- + Fair dealing (fair business practices)
- + Fair employment
- + Financial integrity and fraud
- + Gifts and entertainment
- + Information technology security
- + Insider trading
- + Intellectual property
- + Misconduct investigations
- + Money laundering
- + Non-retaliation
- + Political contributions, activities and lobbying
- + Procurement integrity / dealing with suppliers / supply chain oversight
- + Protecting company assets
- + Records management and retention
- + Social media
- + Workplace harassment
- + Workplace health and safety

## Governance

Allstate has a robust governance structure for ethics and compliance.

In 2016, we had approximately 400 Allstaters across the enterprise focusing on ethics and compliance initiatives.

Of these, our chief ethics and compliance officer is the most senior individual overseeing our ethics and compliance program. In this role, our CECO is responsible for the company's code of conduct ethics and compliance budgeting; hiring of related positions; and, to a lesser extent, procurement practices. The CECO meets with the board of directors twice per year and reports on the company's performance and initiatives.

We also have a cross-functional Internal Controls committee that includes managers and executives. The committee convenes quarterly to discuss a wide variety of management topics related to ethics and compliance, including performance, education, risk and culture.

## Ethics and Compliance Risk Assessment

Annually, we conduct a highly collaborative risk assessment to assess risks related to:

- + Anticorruption / bribery
- + Antitrust / competition
- + Conflicts of interest
- + Data privacy laws and regulations relevant to employee, customer, or consumer data
- + Financial integrity and fraud
- + Gifts and entertainment
- + Information technology security
- + Insider trading
- + Money laundering
- + Political contributions, activities and lobbying
- + Procurement integrity / dealing with suppliers / supply chain oversight

## Training and Communication

### Board of Directors:

Allstate's culture of integrity begins with our most senior leaders. Our board of directors receives specialized ethics and decision-making education.

In addition, we provide them with training on topics such as insider trading, cybersecurity, conflicts of interest and regulatory developments.

### Employees:

We distribute our Global Code of Business Conduct to all of our employees with accompanying training. We conduct ethics and compliance training as



# 100%

In 2016, 100 percent of our employees had completed ethics and compliance training—a condition of employment at Allstate—on our Global Code of Business Conduct.

a standard part of the onboarding process and on an annual basis, and we monitor its effectiveness through a variety of internal measures.

In addition to Global Code of Business Conduct training, select employees undergo risk-specific training that addresses topics such as anticorruption, conflicts of interest, data privacy, equal opportunity, insider trading,

procurement, social media, workplace harassment and money laundering as appropriate for their roles.

### Managers:

All managers undergo targeted training with respect to their individual responsibilities for compliance and ethics. We focus our manager training on creating an environment where employees feel comfortable speaking up when they observe unethical behavior, handling reports and preventing retaliation. To measure the impact of our training, we:

- + Document manager feedback
- + Track misconduct
- + Record the frequency with which the Global Code of Business Conduct is downloaded
- + Conduct an annual employee survey to measure Allstate's culture of ethics

Our ethics culture survey is one of the primary drivers of feedback within our ethics and compliance initiatives. The CECO presents results to each senior leader in face-to-face meetings. At these meetings, we identify areas of strength and of opportunity, and many of our business areas develop their own customized solutions to address them.

### Suppliers:

All suppliers doing business with Allstate must adhere to our Supplier Code of Conduct, which outlines our expectations for human rights, environmental stewardship, diversity and inclusion, child labor and more. We comply with the United Kingdom's Modern Slavery Act 2015 and post our Slavery and Human Trafficking Statement on the Allstate Northern Ireland and Allstate



Allstate's rally cry to be a force for good is central to the way employees view their work and their roles in the community.

external websites. We execute background checks on all of our largest suppliers, and on any supplier handling Allstate data.

## Recognition

Allstate was named as a 2015, 2016 and 2017 World's Most Ethical Company<sup>®</sup> by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices. The "World's Most Ethical Companies" designation recognizes those organizations that significantly influence the way business is conducted by fostering a culture of ethics and transparency at every level of the company. To qualify, companies are scored in five categories: ethics and compliance, corporate citizenship and responsibility, a culture of ethics, governance and leadership, and innovation and reputation.

Allstate also received the Best Compliance and Ethics Program (large cap) Corporate Governance award from *Corporate Secretary* in 2016.

This award looks at coordination of governance, compliance, ethics and risk management process across the entire corporation. Judges consider the level of understanding and integration of good governance principles across all disciplines. *Corporate Secretary* found Allstate's compliance and ethics program is built to influence all levels of the company and maintain a continuous dialogue about what it means to have an ethical culture.

## Reporting Concerns

We encourage our employees to report any activity they observe or experience that causes concern. Should an employee decide to report a concern, they can contact their manager, another manager, or a Human Resources representative. Additionally, they can utilize our companywide reporting process, available 24/7, via phone or web. Employees can choose to remain anonymous where the law permits. In 2016, approximately 48 percent of our employees who filed reports chose to do so anonymously.

The Allstate Speak Up Process is designed to allow employees and non-employees to report any violations of laws, rules or regulations, as well as violations of our Global Code of Business Conduct or company policies.

Employees may report any illegal, unethical conduct or regulatory compliance concerns by:

- + **Contacting their manager, another manager, or a Human Resources representative**
- + **Calling the Allstate i-Report Line: 1-800-706-9855, which is a 24/7 toll-free number**
- + **Utilizing the Allstate i-Report website:**  
[www.allstatei-report.alertline.com](http://www.allstatei-report.alertline.com)

Allstate investigates all reports to determine whether the allegation is substantiated or unsubstantiated. If necessary, Human Resources and local leadership will determine action or discipline. Allstate will not discuss case specifics / disciplinary actions with anyone other than the disciplined employee. A Human Resources representative will follow up with the reporter to confirm that the case has been investigated, handled and closed.

We track employee-submitted reports in our case management system. The system records and logs reports and related investigations regardless of how the report was originally made. Allstate policy and the Global Code of Business Conduct prohibit any form of retaliation for reporting a workplace or ethical concern.



# Public Policy

Allstate is actively involved in public policy advocacy at the state and federal levels.

## Corporate Involvement in Public Policy

Extensive state-based regulation of insurance, the importance of a fair court system to our customers, and the priority we place on personal safety and property protection combine to compel Allstate to seek to shape sound public policy. By participating in the development of good public policy and offering ideas and resources in this arena, we help our customers protect themselves from life's uncertainties and prepare for the future.

## Board Oversight and Contribution Governance

Allstate maintains a rigorous oversight process for its advocacy efforts. In addition to complying with public disclosure laws at the state and national levels, we maintain internal guidelines and procedures that govern our public advocacy and political activities. Proposals are developed by subject matter experts and personnel within the Government and Industry Relations group for contributions to candidates as well as public policy involvement. With regard to corporate contributions to candidates, our general counsel and the senior vice president for Government and Industry Relations determine the candidates and committees to which our support is offered. **These contributions are subject to further oversight by the company's board of directors.**

Subject matter experts and government relations professionals in the company are responsible for working with organizations and associations that the company supports. Proposals related to the company's involvement in public policy and candidate contributions are reviewed by the Senior Leadership team, and reports

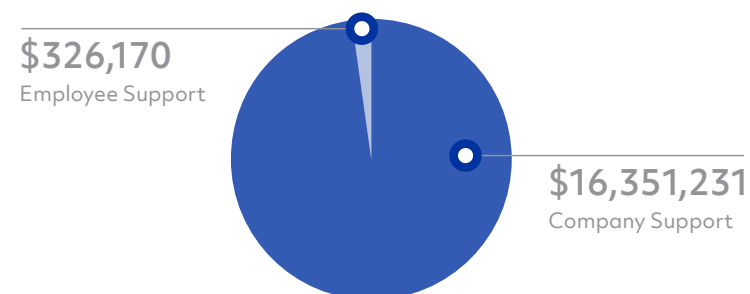
### Relevant GRI indicators:

G4-DMA

G4-SO6

See <https://allstatesustainability.com/> for details.

### 2016 Environmental-Social Investments



are presented to the board annually. In addition to the company's internal guidelines and procedures governing public advocacy and political activities, direct corporate political contributions are made as permitted under federal, state and local laws to help elect candidates whose views and positions will improve the insurance marketplace for the corporation, the insurance industry and the insurance consumer.

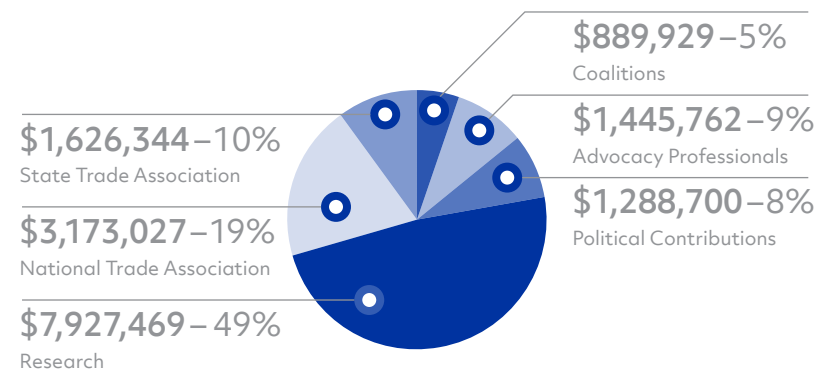
Allstate's use of corporate resources in the public policy arena is consistent with the company's strategic vision of reinventing protection and retirement for the consumer and is not based upon the personal views of any individual member of management or the board of directors. The specific deployment of corporate resources is presented formally to the board each year and is always guided by the principle of what is best for the interests of our shareholders, employees, agencies and customers.

## Overview of Expenditures

Allstate supports candidates for public office, research associations, coalitions, industry trade associations, nonprofit organizations, advocacy professionals and other groups to advance key priorities such as ensuring a healthy regulatory system, promoting fiscal responsibility, fostering market innovation, and promoting safety and security (such as teen safe driving and natural catastrophe management). We may not agree with every position taken by a specific organization, candidate or committee.

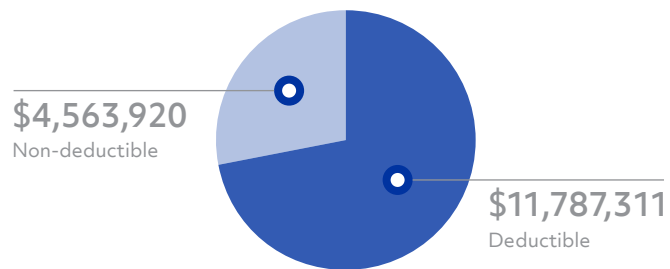
In 2016, the company's efforts in this arena utilized approximately \$16 million in corporate funds, which represents .04 percent of revenues. In addition, for the same period, the employee-funded political action committees contributed approximately \$326,170 to a wide variety of political organizations and candidates.

### 2016 Overview of Expenditures



As part of our public policy efforts, the company supports various organizations, including those that may engage in lobbying activities, and contributes to candidates and political committees. Our resources are allocated among the following categories: research, coalitions, national trade associations, state trade associations, advocacy professionals and corporate political contributions. This report describes each of the categories and the amount we spend in each category. We devote approximately 50 percent of these corporate resources toward research. Approximately 72 percent of the total company support was directed to tax deductible, non-lobbying endeavors.

### 2016 Deductible Expenses and Non-deductible Lobbying Expenses / Political Contributions



## Organizations and Initiatives We Support

### Research:

Allstate supports research groups and other organizations that provide information that is used to shape public policy debate and inform consumers and businesses about key issues affecting insurance consumers. Our support is largely focused on improving safety on roads and in homes and combatting insurance fraud. In 2016, Allstate provided approximately \$7.9 million to research organizations such as the National Insurance Crime Bureau and the Insurance Institute for Highway Safety (see the list of major organizations that Allstate supported in 2016 within this report). The Insurance Institute for Business and Home Safety envisions a world where the durability of homes and commercial buildings is a core societal value—greatly reducing human financial losses, as well as community disruptions, that result from natural and man-made disasters.

### Coalitions:

Allstate partners with advocacy organizations and other coalitions throughout the country to promote various public policy positions. In 2016, Allstate provided about \$890,000 to coalitions, with \$193,000 (22 percent) attributed to lobbying efforts.

Throughout our history, we have also endeavored to make roads safer. We were pioneers in the advocacy of mandatory seat belts and airbags in cars. Today, many of our employees and agencies devote significant time every day to promoting safer driving and working with community groups, parents, teen drivers, schools and national organizations. Allstate provides significant human and financial resources to organizations that save lives, prevent injuries and reduce losses caused by crashes on the nation's highways. For example, Allstate supports the Advocates for Highway and Auto Safety, a champion in the effort to save the lives of drivers and passengers.

### National and State Trade Associations:

Allstate contributes to groups that advocate meaningful change for insurance consumers, nationally and in individual states. In 2016, Allstate provided almost \$3.2 million to national trade associations, with approximately \$1.3 million (40 percent) attributed to lobbying efforts and just under an additional \$1.7 million to state trade associations, with approximately \$340,000 (21 percent) attributed to lobbying efforts.

We are also working on building a better insurance regulatory system. The insurance industry currently operates under a different set of regulations in each of the 50 states and the District of Columbia. At the same time, the Federal Insurance Office and other federal agencies are becoming more actively involved in insurance regulatory matters. This patchwork system

makes it difficult and expensive to develop innovative products for customers and for Allstate exclusive agencies to operate as efficiently as possible. We believe it is imperative to modernize and improve the regulatory system for insurance companies and consumers. The company therefore supports organizations working for reforms that will help ensure a healthy regulatory system with more uniformity and consistency.

Allstate also supports reforms to our civil justice system to keep pace with changes in technology and address lawsuit abuse. This advocacy includes changes for dealing with electronic document discovery, third party-financed litigation and state-specific challenges. In addition, Allstate advocates for sound theories of civil recovery and supports a fair court system.

#### Advocacy Professionals:

Allstate engages advocacy professionals to help promote public policy positions that affect our stakeholders and our ability to efficiently and effectively operate and compete in the marketplace. Allstate's government relations team works with these advocacy professionals, along with the trade associations and other organizations described above, to help ensure that policymakers understand the company's position on legislative and regulatory matters. Those matters cover a wide range of issues, including personal safety and security, property protection, civil justice reform, fraud prevention and regulatory modernization.

#### The major organizations that Allstate supported in 2016 include:

##### + Advocates for Highway and Auto Safety

Advocates for safe driving initiatives, including a commonsense approach to graduated driver licensing and ways to reduce distracted driving to protect those most important to us—our children.

##### + America's Health Insurance Plans

Advocates for public policies that expand access to affordable health care coverage to all Americans through a competitive marketplace that fosters choice, quality and innovation.

##### + American Council of Life Insurers

Represents more than 300 legal reserve life insurance and fraternal benefit society member companies operating in the U.S.

##### + Association of National Advertisers

Provides leadership that advances marketing excellence and shapes the future of the industry.

##### + CERES

Advocates for sustainability leadership. Works towards accelerating and expanding the adoption of sustainable business practices and solutions to build a healthy global economy.

##### + Certified Automotive Parts Association

Improves the marketplace for consumers through certification and advocacy of quality replacement auto parts.

##### + Coalition Against Insurance Fraud

An alliance speaking for consumers, insurance companies, government agencies and others that provides information, research, data, services and insight.

##### + Financial Services Roundtable

Protects and promotes economic vitality and the integrity of its members and the U.S. financial system.

**+ Florida Chamber of Commerce**

Encourages a business-friendly climate that allows job creators to do what they do best—create private-sector jobs and contribute to Florida's economy.

**+ Insurance Information Institute**

Improves public understanding of insurance—what it does and how it works. Recognized by media, governments, regulatory organizations, universities and the public as a primary source of information and analysis concerning insurance.

**+ Insurance Institute for Business & Home Safety**

Strives to reduce the social and economic effects of natural disasters, with a unique, state-of-the-art, multi-risk applied research and training facility.

**+ Insurance Institute for Highway Safety**

Aims to improve motor vehicle safety through its premier research facility.

**+ Insurance Research Council**

An independent, nonprofit research organization that examines important public policy matters that affect insurers, customers and the general public.

**+ National Insurance Crime Bureau**

Leads a united effort by insurers, law enforcement agencies and representatives of the public to prevent and combat insurance fraud and crime through data analytics, investigations, training, legislative advocacy and public awareness.

**+ New York Insurance Association**

Promotes an insurance market that is viable and strong in order to better serve the insuring public. Serves as a resource for the property and casualty insurance industry, public policy makers, the media and the public.

**+ Personal Insurance Federation of California**

Keeps personal insurance affordable and available for California consumers through state government advocacy and political action.

**+ Quality Parts Coalition**

Develops and promotes legislative changes to U.S. design patent law to preserve competition and to ensure the availability of quality, lower-cost alternative collision repair parts for consumers.

**+ Texas Coalition for Affordable Insurance Solutions**

Works towards a stable and competitive insurance marketplace to best serve the industry and the consumer.

**+ The Rand Corporation**

Conducts nonpartisan research dedicated to improving policy decision-making.

**+ U.S. Chamber of Commerce**

Represents the interests of more than 3 million businesses of all sizes, sectors and regions, and advocates for pro-business policies that create jobs and grow our economy.

## Contributions to Candidates and Committees

### Corporate Contributions:

Allstate contributed approximately \$1.3 million, representing 8 percent of its total public policy expenditures of approximately \$16 million dollars to state candidates for public office, political parties, political committees and other entities organized and operating under 26 U.S.C. Section 527.

In 2016, ALLPAC had 426 members, contributing a total of \$320,945, with an average contribution of approximately \$753 per participant.

### ALLPAC and MIALLPAC Contributions:

The Allstate Insurance Company Political Action Committee (ALLPAC) is a voluntary, nonpartisan political action committee (PAC) comprising eligible individual employees. Its personal contributions support candidates for

federal and state office who support the competitive marketplace and understand and bring attention to the issues of importance to our industry generally and the Allstate group of companies specifically.

ALLPAC contributions to candidates are governed by a board of directors composed of company employees. Candidates receiving PAC contributions must demonstrate one or all of the following: a commitment to free enterprise and a competitive marketplace, sound judgment on issues of concern to our industry, a supportive voting record, and viability as a candidate. During 2016, ALLPAC contributed a total of \$311,670 to state and federal candidates for public office as well as political committees.

The Michigan Allstate Insurance Company Political Action Committee (MIALLPAC) is a Michigan-only PAC funded by eligible Allstate employees, and abides by the same practices and procedures as ALLPAC. During 2016, MIALLPAC had 23 members who contributed a total of \$12,471, with an average contribution of \$542 per participant. MIALLPAC contributed a total of \$14,500 to state candidates and political committees in 2016.

### Grassroots Lobbying:

Allstate leverages an intranet-based system, called Advocate for Good, as a means to engage interested agency owners and employees through grassroots activism on important public policy initiatives. Through the company's grassroots platform, Allstate agency owners and employees can communicate directly with elected federal and state officials on public policy matters that are important to Allstate and our customers. Participation in Advocate for Good activism and relationship identification is completely voluntary.

# Privacy & Information Security

Allstate's promise to help customers live a good life includes our commitment to protect their personal information.

In today's world of hyper-connectivity and big data, customer privacy and data security has been thrust into the collective conscience. We recognize how the quality of Allstate's security program impacts our company's reputation and our customers' trust in us.

We sell a promise to help our customers live a good life even in times of uncertainty. Customers experience the integrity and value of this promise, in part, through our ability to protect their information. By carefully and responsibly handling their information, we can advance our reputation among consumers, driving strong business relationships and creating shared value.

## Definition

Ensuring customer privacy and preventing loss of customer data.

### Relevant GRI indicators:

G4-DMA

G4-PR8

See <https://allstatesustainability.com/> for details.



# Protect

Investing in a strong, integrated digital enterprise system with appropriate security controls is just one way we protect our customers' data. We understand it comes down to people.

## Highlight Story



Employees in the Security Operations Center work to keep Allstate technology safe and secure.

“They act as a door that allows only authorized traffic to pass, but that doesn’t stop external systems from knocking and trying to get in.”

—Anthony, an Allstate employee

### Keeping Allstate Secure from Suspicious Behavior

Our Security Operations Center investigates suspicious network security-related events, from virus-infected computers to external attacks against Allstate servers. Think of it as guarding the front door to your house—when the SOC sees suspicious behavior, it makes sure the door is secure and letting only invited guests come inside.

“The firewalls are one of the many technologies here at Allstate that act as gatekeepers for traffic coming into and going out of the Allstate network,” said Anthony Riegel, one of Allstate’s computer security engineers.

“From a security standpoint, while someone knocking is interesting, it’s not a high-fidelity event. What might be more interesting is if that person were knocking at the door, but later came back and started to try to ‘pick the lock’ by attempting more malicious actions.”

By tracking the initial “knocking” Riegel describes, Allstate is able to pinpoint follow-up traffic that might indicate suspicious behavior which, in turn, helps build a case that something needs to be investigated.



## Governance

Allstate's information security program, including our Policies and Standards, is developed, monitored, managed and updated by the Allstate Information team under the direction of the Allstate chief information security officer.

The Information Security Council, which consists of leaders from across Allstate, reviews and ensures the alignment of information security program initiatives (including, but not limited to cybersecurity related initiatives), changing regulatory and industry requirements, and other information security-related matters brought to the attention of the ISC.

The Executive Vice President of Allstate Technology and Strategic Ventures has executive oversight of the ISC.

If employees have a security incident to bring to the attention of senior leadership, there are phone numbers and email addresses in the [Global Code of Business Conduct](#) (formerly the Code of Ethics) where they can make a report. Additionally, they can alert their managers or members of the Privacy or Information security teams.

## Policies

Allstate has clear customer privacy requirements as detailed in our Privacy Policy Statement (for Allstate insurance companies):

- + We do not sell our customers' personal or medical information to anyone.
- + We do not share our customers' information with nonaffiliate companies that could use it to contact our customers about their own products and services, unless permitted pursuant to a joint marketing agreement.
- + We require persons or organizations that represent or assist us in servicing our customers' policies and claims to keep their information confidential.
- + We require our employees to protect our customers' personal information and keep it confidential.

Please see our [Privacy Policy Statement](#) for more on how Allstate protects our customers' personal information.



Global Code of Business Conduct Homepage

In addition to our Privacy Policy, Allstate has implemented Annual Compliance Confirmation, meaning every employee must annually review and agree to the terms of the following as a condition of employment:

- + Our updated Global Code of Business Conduct, with specific sections and examples for protecting personal data and confidential information.

Allstate leverages a risk-based approach in establishing our information security program, which maps to both the [National Institute of Standards and Technology Cybersecurity Framework](#), as well as [ISO 27001](#), with support from other standards and best practices.

- + Our Enterprise Information Security Policy or applicable subsidiary information security policy. The EISP references our Information Technology Usage Policies, the Enterprise Security Standards, and supporting documentation which all govern our operations and help ensure customer data is not shared or altered inappropriately.

Because Allstate agency owners and their staffs are not Allstate employees, they are not covered in the Annual Compliance Confirmation process. Instead, we provide specific cybersecurity training for new agency staff as well as key cybersecurity responsibilities for all agency users on an annual basis.

## Risk Assessment

Our information security practices have been and continue to be subject to audits by internal and external auditors.

# Engage

We use a personal approach to engage employees, with an internal campaign to convey messages about good password practices and traveling safely.

## Training

Training our employees to maximize the value of these controls is a critical and complementary part of our cybersecurity management.

Our Annual Compliance Confirmation provides foundational education for all employees regarding their responsibilities and basic policies and must be renewed annually as a condition of employment. Each year, employees review that training and go further into details about specific risks relevant over the last 12 months in the company or worldwide. We offer many more advanced training opportunities to employees identified as being in higher-risk roles. Additionally, we provide on-demand and topic-specific trainings, allowing us to customize training programs to current issues.

Our dedicated security team operates phishing simulations with real-time feedback and training for the employees who fall for the attempt.

We evaluate our training results using four different levels, tracking metrics across survey responses, test and assessment results, performance trends and impact on the business or return on investment.

## Supply Chain Data Security

Allstate emphasizes the importance of customer privacy and data security with suppliers through our procurement standards, practices and contracts. We have established a security assessment program for our suppliers, which could result in on-site assessments for critical suppliers. We also require all contingent workers who have access to our network to take a training course on Allstate's security policies.

See [Sustainable Procurement](#) for more information.

# Organizational Profile

In every aspect of our business, we strive to do the right thing—for our customers, our employees, our communities and our world.

Allstate is more than an insurance company. We're a growing network of small businesses with a team of trusted advisors in communities across the country. We provide total household solutions and deliver best-in-class customer experience. Allstate's 78,000 employees, agency owners and agency staff strive to make communities stronger, lives safer and futures brighter.

Through our products and services, we help families protect the things that are most important to them. We improve the quality of life for millions of Americans, not only through our business, but through our commitment to communities and to corporate responsibility.

Founded in 1931, Allstate went public when Sears, Roebuck and Co. sold just under 20 percent of the company in 1933. In 1995, Sears spun off its remaining ownership of Allstate to Sears shareholders, making Allstate an independent, 100 percent publicly held corporation. Today, we are the largest publicly held personal lines property and casualty insurer in America. We are listed on the New York Stock Exchange under the trading symbol ALL and are widely known through the "You're In Good Hands With Allstate®" slogan.

## Relevant GRI indicators:

G4-3	G4-9
G4-4	G4-10
G4-5	G4-11
G4-6	G4-12
G4-7	G4-15
G4-8	G4-16

See <https://allstatesustainability.com/> for details.

## Our Shared Purpose

Ten years ago, Allstate began a journey to become a more customer-focused company. We introduced Our Shared Vision, to capture the vision, values and operating priorities that make us a more competitive force in the market. Our Shared Vision was aspirational and provided a strong foundation to inspire positive change throughout our company.

This aspirational vision has since translated into a common purpose. In 2015, we created Our Shared Purpose to reflect this transformation. As our guide to what it means to be an Allstater, Our Shared Purpose tells this story. At the heart of Our Shared Purpose are six new leadership principles that define the behaviors we all need to embrace to be successful. We built these principles on the belief that every Allstater is a leader:

- + We're here to serve.
- + We win together.
- + We drive results.
- + We're transparent.
- + We continuously get better.
- + We develop each other.

**We Are the Good Hands.** We help customers realize their hopes and dreams by providing the best products and services to protect them from life's uncertainties and prepare them for the future.

### Strategic Vision:

- + Deliver substantially more value than the competition by reinventing protection and retirement to improve customers' lives



### Corporate Goal:

- + Create long-term value by serving our stakeholders, taking appropriate risks and leveraging our capabilities and strategic assets

### Our Values:

- + Honesty, caring and integrity
- + Inclusive diversity
- + Engagement
- + Accountability
- + Superior performance

### Our Priorities:

- + Customer focus
- + Operational excellence
- + Enterprise risk and return
- + Sustainable growth
- + Capital management

### Our Operating Principles:

- + Put the customer at the center of all our actions.
- + Use consumer insights, data, technology and people to create disruptive innovation to better serve customers and generate growth.
- + Execute well-considered decisions with precision and speed.
- + Focus relentlessly on those few things that provide the greatest impact.
- + Be a learning organization that leverages successes, learns from failures and continuously improves.
- + Provide employees, agency owners and financial specialists with fulfilling opportunities, personal growth and performance-based rewards.
- + Take an enterprise view of our people and processes, and work as a single team to advance Allstate rather than our individual interests.



Washington, Illinois agent Mike Jankovsky puts customers at ease following tornado destruction.

## Markets Served

Allstate continues to refine our product offerings, marketing outreach and customer service through careful research. When purchasing insurance or any other product or service, consumers have more choices than ever before. We serve four distinct consumer segments with different interaction preferences (local advice and assistance versus self-service) and brand preferences (brand-neutral versus brand-sensitive).

While we primarily serve U.S. and Canadian markets, our global operational presence extended through our subsidiaries Allstate Northern Ireland and Allstate Solutions Private Limited. These global entities are critical to developing innovative technologies and business solutions for The Allstate Corp. Each of our subsidiaries tailors its corporate responsibility approach to its unique needs and regional issues within our larger platform of Allstate priorities, strategic vision and [Global Code of Business Conduct](#).

## The Allstate Family

**The Allstate Corporation** is the largest publicly held personal lines insurer in the United States. Allstate serves distinct customer segments with differentiated offerings in the United States and Canada by conducting business through Allstate Insurance Company and other subsidiaries.



**Allstate** brand auto, homeowners and other personal lines insurance products are sold primarily through Allstate-exclusive agencies, serving brand-sensitive customers who prefer local personalized advice and service.



**Allstate Northern Ireland Limited** is a technology company that provides core IT competencies, programming, operations support, integration services and risk analytics to Allstate and its subsidiaries.



**Allstate Canada** offers Allstate brand products through employee producers and differently branded products through brokers working in five provinces across the country (Ontario, Quebec, Alberta, New Brunswick and Nova Scotia).



**Encompass** brand auto, homeowners, umbrella and other insurance products are distributed through independent agencies that serve consumers who prefer personal advice and assistance from an independent trusted advisor and are brand neutral.



**Answer Financial** serves self-directed, brand-neutral consumers who want a choice between insurance carriers, offering comparison quotes for auto and homeowners insurance from approximately 25 insurance companies through its website and over the phone.



**Esurance** sells auto, homeowners and other personal lines insurance products to self-directed, brand-sensitive consumers primarily online and through contact centers.



**Allstate Solutions Private Limited** provides software development, software testing, business process offshoring and management, technology support, analytics and other IT-enabled services to Allstate and its subsidiaries.



**Arity** is a technology company that uses data science and predictive analytics to transform massive amounts of data into actionable insights. From data collection to risk scoring, Arity offers solutions to help keep drivers and customers safe, secure and on the road.



**SquareTrade** is a highly rated protection plan provider trusted by millions of customers for its fast and efficient service. SquareTrade protects mobile devices, laptops, tablets and other consumer electronics and appliances from malfunctions, accidental damage and life's frequent mishaps.

## Financial Performance

We stand out among our industry peers for our strong financial performance. We had \$36.5 billion in revenues in 2016, a 2.2 percent increase from \$35.7 billion in 2015. Allstate held \$26.9 billion in capital resources at year-end 2016, and manages \$82 billion in assets in our well-diversified investment portfolio. For more detailed information on our investment portfolio, see our [Responsible Investment](#) performance.

This financial strength enables Allstate to grow our business and keep our promises to stakeholders through good and bad economic conditions. Net income available to common shareholders for 2016 was \$1.8 billion, or \$4.67 per diluted common share. During 2016, we continued to invest in initiatives that help make communities safer and stronger, including \$42 million given by The Allstate Foundation, Allstate, and its employees, agency owners and agency staff.

For more detailed financial information, see our most recent [Annual Report](#).

## Awards & Recognition

Allstate is committed to being an industry leader. We are proud to be recognized for all the effort our employees put into forming Allstate's good hands. The following list shows some of the accolades we've recently received.

### Corporate:

- + World's Most Ethical Company® 2015, 2016, 2017 – the Ethisphere Institute
- + *Fortune* Change the World 2017
- + Best Compliance and Ethics Program (large cap) 2016 – *Corporate Secretary*

### Innovation:

- + Decade Award, Business Innovation Award and No. 13 on 2016 InformationWeek Elite 100 List – InformationWeek
- + CIO 100 Award 2016 – CIO

### Diversity:

- + Top 50 Companies for Supplier Diversity 2017 – *Black Enterprise*
- + 2017 Diversity Best Practices Inclusion Index – Diversity Best Practices
- + Top 50 Companies for Diversity 2016 – *DiversityInc*
- + Top Corporation for Women's Business Enterprise, 2016 – Women's Business Enterprise National Council
- + Best Companies for Diversity 2016 – *Black Enterprise*
- + Top 60 Companies for Executive Women 2016 – National Association for Female Executives
- + Best Companies for Multicultural Women 2016 – *Working Mother*
- + "Best-of-the-Best" corporation committed to diversity and inclusion – National Business Inclusion Consortium
- + Military Friendly Employer Gold Award – Military Friendly®
- + Military Friendly Spouse Employer – Military Friendly®

### Corporate Responsibility:

- + Civic 50 Honoree 2017 – Points of Light
- + Corporate Social Responsibility Leadership Award 2016 – Financial Services Roundtable
- + Top 100 Green Companies in the United States, 2016 – *Newsweek*



# Stakeholder Engagement & Materiality

We continually seek stakeholder input to ensure we are focusing on what matters most.

## Stakeholder Engagement

Stakeholder inclusiveness is a core principle of GRI sustainability reports, and we do our best to identify all of Allstate's stakeholders and respond to their expectations and interests. We regularly engage the following stakeholder groups: agency owners, financial specialists, customers and consumers, employees, investors, nongovernmental organizations (NGOs), opinion leaders, policy makers and suppliers.

We identify stakeholder groups by engaging with senior leaders, consulting our sustainability council, collecting feedback from employees and examining our value chain. We select stakeholders according to their knowledge and understanding of our company as a whole, orientation relative to or within the financial services industry and the extent to which they can impact or be impacted by Allstate. For our 2015 sustainability materiality assessment, we engaged our stakeholders through interviews, surveys and industry research.

In addition to engaging stakeholders for the purpose of our materiality assessment, we have many other ongoing engagement efforts. We engage customers, consumers, investors, agency owners, employees, policy makers and opinion leaders primarily through our annual reputation study. We administer this study in partnership with the Reputation Institute. During the assessment, we collect feedback from 8,000 individuals across these seven stakeholder groups, identify key topics and develop strategies to address gaps we may uncover. While this study constitutes one of our primary modes of stakeholder engagement, many are stakeholder-specific. To learn more about how we engage [agencies](#), [employees](#) and [suppliers](#), click on each respective link.

### Relevant GRI indicators:

G4-18

G4-19

G4-20

G4-21

G4-22

G4-23

G4-24

G4-25

G4-26

G4-27

See <https://allstatesustainability.com/> for details.

## Our Sustainability Materiality Process

Our 2015 sustainability materiality assessment followed the Global Reporting Initiative’s (GRI) guidelines. The process begins with topic identification, followed by a prioritization of the resulting topics, and concludes with an internal validation session.

### Topic Identification:

Because of the dynamic and rapidly evolving nature of our industry, Allstate is committed to refreshing our materiality assessment every few years. Our most recent assessment began with an exploration of potentially relevant topics to Allstate and our stakeholders. We collected this list of topics by compiling sector-specific and public lists provided by various transparency-focused sustainability organizations, including the GRI and the Sustainability Accounting Standards Board (SASB). We also reviewed peers, industry research and other publicly available resources.

### Topic Prioritization:

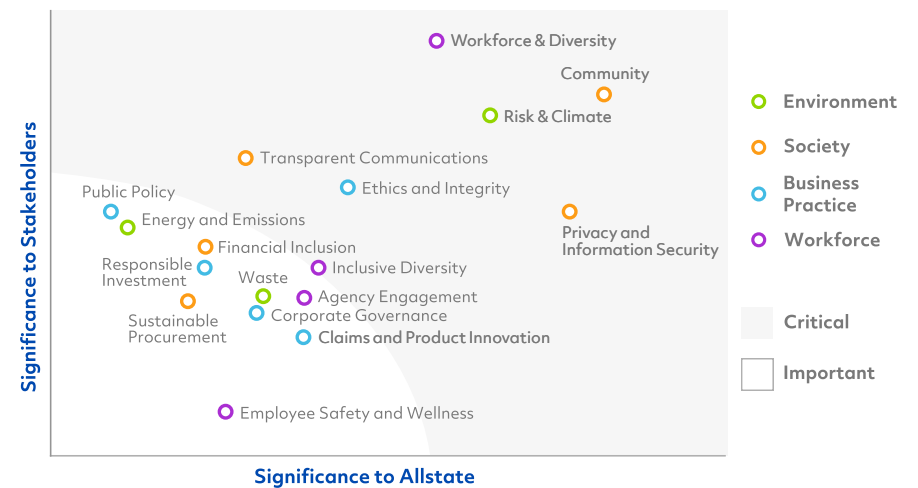
After collecting a preliminary list of sustainability topics relating to the insurance industry, we engaged our internal and external stakeholders. Following each engagement, we assessed evidence of each stakeholder’s concern for a given topic. We ultimately translated this information into the matrix at right.

### Topic Validation:

After finalizing the critical topics identified by our stakeholders, we hosted a validation session. During this session and after multiple one-on-one conversations, the Allstate sustainability council reviewed the results of the prioritization, offered comments and confirmed the findings.

### Allstate Materiality: Relative Priority of Topics

Our materiality assessment produced the following prioritization:



## Key Topics Raised in Our 2015 Sustainability Materiality Assessment

By conducting this assessment, we gained invaluable feedback regarding what matters most to Allstate and our stakeholders. In particular, the assessment found the following four topics to be the most significant to both Allstate and our stakeholders. In response, our report now focuses on these four topics with detailed information designed to answer the questions of all interested stakeholder groups.

### Risk & Climate:

**Stakeholders driving topic:** Investors, Opinion Leaders, NGOs, Agencies, Allstate

**Stakeholder feedback:** Climate change has the potential to affect Allstate's profitability due to the increasing number of weather-related catastrophic events. In particular, these events could increase the number of claims customers file and affect the stability of Allstate's investment portfolio. The rising number of claims could impact customer experience. Further, accurate integration of climate change into risk modeling continues to be important for the industry as a whole. Allstate has an opportunity to contribute to climate change mitigation using the extensive climate-related data that it collects to promote sustainable policies and expand the number of sustainable investments the company makes through its portfolio.

To find out more about how Allstate is managing this topic, see [Risk & Climate](#).

### Community:

**Stakeholders driving topic:** NGOs, Agencies, Allstate

**Stakeholder Feedback:** While reputation is important to any company, it is particularly important for Allstate since the company promises to be there during some of the most trying times of customers' lives. Because Allstate believes in being a force for good in its communities, the company is better positioned to achieve its social impact goals and substantially improve trust with stakeholders—driving shared value.

To find out more about how Allstate is managing this topic, see [Community](#).

### Privacy & Information Security:

**Stakeholders driving topic:** Opinion Leaders, Agencies, Allstate

**Stakeholder Feedback:** Privacy and Information Security is linked to Allstate's reputation and commitment to ethics and integrity. Allstate should continue to train employees on data security and privacy practices; to promote flexible, risk-based legislation, and serve as a leader in its approach to cybersecurity for stakeholders.

To find out more about how Allstate is managing this topic, see [Privacy & Information Security](#).

### Workforce & Diversity:

**Stakeholders driving topic:** Investors, Employees, NGOs, Agencies, Suppliers, Allstate

**Stakeholder feedback:** Finding innovative ways to overcome the shortage of science, technology, engineering and math (STEM) professionals and adapt to an increasingly diverse world is vital to the future of Allstate's workforce. Generational differences also present new challenges; Allstate has an opportunity to further align corporate activity and messaging with the importance millennials place on corporate responsibility. Allstate should continue to emphasize retention by promoting professional development and engagement opportunities. It is important for the company to also provide agency owners and financial specialists with the support they need to maintain a healthy talent pipeline.

To find out more about how Allstate is managing this topic, see [Workforce & Diversity](#).

Allstate Value Chain Map



## Topics

The table below outlines the scope of topics (17) included in this assessment and where Allstate's impact occurs with respect to each (positive or negative). See the value chain map for additional context.

### Environments

Topic	Internal	External
Risk & Climate	Allstate Business, Claims, Investments	Agencies, Customers, Investors
Energy and Emissions	Building Operations	The Environment
Waste	Building Operations	The Environment

### Business Practices

Topic	Internal	External
Corporate Governance	Allstate Business	Agencies, Investors
Ethics and Integrity	Claims, Employees	Agencies, Investors
Claims and Product Innovation	Allstate Business	Agencies, Customers, Investors
Public Policy	Allstate Business	Investors, Regulators
Responsible Investment	Investments	Communities, the Environment, Investors

## Society

Topic	Internal	External
Community	Allstate Business	Agencies, Communities, Customers, NGOs
Customer Privacy and Data Security	Allstate Business	Agencies, Customers, Suppliers
Financial Inclusion	—	Communities
Sustainable Procurement	Allstate Business	Suppliers
Transparent Communications	—	Customers, Investors, Regulators

## Workforce

Topic	Internal	External
Agency Engagement	Allstate Business	Agencies, Communities
Employee Safety and Wellness	Employees	—
Inclusive Diversity	Employees	—
Workforce & Diversity	Employees	—

**BRING OUT THE**

**GOOD**

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**COMMUNITY**

Allstate is a force for good. By forming strong relationships in the communities where we work and live, Allstate initiates a cycle of shared value between our consumers and our company.

At Allstate, we help build communities by bringing people prosperity, safety and well-being. We empower our agency owners to be trusted neighborhood leaders by offering a rewarding opportunity to own a small business, and providing support to help them succeed.

At every level—local, regional and national—The Allstate Foundation is working to fulfill our promise to help people live a good life, and it starts in the more than 10,000 communities where Allstate has a presence.

**Care**  
Our corporate giving and volunteering programs help our employees, agency owners and financial specialists find their passion and give back to and get involved with organizations that address the causes they care about.

#### Relevant GRI indicators:

G4-DMA

G4-EC8

G4-SO1

See <https://allstatesustainability.com/> for details.

#### Definition

For Allstate employees, agency owners, financial specialists and independent agents, community performance means making an impact on local communities, bringing more good to people's lives in times of need, strengthening communities and the nonprofits who serve them, understanding and managing risks and opportunities pertaining to reputation in the community, helping advocate for social issues, ensuring our communications reflect our corporate purpose and speak to Allstaters' individual roles in giving back, and maintaining or growing market share relative to competitors.



## Highlight Story



Allstate agent Kevin Spann is transforming lives through community involvement.

“To see people come back, embrace each other and be genuinely happy to see each other, it’s a mass class reunion, a mass family reunion,” Spann said. “It’s like looking at the inside of my heart.”  
—Kevin, Allstate agency owner

### Transforming Communities

Three years ago, as Kevin Spann and his son strolled through a park in Wyandanch, New York during Wyandanch Family Day—the town’s hallmark community event Spann participated in as a child—it was clear things had changed.

The event drew thousands in its heyday, but on that morning in 2014 he only saw about 100 visitors gathered in the park. “My son said, ‘Dad, we can do it. We can bring it back,’” Spann said. “We didn’t want it to die on our watch.”

A tough job, maybe, but Spann is used to that. Since 2007, he has run a successful Allstate agency, and is relentlessly committed to kids’ sports teams, cancer-fighting organizations and the betterment of the neighborhoods where he works

and lives. Spann’s agency is located in Middle Village, New York, 35 miles from Wyandanch. “My heart has never left home,” he said. “When I’m asked to help Wyandanch, I almost always say yes.”

And so, after he saw what the event had become in 2014, Spann offered to become a community liaison, urging local politicians, businesses, schools, churches, bands, dance groups and other community organizations to participate in it. He promoted the 2015 event on social media, and organizers estimate 5,000 people enjoyed a mile-long parade and day-long party in the park that included arts and crafts, food vendors, dance competitions and music.

Allstate is proud to be a partner in building communities across the country, through our agency owners, employees and The Allstate Foundation—at the local, regional and national levels.

## Agency Owners & Small Businesses

Our presence in the areas where we live and work is elevated through the efforts of our more than 10,360 agency owners, financial specialists, as well as a broad network of Allstate independent agents. We believe supporting small business ownership boosts community prosperity and helps us fulfill our promise to be trusted partners for our customers, who seek out Allstate in times of need and uncertainty.

We consider our efforts to create and grow small businesses to be central to the success of Allstate, and we are proud to offer entrepreneurs one of the most rewarding small business opportunities in the country. Those who choose Allstate share a common purpose—to help prepare and protect customers from life's uncertainties. They recognize the unique benefit that only Allstate offers: they own equity in their book of business and have the ability to sell their business or pass ownership to a family member. Allstate agency owners also have the backing and support of an 86-year-old company with one of



the most recognized brands. It is the local perspective, expertise and leadership that differentiates Allstate. Our agency owners and financial specialists are part of the fabric of their communities and are committed to helping customers live a good life every day.

### SDG Alignment

Allstate's Community Performance strategy matches U.N. Sustainable Development Goals 5, 8 and 11—Gender Equality, Decent Work and Economic Growth, and Sustainable Cities and Communities, respectively.



To help our agency owners thrive in today's market, we provide knowledge, skills, tools and a credible brand reputation.

- + **Ongoing education:** Our best-in-class education tools and resources help agency owners and financial specialists understand the products and services they can offer customers. We also support them as small business owners through programs like virtual mentorships, best-practice sharing and interactive workshops. Over 90 percent of our education is done virtually, with satisfaction levels above 90 percent.
- + **Field Sales Leaders:** Agency owners and financial specialists receive one-on-one support from a local, dedicated consultant, who can help them build a successful agency or financial practice.
- + **Dedicated teams:** The Allstate Customer Contact Centers serve as an extension of our agency locations and are available to provide customer assistance 24/7. A team of claims advocates are also available to agency owners so they may assist customers through the claims process.
- + **Marketing / advertising:** Agency owners can count on the support of Allstate's multimillion-dollar national advertising campaigns to raise awareness with prospective customers of the products and services Allstate provides. They also have access to customizable local marketing and advertising materials—including brochures, mailers and emails—and a personalized web page and social media entities, such as Facebook and Twitter.
- + **Branding:** We offer a variety of ways to help agency owners establish their brand locally—from signage to furnishings to interior design assistance—to enhance the customer experience and present agencies in a professional manner.
- + **Staffing support:** We offer agency owners a wide range of programs and resources to support them in attracting, retaining and developing

their own employees. By providing agency owners with resources like effective agency staff recruiting materials and staff award and recognition programs, we enable their success as small business owners and insurance agents.

Because agency owners are independent contractors who run their own businesses, they are not included in our annual VOICE employee engagement survey. We do conduct our Agency Relationship Survey each fall. The results offer insight into the engagement, satisfaction, challenges and concerns of agency owners, financial specialists and independent agents. The survey identifies actionable opportunities to build or amplify Allstate's relationship with the agency force.

Despite challenges trending within the insurance industry—such as an increase in the frequency and severity of auto claims—the 2016 ARS illustrates that agency owners are proud to represent Allstate (72 percent favorable). In particular, the support they receive from Allstate's claims and field sales leaders were given the most positive scores.

We also keep a regular pulse on the needs and concerns of our small business owners through regional meetings / town halls, annual meetings and quarterly sessions with national and regional advisory boards. By doing so, we not only protect our connection to the market, but we position Allstate to better understand and support the needs of all small businesses.

#### **Small Business Barometer:**

The Allstate / *USA Today* [Small Business Barometer](#) is a tool for influencing the country's discussion about the current state of small businesses, and increasing awareness about how industry indicators—labor, capital,

commodities, technology and more—influence the business climate. The Small Business Barometer combines a national survey of small business owners with federal data to yield eight key indicators and an overall profile measure. The eight indicators are: capital, commodities, customers, innovation, technology, labor, optimism and regulations. In 2016, the survey placed an additional focus on minority business owners, and in 2017 the additional focus was on veteran-owned businesses.

#### Small Business Connection:

Allstate is one of six of the nation's most recognized brands who partnered together to form [Small Business Connection](#)—an open-access web portal that features valuable information and thought leadership to assist with many aspects of running a small business. This website provides small business owners with access to a broad base of knowledge and advice by providing specific insurance, legal, financial, technology, employee benefits, online marketing and office insights in one place.

## Volunteerism

We know that giving back to the communities where they live and work is important to many Allstate agency owners, financial specialists and employees. We want to help them discover and follow their passions, and offer several different ways to help them get involved. Allstaters “bring out the good” by contributing time and talent to a variety of organizations through Allstate's Helping Hands corporate volunteer program. Since 1976, the Allstate Helping Hands volunteer program has given Allstate agency owners and employees across the country the chance to give back by getting



their hands dirty. Our passion for giving back shows year-round—but once a year we rally together during Allstate's annual service campaign to make a significant impact on our communities. We dedicate a whole month to offering our communities and customers a helping hand. Beginning as Give Back Day in 2009, expanding to the Allstate Week of Service in 2012, and growing to Allstate Bring Out the Good Month in 2015, Allstaters volunteer in droves every April.

#### Local Presence Community Engagement Programs:

We help position agency owners as local leaders by providing programs and resources for issues we know matter to them and their communities. These turnkey programs focus on engagement opportunities around youth empowerment, financial empowerment of victims of domestic violence, volunteerism, safe driving and disaster preparedness.

# Celebrated

In 2016, we celebrated 40 years of Helping Hands in the community, and our employees and agency owners donated at least 230,000 hours of community service.

In 2016, nearly 8,000 agency owners engaged with local presence programming. In addition, agency owners reported a 72 percent satisfaction rate with the effectiveness of the tools, resources and programs that Allstate offers them to build their local presence—one of the highest scoring questions and greatest positive year-over-year increases on the Agency Relationship Survey.

### Helping Hands Grants from The Allstate Foundation:

To support and boost the impact of the involvement of our agency owners, financial specialists and employees, The Allstate Foundation provides Helping Hands grants to nonprofit or municipal organizations where they volunteer at least four hours per year. In 2015, The Allstate Foundation set a goal to engage 50 percent of agencies with a Helping Hands grant by year-end 2017. In 2016, we achieved our mid-point goal of 30 percent of offices earning at least one grant for a local nonprofit organization in recognition of their community service.

### Strengthening Nonprofit Community:

We believe Allstaters drive strong positive change by contributing their time and talent at every level of organizations in their communities. Through our Allstate Officer Nonprofit Board Program, we help our officers join the boards of nonprofits whose missions advance our strategic social impact areas. By participating in this program, Allstate leaders expand their networks, gain valuable leadership experience and give back to the community. In 2016, 76 of our officers served on the boards of 84 organizations. This represents an 8.5 percent increase compared to active involvement in 2015.

Allstate Fellows is a skills-based volunteer initiative investing in the professional development of our employees while addressing nonprofits' critical needs, like financial management and human resources.

The 2016 Allstate Giving Campaign raised \$7.1 million from Allstate employees, agency owners and agency staff contributions, up from \$6.48 million the prior year.

# Giving

## Corporate Giving

For every dollar donated by Allstaters, the company provides a 15-cent match. For every dollar donated, Allstate also donates five cents to local United Way organizations across the country.

## The Allstate Foundation Programs

Established in 1952, The Allstate Foundation is an independent, charitable organization made possible by subsidiaries of The Allstate Corporation. Through partnerships with nonprofit organizations across the country, The Allstate Foundation brings the relationships, reputation and resources of Allstate to support innovative and lasting solutions that enhance people's well-being and prosperity.

The Allstate Foundation is fully funded by donations from Allstate. It invests nationally, in Allstate's 14 regions and in the local communities where we live and work. Allstate's corporate support and The Allstate Foundation strategically align to focus on key issues enabling us to drive social change:

- + **Purple Purse:** Breaks the cycle of domestic violence through financial empowerment.
- + **Good Starts Young:** Inspires the next generation to gain social emotional skills and engage in service.
- + **Greater Good:** Helps close the nonprofit leadership gap, as organizations face a severe lack of resources and ability to strengthen leadership skills.



### Purple Purse: Empowering Survivors of Domestic Violence:

Domestic violence is at an epidemic level in this country. One in four women will experience domestic violence in her lifetime—that's more than breast, ovarian and lung cancer combined. While most people think only of physical abuse when they consider domestic violence, financial abuse also occurs in 99 percent of all cases. It's an invisible weapon that keeps victims trapped in abusive relationships.

Twelve years ago, we started Allstate Foundation Purple Purse to create long-term safety and security for survivors by empowering them financially. We were one of the first major corporations to address domestic violence and to focus on the role of financial abuse. Our work brings financial abuse out of the shadows and uses financial empowerment to break the cycle of domestic violence.

Purple Purse incorporates all our domestic violence programs, including direct services, thought leadership and public awareness and engagement activities:

# Survivors

We are building a national movement of supporters who stand up against domestic violence and financial abuse, while providing survivors with access to the financial education and tools they need to stay safe and stand on their own.

## + The Purple Purse Challenge: Igniting Fundraising for Domestic Violence Organizations

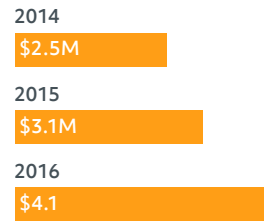
In so doing, The Allstate Foundation has provided assistance to more than one million survivors.

## + Providing Free Financial Management Curriculum for Survivors

The Allstate Foundation Purple Purse *Moving Ahead Through Financial Management* curriculum, developed in partnership with the National Network to End Domestic Violence, covers various financial topics, including budgeting and fixing financial history, and is specific to domestic violence and financial abuse survivors. The curriculum was tested and validated by Rutgers University’s School of Social Work and is available online at no cost. It is currently used by organizations in all 50 states.

Since 2005, The Allstate Foundation has invested more than \$55 million, including the funds raised during the Purple Purse Challenge—held annually since 2014—to end domestic violence.

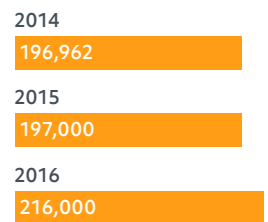
### Purple Purse Challenge: Total Funds Raised



### Purple Purse Challenge: Number of Community Partners



### Purple Purse Campaign Results: Survivors Served



### Purple Purse Campaign Results: Campaign Participants



**+ Supporting State and Regional Domestic Violence Coalitions and Services**

The Purple Purse Moving Ahead Grant Program provides grants to state-level coalitions with a focus on ending domestic violence through economic empowerment of survivors. In 2016, The Allstate Foundation awarded more than \$1 million to state domestic violence coalitions through grants ranging from \$45,000 to \$75,000 to continue or develop best practices in financial empowerment for domestic violence survivors. Similarly, The Allstate Foundation Purple Purse Regional Grant Program offers funding for local financial empowerment services. For a state coalition or local nonprofit to receive a grant, it must address one of Purple Purse’s four focus areas: financial literacy, microloans and Individual Development Accounts, job readiness and job training or microenterprise.

**+ Training Domestic Violence Counselors**

More than 8,600 domestic violence service providers have been trained to deliver our curriculum to survivors at 1,600 nonprofits. In 2016, the 12th annual Allstate Foundation and NNEDV Financial Empowerment Symposium was converted into a State Expansion Training program exclusively for new state partners. In addition to learning how to use our curriculum and asset-building resources, the advocates learned best practices from leaders at two of our most successful, long-term partner coalitions: Kentucky and Texas.

**Greater Good: Nonprofit Leadership Development:**

Nonprofits are the lifeblood of our society. They provide crucial, often lifesaving services that make our communities stronger, safer and more vibrant. Yet the lack of effective leadership keeps many nonprofits from fulfilling their critical missions to empower individuals or solve vexing

social issues. To strengthen nonprofit leadership, The Allstate Foundation partnered with Northwestern University and its Kellogg School of Management’s Center for Nonprofit Management in 2014 to launch our Greater Good Nonprofit Leaders Program. Designed to develop high-



\*The 2016 / 2017 cohort participants have shared their learnings with 1,021 additional members of their nonprofit organizations

potential leaders at mid-sized nonprofit organizations, the program lasts for one year and includes one-on-one executive coaching and four academic sessions. The Allstate Foundation covers all program costs, including participant travel expenses.

[Click here](#) to learn more about the Greater Good Nonprofit Leaders Program.

**Good Starts Young: Youth Empowerment:**

The Allstate Foundation’s Good Starts Young initiative is about preparing youth for the future. Young people growing up today face a more complex, economically challenging and globally connected world than ever before. Therefore, this initiative has an extraordinary return on investment. Good



Starts Young helps young people thrive not just as students, but also as leaders, dreamers, entrepreneurs and citizens. It empowers youth to reach their full potential, serve causes greater than themselves and make the world a better place.

Good Starts Young is based on research that demonstrates well-designed, well-implemented, teacher-taught social and emotional learning programs can promote students’ social-emotional development, behavior and academic performance. That’s why social emotional learning is at the core of Good Starts Young. It’s why we partner with nonprofit organizations like Facing History and Ourselves, Junior Achievement, Peace First and WE.

The Allstate Foundation is the national co-title sponsor of WE, a nonprofit organization that offers programs to broaden students’ understanding of social issues and help them determine how to take action. Through WE, The Allstate Foundation supports the WE Schools classroom-based curriculum

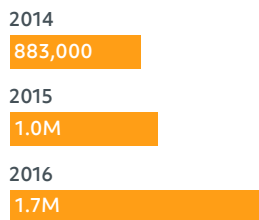


WE Volunteer NOW to rally kids to do good, and provide grants for youth-led volunteer projects.

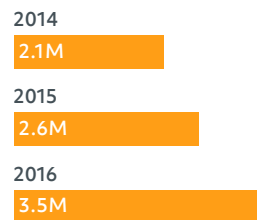
To read more about The Allstate Foundation’s impact, [Click here](#).

### Good Starts Young Program

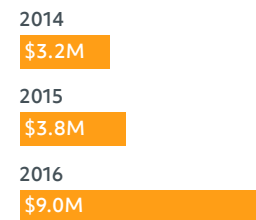
#### Youth



#### Hours of Service



#### Funds Raised





**BE A FORCE FOR**

**GOOD**

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## **WORKFORCE & DIVERSITY**

Our people are our most valuable asset. Their skill, dedication and care define Allstate and bring out the good for our customers. We develop each other, looking for ways to challenge ourselves and coach others, so all employees can reach their potential while maximizing their contributions to our agency owners, customers and shareholders.

## Allstate's business results, culture and ability to achieve its goals depend upon our people — they determine our ability to succeed.

Our surveys consistently show that by providing our employees with exciting career paths and educational opportunities, Allstate improves morale and engagement. These positive outcomes contribute to our reputation and legacy of having a dynamic and productive workforce. Because Allstate is a large employer, we understand employee engagement has a significant influence on our communities and economies. We take this responsibility seriously and want to ensure this legacy continues.

### Definition

We manage talent by providing employees with training, engagement, mentoring and career development; promoting from within; retaining existing talent; attracting new employees through employee benefits; monitoring performance on annual VOICE surveys; and promoting diversity in Allstate's leadership, employee population and suppliers by fostering an inclusive culture.



# Balance

Being open and empathetic in all our interactions fosters a culture of transparency and leads to stronger working relationships and positive feelings towards work-life balance.

## Highlight Story



Maryse Gregorie (center) spent 42 years living out her personal purpose of helping others as an Allstate employee.

That was a defining moment for me which made me realize how my passion to serve was aligned with my passion to improve Allstate's reputation in the community for helping people in need.

### When Purpose and Career Align

Maryse Gregorie was born and raised in Haiti before coming to America. Upon arrival, she faced many challenges: her first time encounter with snow, moving away from family and friends and finding a job. Just as she was beginning to lose hope, Maryse received a job offer from Allstate. She viewed this opportunity as a gift, promising she would work as hard as possible to ensure Allstate never regretted its decision to give her a chance.

She remembers the turning point in her career after a large earthquake hit Haiti. During this difficult time, Allstate asked Maryse how it could help her support her native country. After 42 years with Allstate, Maryse is now a proud retiree who was able to live her purpose of helping others in need as an Allstate employee.

## Governance

Allstate's board of directors oversees talent management, receiving regular communication from our chief Human Resources officer regarding key metrics and information. The CEO and senior executives frequently communicate on talent management performance and initiatives. Key performance indicators and targets are set at the executive level, and ultimately approved by our CEO, Tom Wilson.

Allstate dedicates significant resources to managing and developing our employees, as our most valuable asset. We operate numerous talent development and inclusive diversity initiatives, many of which are described in this section.

If employees have an incident to bring to the attention of senior leadership, there is a process involving both a phone number and on-line capabilities, iReport, referenced in the Global Code of Business Conduct, where they can make a report.

## Attraction & Retention

### Good Work. Good Life. Good Hands® program:

We sustain an efficient and skilled workforce by attracting high-quality candidates through proven processes. We know talent retention is not a one-size-fits-all endeavor, so our Workforce Insights team addresses the unique retention needs of individual business units.

Workforce Insights also uses ongoing research platforms to inform recommendations: predictive attrition, quality-of-hire analysis and our "Good Work. Good Life. Good Hands®" program. Our predictive attrition research evaluates the risk of departure for particular key leaders, and—should certain individuals demonstrate notable risk—the Workforce Insights team organizes a "stay" interview to determine how Allstate can retain those individuals. Our quality-of-hire research builds models to determine which traits drive success and length of tenure in employees.

### Relevant GRI indicators:

G4-DMA                      G4-LA10  
G4-LA12

See <https://allstatesustainability.com/> for details.

### SDG Alignment

Allstate's Workforce & Diversity strategy aligns with United Nations Sustainable Development Goals 5, 8 and 10: Gender Equality, Decent Work and Economic Growth and Reduced Inequalities, respectively.



Our “Good Work. Good Life. Good Hands®” program identifies the strategic link between what prospective and existing employees value and what we offer in exchange for their work. Improving the attraction, retention and engagement of Allstate employees will ultimately improve the organization’s ability to serve our customers, agents and communities—and each other.

#### Work Flexibility:

Our flexible work policy consists of compressed and part-time work schedules, telecommuting, home-based work, job sharing and flexible starting times. All exempt and non-exempt employees are eligible for flexible work, based on factors such as business need, work performance and job characteristics. In 2016, about half of Allstate employees utilized flexible work arrangements, and our employee survey found those participating in these arrangements generally reported higher levels of

morale and well-being than the overall employee population. Flexible work arrangements were also the most frequently cited strength when employees were asked, “In what area is Allstate exceeding your expectations?” Internal data also show those in flexible work arrangements receive the same rate of pay increases and promotions as those in non-flexible arrangements.

In addition to formal flexible work arrangements, countless employees benefit from Allstate’s Leadership Principles that encourage managers to foster a flexible work environment where employees can overcome work-life conflicts and work with managers to find the best solutions for all concerned. Being open and empathetic in all our interactions fosters a culture of transparency and leads to stronger working relationships and positive feelings towards work-life balance.

Allstate annually conducts our VOICE survey to measure the general health of our work environment and identify areas for improvement; 84 percent of all employees responded in 2016.

In our 2016 VOICE survey, 90 percent of participating employees provided a favorable response to the statement: “My immediate manager supports my efforts to balance my work and personal life.”



**Energy for Life:**

Our Energy for Life workshops are a central piece of our employee wellness curriculum. Energy for Life is a program designed to increase employee focus and purpose and to help employees embrace new challenges with ease. We achieved the milestone of 20,000 Allstaters completing EFL over the last six years, including 40 percent of active employees and 52 percent of managers.

In 2016, we expanded our focus and updated workshop content to position EFL for agency owners and their staff. Agency owners can now offer EFL to help increase staff engagement, improve retention and bring positive energy skills to agency challenges. We remain focused on engaging this audience and providing resources to support national and regional efforts to enroll agencies.

In the 2016 VOICE survey, 86 percent of employees responded favorably to the statement, “At work, I am encouraged to pursue healthy habits that will improve my overall well-being.”

**Employee Life Cycle Survey Program:**

Our Employee Life Cycle Survey is an important tool for gauging the attitudes, beliefs and behaviors of our employees. We use this survey to determine which initiatives and efforts are most important to supporting employee morale. The program includes:

- + A 90-day retention survey to check in with new hires to assess their integration into Allstate.

**Retention by Tenure**

	All Years of Service	<1 Year	1-<2 Years	2-<3 Years	3-<5 Years	5-<10 Years	10-<15 Years	15-<20 Years	20-<30 Years	30+ Years
2014	88.5%	85.4%	77.6%	81.3%	77.8%	90.0%	93.2%	94.2%	94.3%	92.1%
2015	88.5%	85.1%	73.6%	83.0%	84.9%	90.8%	93.7%	94.4%	94.5%	89.1%
2016	88.2%	86.5%	75.3%	76.8%	86.1%	89.6%	94.0%	95.0%	93.8%	91.2%

**Retention Rates by Leadership Level**

	All Manager Leaders	Officers	Mid-Level Leaders	First-Level Leaders	Team Members
2014	88.5%	86.3%	92.1%	94.5%	87.7%
2015	88.5%	91.8%	92.1%	95.7%	87.5%
2016	88.2%	91.0%	93.4%	94.2%	87.2%

- + Our 9-month Quality of Hire survey sent to hiring managers to determine the effectiveness of the support team (i.e., talent acquisition, recruiters etc.) and the quality of the candidate hired.
- + The Good Work Pulse survey, which runs several times throughout the year and is a complementary tool to our VOICE survey. The Pulse survey allows us to collect timely information and data so we can assess employee attitudes toward particular initiatives to determine their effectiveness and take immediate action when needed.
- + An exit survey and interview process. When employees decide to leave Allstate, this process helps us understand what they found most compelling about Allstate's employee value proposition, why they are leaving and what they plan for the future.

## Career Development

We dedicate extensive resources to developing leaders at all levels. Some programs are available to all employees, while others are available to select audiences. Regardless of their role, all employees have a wealth of resources at their disposal.

Allstate believes all employees have the potential for growth. Our six [Leadership Principles](#) apply to every employee and form the basis for engaging in performance and development conversations.

We require annual performance reviews for each employee, as well as quarterly "snapshots" around goals, two-way feedback and long-term career development. We also encourage bi-weekly check-ins—informal conversations designed to help employees know what they're working on and how well they're doing to advance their performance goals.



### Talent Connection:

Allstate invests in training opportunities for our employees so they can be successful throughout their careers. Talent Connection is Allstate's integrated talent management system. The system contains modules for:

- + Attracting and hiring new employees.
- + Promoting internal advancement of current employees.
- + Registering for learning opportunities such as webinars, seminars and classroom training—in 2016, employees completed 411,873 courses, with 59,947 unique learners accounting for 542,338 hours of learning.
- + Receiving comprehensive feedback from managers, peers and teams.

### Tuition Reimbursement:

Allstate offers tuition reimbursement to employees who demonstrate an interest in getting a college degree, an advanced degree or an additional degree. All employees are eligible for the program, whether the degree enhances their knowledge, is job-specific or works toward a change in career. We offer up to \$5,250 per employee per year.



# Learning

In 2016, 1,181 employees participated, with more than \$3.5 million being paid out for tuition reimbursement.

## Own Your Career Development Portal:

In addition to the Talent Connection modules related to career development, we offer a portal dedicated to providing employees with tools and resources to assist them in setting career goals. It helps employees identify their strengths and opportunities, grow their networks, develop their résumés and initiate career-related conversations with managers and peers across the company.

## Enterprise Talent Management and Talent Share:

Our Enterprise Talent Market philosophy and Talent Share programs support the internal advancement of our employees. With approximately 33,000 U.S. employees at Allstate, there is no better place to begin our hiring process than with our own people. When a position opens in any department across the company, Allstate employees can apply for the position. Not only does this program reduce the costs associated with hiring an external candidate, it also preserves the cumulative knowledge and maturity of Allstate's culture. In 2016, the internal placement rate in the U.S. was 33 percent.

## Department-Specific Development:

While companywide training initiatives are an important part of creating a unified culture and promoting general expertise, we also recognize the need to promote department-specific expertise. Here are a few examples of how we tailor our training:

Our technology department provides SkillsSoft technical skills training, via an online course library and online books, on topics such as Agile, Scrum, Java, VMWare, Mobile Web and ITIL practices.

Our Life and Retirement Distribution offers development workshops. These workshops include activities such as peer networking, compensation transparency, a book club focused on leadership and workshops that increase awareness and understanding of other business units.

In the 2016 VOICE survey, 83 percent of participating employees responded favorably to the statement, "I have access to the learning opportunities I need to help me meet my career goals."

# Opportun

## Leadership Development

At Allstate, we expect all employees to be leaders. We offer a number of programs that help individuals with and without direct reports develop their leadership skills. These programs are evaluated using a combination of key reporting measures looking at behaviors, skills and mindsets, and impact on the business. Following are a few examples:

### Leadership Development Program:

Allstate's LDP is committed to continuously identifying and developing its future leaders. We identify recent college graduates with high potential and help equip them for successful futures as leaders at Allstate. In 2016, Allstate had 121 participants in the program.



### Power of Five:

The Power of Five is an effort to increase development, retention, promotion and engagement of senior, experienced and top-talent women through one-on-one mentoring relationships. During the year, a senior leader is matched with five director-level women who each in turn mentor five high-potential women, thereby creating a network of mentoring relationships. The program grew from 33 participants in 2015 to 177 in 2016.

### First Level Leadership:

Designed to develop newly promoted or newly hired leaders, Allstate's FLL program follows a tiered approach to increase the amount of training provided to new leaders as they acclimate to their roles. In the first 90 days, Tier One presents foundational training pieces through a variety of delivery methods, including video, eLearning courses, micro-learning courses and job aids. Over the rest of the employee's first year in leadership, Tier Two incorporates the New Leader Development Studio, described below, as well as the half-day and in-person Leveraging Inclusive Diversity program and other topics delivered through eLearning. In the future, Allstate hopes to launch Tier Three, focused on gaining business and financial acumen and building high-performing teams.

### New Leader Development Studio:

NLDS targets new leaders who are assuming direct reporting responsibilities for the first time at Allstate. Apart from covering the essential administrative functions associated with leading a team, NLDS focuses primarily on developing the self-awareness crucial to effective and inspiring leadership, paying special attention to the ability of new leaders to drive results.

### Critical Conversations:

The Critical Conversations course is open to all employees. The course takes participants through the fundamentals of coaching and illustrates Allstate's preferred coaching model aimed at enabling employees to have more impactful conversations with peers, direct reports and managers.

### Live and On-Demand Seminars:

In addition to formal training, Allstate provides employees with in-house learning and development opportunities throughout the year using the latest live and on-demand streaming technology. Offerings vary depending on the focus of the content and the areas of expertise of the speakers.

- + The Good Work Series is an ongoing celebration of the Good Work pillar of our Employee Value Proposition and focuses on nurturing an inspiring workplace culture. Each of our 11 Employee Resource Groups sponsor an event.
- + Good Work Week is an annual, themed, multiday event that renews our commitment to the Good Work Series. Internal and external speakers help employees connect their work to the company's purpose and business results. In 2017, our Employee Resource Groups partnered to cosponsor Good Work Week events.
- + Leaders as Teachers provides internal perspectives from Allstate executives on leadership and other topics pertinent to our business strategy.
- + Thought Leader Forum introduces an external point of view on business and leadership to accelerate development.



In the 2016 VOICE survey, 79 percent of participating employees responded favorably to the statement, "I am given a real opportunity to improve my skills at Allstate."

## Focusing on Diverse Talent

Research consistently demonstrates inclusive diversity contributes to the satisfaction, creativity, innovation, problem-solving ability, engagement and community involvement of employees. We value the contributions and unique attributes each individual brings to Allstate. We know our collective differences give us fresh perspective and purpose, and we strive for a workforce that mirrors the diversity of the customers and communities we serve throughout the U.S. We publish a stand-alone report on our Inclusive Diversity approach and progress; find it in our [Download Center](#).

Our corporate policies and practices related to inclusive diversity serve as a guide for our leaders. Our Shared Purpose—which outlines Allstate's vision, corporate goals, values, priorities and operating and leadership principles—highlights inclusive diversity as one of our five core values. Our employees understand the power of collectively living Our Shared Purpose and use it to guide our business pursuits. Inclusive diversity cascades through all levels of the company and is reinforced in our [Global Code of Business Conduct](#).

### Inclusive Hiring Practices:

By analyzing workforce demographics, we determine the greatest areas of opportunity to bring more diverse talent into the organization and then build recruiting and outreach strategies to target, identify and recruit qualified diverse candidates. Business units have a goal to present diverse candidate slates to hiring managers for 50 to 100 percent of positions, the percentage depending on the diversity needs of the business.

In 2016, Allstate stepped up enterprise-wide diversity efforts. For the first time, all business units were required to make inclusive diversity commitments based on the unit's unique diversity needs. This effort was completed with the support of Allstate's Enterprise Diversity Leadership Council. Claims, our largest business unit, added a full-time diversity consultant and rolled out focused diversity training to its hiring

# Commitment

In 2016, Allstate stepped up enterprise-wide diversity efforts. For the first time, all business units were required to make inclusive diversity commitments based on the unit's unique diversity needs.

managers and recruiters throughout the country to enhance cross-cultural competency across the division.

To ensure Allstate has the opportunity for successful inclusive and diverse recruiting and hiring into the future, we work with programs like Junior Achievement and One Million Degrees that encourage youth empowerment through education (including career programming and mentorship for longer-term pipeline development). For current needs within a specific talent or demographic segment (e.g., women in technology or STEM), we partner with organizations like the Anita Borg Institute and network at events like the Grace Hopper Celebration of Women in Computing, the world's largest gathering of female technologists. We also partner with our Employee Resource Groups to encourage a more diverse referral pipeline for entry level through executive positions.

**Inclusive Diversity Training:**

We require all new employees to complete inclusive diversity training. We educate our recruiters, managers and hiring managers to foster inclusive hiring and value diversity in the workplace. Training covers a variety of topics, including self-awareness regarding cultural identity and unconscious bias, and provides tools to help employees leverage inclusive diversity and create a more inclusive environment. The training also enables participants to complete self-assessments on their level of cross-cultural competency.

Additionally, we host special diversity programs focused on critical topics such as gender identity and transitions, religion in the workplace and generational differences. Many of these topics, particularly unconscious bias and leveraging inclusive diversity, are embedded into other management development training and programs throughout the enterprise whenever possible. Since 2012, 16,000 Allstaters have completed an Inclusive Diversity workshop or eLearning course.

**Employee Resource Groups:**

Another key strategy of Allstate's focus on inclusive diversity are Employee Resource Groups. ERGs provide an open forum where employees with a shared interest aspire, develop and collaborate to reach their highest potential. They represent Allstate in our communities and serve as a key resource to the company for specific consumer, employee and agent insights. Over 6,700 employees are involved in our 11 ERGs, each with unique value propositions and goals.

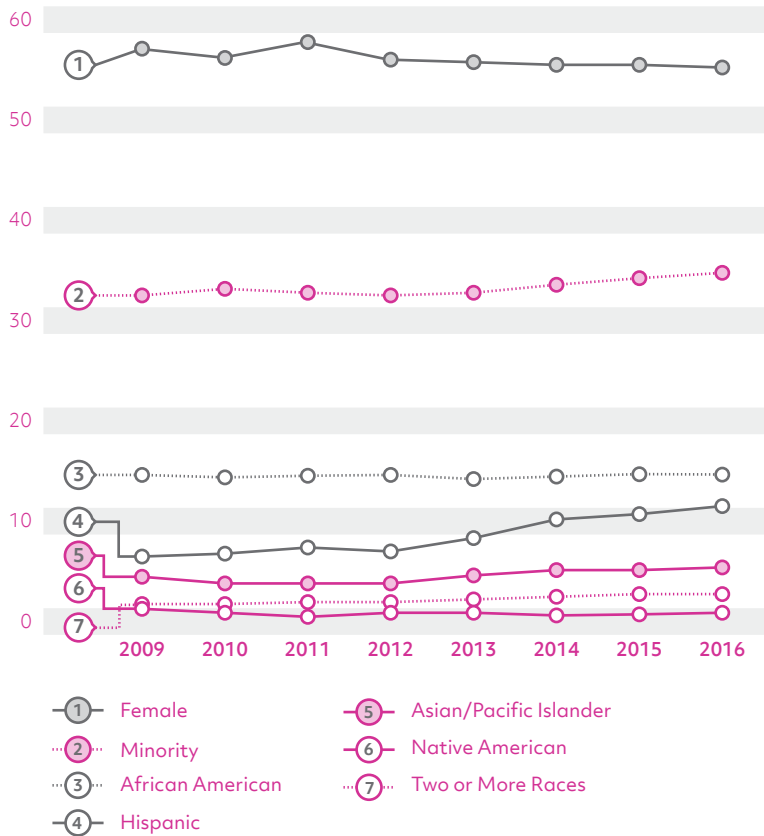
Many of our ERGs go above and beyond to help others live a good life. In 2016, our ERGs collectively volunteered 50,000 hours, doubling their involvement from 2015.

Allstate has been recognized by: Diversity Inc. Top 50 Companies for 12 consecutive years, Top Company for Executive Women 2016 and 2017 and Military Friendly Employer 2017. For a complete list of our external recognition, please see our [Inclusive Diversity Report](#).

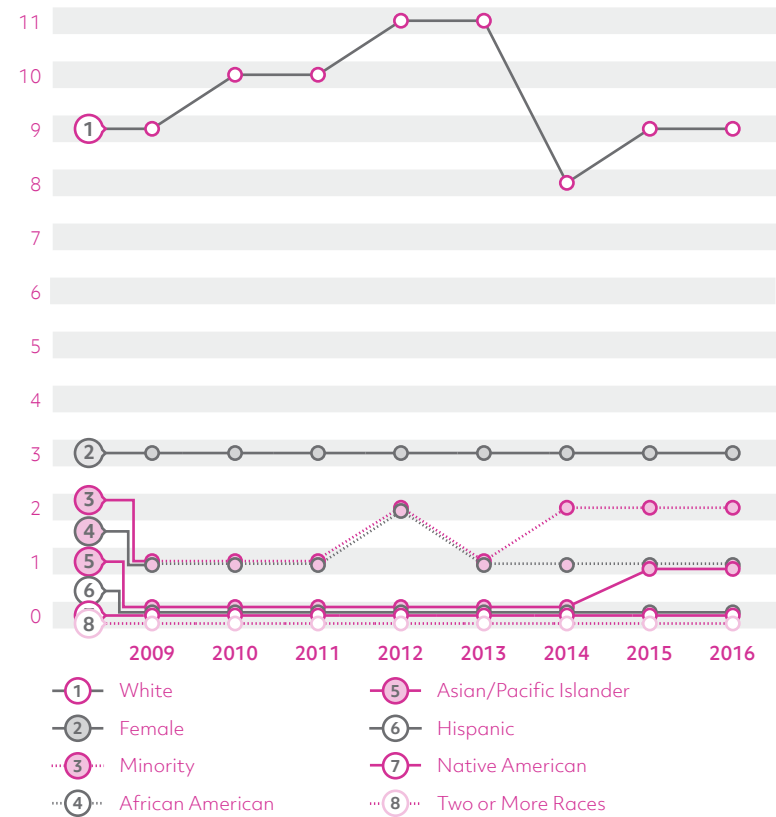
Workforce Data

Workforce Data — Employee Diversity

(% of Total U.S. Workforce)



Workforce Data — Board Diversity



**THERE'S**

**GOOD**

**TO BE DONE**

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## **RISK & CLIMATE**

Climate change affects the way Allstate does business and how we serve our customers. Because changing weather patterns can cause more frequent or more severe weather events, Allstate has a significant interest in helping mitigate the effects of severe weather on our customers and our company.

Allstate seeks to maintain an understanding of climate risks that directly affect both our insurance products and our assets. We continue to observe sea levels rise and more frequent heavy precipitation events, flooding, droughts and wildfires. These events can affect the availability and affordability of insurance.

Consequently, Allstate continues to assess and refine its exposure management, pricing, modeling and underwriting practices concerning climate-related risks. Climate volatility also means Allstate must keep current with changes in climate policy, technology and physical risks. Our risk management approach considers the changing severity and frequency of weather-related natural catastrophes. As a leading insurer, we will continue to provide our industry expertise in formulating public policy solutions that both mitigate weather-related risks and reduce impacts on those most vulnerable.

To learn more on Allstate's approach to managing climate change, see our [Climate Change Statement](#).

### Definition

Climate change refers to a change in the state of the climate that can be identified (e.g., using statistical tests) by changes in the mean and / or the variability of its properties and that persists for an extended period, typically decades or longer. It refers to any change in climate over time, whether due to natural variability or as a result of human activity.



## Highlight Story



When disaster strikes, Allstate National Catastrophe Team members can be found on-site, helping to restore customers' lives.

“The National Catastrophe team is the epitome of A Force for Good at Allstate, because everything that we do is about taking care of our customers.”  
—Jerry, an Allstate employee

### Using Technology and Innovation When Disaster Strikes

For over 20 years, Allstate's National Catastrophe Team has supported customers across the country as they navigate the most difficult times in their lives. The team has come a long way from their days of using paper maps to predict storm patterns 20 years ago. Today, the CAT Team, as it is known, has evolved to provide technology and innovation driven

solutions to serve customers. CAT Team members use iPads and other advanced technology to quickly assess losses, pay out claims and restore customers' lives. As CAT Team member Jerry Jimenez states, “The National Catastrophe Team is the epitome of A Force for Good at Allstate, because everything that we do is about taking care of our customers.”

Allstate understands increased severity and frequency of weather events and natural catastrophes affects the cost and frequency of our customers' claims arising from droughts, flooding, hurricanes, forest fires, wildfires and rising sea levels. Increasing frequency of catastrophic events and associated rate increases can also impact the Allstate customer experience. Our success depends, in part, on our ability to properly model, price and underwrite climate-related risks and develop climate-mitigating products and services. A changing climate also means we must identify risks and opportunities associated with changes in climate policy, technology and physical risks.<sup>1</sup>

Allstate seeks to maintain an understanding of climate risks that directly affect both our insurance products and our assets, and we modify products and protect assets accordingly to protect our



shareholders, customers and reputation. Allstate's Catastrophe Modeling Team and Pricing Groups monitor climate change information throughout the year and provide updates to Product Leadership. The latest update, May 2017, focused on the "Latest Understanding of Climate Change and the Potential Impact on Allstate's Property / Casualty Insurance Operations." The information contained in the update was gleaned from three sources: the IPCC—International Panel on Climate Change, the USGCRP—U.S. Global Change Research

Program, and the Actuaries Climate Index committee. The IPCC and USGCRP monitor and evaluate

<sup>1</sup> Intergovernmental Panel on Climate Change, Climate Change 2013: Physical Science Basis (Cambridge: Cambridge University Press), 126.

**Relevant GRI indicators:**

G4-DMA

G4-EC2

See <https://allstatesustainability.com/> for details.

**SDG Alignment**

Allstate's Climate Change strategy aligns with United Nations Sustainable Development Goals 7 and 13, Affordable and Clean Energy and Climate Action, respectively.



the research efforts and call out where they see alignment and higher confidence in findings. The Actuaries Climate Index provides an objective measure of extreme weather and sea levels over time and is updated on a quarterly basis.

## Governance

Allstate has several mechanisms in place by which to govern and manage climate-change risk and to enforce accountability. These include enterprise risk management, executive compensation, procurement policies and governance oversight at the board and cross-functional levels.

We manage our climate risks within our integrated Enterprise Risk and Return Management framework. The ERRM framework leverages risk-return principles, governance, modeling and analytics, and importantly, transparent management dialogue. This framework provides a comprehensive view of risks and opportunities and is used by senior leaders and business managers to provide risk and return insights and drive strategic and business decisions. Allstate's risk management strategies adapt to changes in business and market environments and seek to optimize returns.

The Enterprise Risk & Return council is Allstate's senior risk management committee that directs ERRM by establishing risk and return targets, determining economic capital levels and directing integrated strategies and actions from an enterprise perspective. The ERRC consists of Allstate's chief executive officer, president, business unit presidents, chief investment officers, enterprise and business unit chief risk officers and chief financial officers, general counsel and treasurer. Allstate's board of directors, risk and return committee and audit committee provide ERRM 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.

# Principles

Our risk and return principles define how we operate and guide decision-making around risk and return. These principles are based upon three key operating components: maintaining our strong foundation of stakeholder trust and financial strength, building strategic value and optimizing return per unit of risk.

Further, we design Allstate's overall executive compensation program to deliver compensation in accordance with performance and not reward excessive risk taking. It includes both short- and long-term incentive components. Monetary incentives for achieving corporate and performance goals include risk and return management, including managing those risks affected by climate.

As a member of the corporate executive team, Allstate's chief procurement officer incorporates 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. One component of the monetary incentive

compensation for the CPO and program development team is based on the successful implementation of this program within the department.

Material risks, including those affected by climate, are regularly identified, measured, managed, monitored and reported to senior management and the board. These risks include catastrophes and severe weather events, auto and property insurance underwriting, business continuity, disaster recovery, and investment concentration and insured exposure concentration. Regulatory changes, customer behavior trends and Allstate's reputation are also considered.

We consider the greatest areas of potential catastrophe losses due to hurricanes to be major metropolitan centers along the East and Gulf Coasts of the U.S. We have addressed our risk of hurricane loss by actions that include:

- + Purchasing reinsurance for specific states and countrywide for our personal lines auto and property insurance in areas most exposed to hurricanes.
- + Limiting personal homeowners insurance new business writings in coastal areas in southern and eastern states.
- + Implementing tropical cyclone and / or wind and hail deductibles or exclusions, using facultative reinsurance where appropriate and continuing to not insure flood risk.

To further promote accountability of Allstate's material topics, including climate change, Allstate formed a sustainability council in 2007 composed of a cross section of senior leaders representing every area of the company. Council members bring their unique perspectives and knowledge of the company's operations and customers to identify key risks and opportunities related to sustainable business practices. The sustainability council meets

three times annually to review existing and emerging environmental and social issues while identifying opportunities and strategies to address these issues, and encouraging and enabling employee engagement with the company's sustainability strategy. The council is led by Allstate's senior vice president of Corporate Responsibility.

## Responsible Investment

Our primary responsibility in managing our investment portfolio is to generate competitive returns while keeping risk to appropriate levels and considering the social and environmental consequences of our investments.

The company's investment portfolio includes support of environmentally friendly and socially responsible investment opportunities with attractive risk and reward trade-offs. The portfolio includes debt investments in wind, hydro, solar and geothermal projects. In 2016, our investments included a low-income-housing tax credit portfolio of \$441 million, a socially responsible investment portfolio of \$56 million and a renewable energy portfolio of \$228 million.

### 2016 Environmental-Social Investments

Low-income-housing tax credit portfolio

\$441M

Socially responsible investment portfolio

\$56M

Renewable energy portfolio

\$228M

Furthering our knowledge and commitment to these areas, Allstate maintains a partnership with Ceres, a leading nonprofit organization that advocates for global sustainability leadership.

## Operations

One of the most effective ways we can demonstrate our commitment to sustainability is to “walk the talk” by demonstrating our own operational commitment to limit or reduce our environmental impact. Allstate believes its sustainability initiatives are intrinsically tied to its corporate citizenship and help strengthen employee and customer pride.

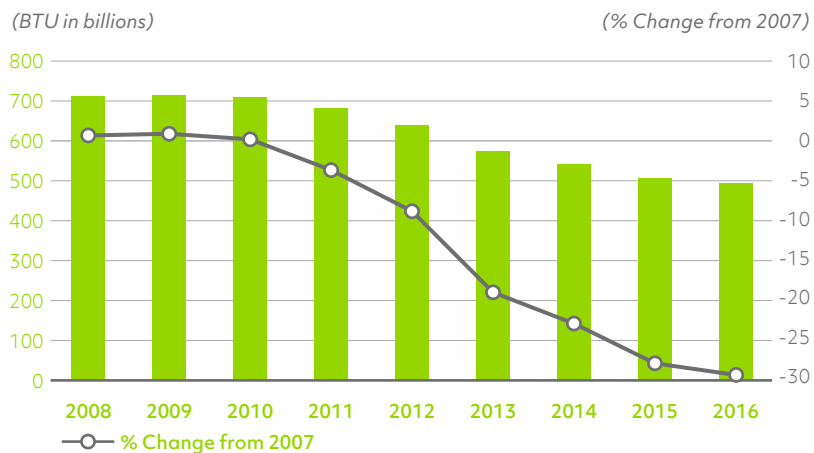
We consider ways to adopt key environmental priorities into all business functions and departments, and develop goals and corresponding Key Performance Indicators. As an example, in order to mitigate Allstate’s operational contributions to climate change, the sustainability council

established an absolute emissions reduction goal and narrowed our environmental KPIs in two areas: paper consumption and energy usage.

In 2010, we pledged to reduce our absolute energy use by 20 percent compared to our 2007 baseline. Allstate surpassed this goal in 2014, six years ahead of schedule. We continue to work toward further reductions by consolidating office space and recapturing heat energy as a byproduct of Allstate’s data center operations. We also optimize the use of energy-efficient equipment and systems—including HVAC equipment and controls, reduced lighting power density designs and daylight harvesting in Allstate’s offices.

See our operational performance metrics in our [Energy, Emissions and Waste](#) section.

### Absolute Energy Use



Many of our energy reduction efforts focus on Allstate’s owned building portfolio, including our headquarters located in Northbrook, Illinois, which encompasses approximately 1.9 million square feet of office space.

Allstate is a national member of the U.S. Green Building Council and participates in its Leadership in Energy and Environmental Design program. We have three LEED® accredited professionals on staff.

Each year, Allstate discloses our companywide carbon footprint to stakeholders, including our greenhouse gas emissions and strategy to manage them, via the Carbon Disclosure Project voluntary questionnaire. Allstate also discloses our climate risk strategy and mitigation actions, which includes carbon emissions reduction efforts, through vehicles like the National Association of Insurance Commissioners' annual Climate Change and Risk Disclosure survey.

[Download our 2017 CDP response, disclosing FY2016 data.](#)

## Products and Services

Allstate continuously evaluates and monitors our products to ensure they are priced to adequately reflect risks, including those related to climate change. We believe our risk and return management practices give us a strategic advantage in the marketplace.

To assist our customers in mitigating their household carbon footprint, we provide a product called the Homeowners Policy Green Improvement Reimbursement Endorsement, which allows a customer who purchased this endorsement to replace covered, damaged or destroyed appliances or equipment with more energy-efficient items and be reimbursed the additional cost incurred to replace them.

The additional reimbursement applies to certain categories of Energy Star® products rated as energy-efficient by the Environmental Protection Agency—appliances and equipment such as washers and refrigerators; computers and electronics; heating and cooling equipment, such as air conditioners and fans; and certain plumbing and building products. These products generally save electricity or water, reducing a home's environmental impact while lowering homeowners' utility bills. Because of their energy-efficient rating, Energy Star products may help consumers reduce their greenhouse gas emissions associated with their use of home appliances. Allstate offers the Homeowners Policy Green Improvement Reimbursement Endorsement in most states.

## Public Advocacy

Allstate understands that climate change will likely exacerbate the frequency and severity of natural catastrophes.<sup>2</sup> We use our industry expertise to formulate public policy solutions that address weather-related risks and reduce their impact. That's why we partner with national and local organizations to better prepare and protect communities, strengthen the country's financial infrastructure to deal with major events, promote better loss prevention and mitigation through stronger building codes and sensible land use policies, and develop programs to strengthen the ability of first responders to help communities recover from catastrophe.

Allstate maintains critical partnerships aimed at building resilient communities. The Allstate Foundation partners with agency owners and their local nonprofits to prepare communities for disasters by providing

<sup>2</sup> Intergovernmental Panel on Climate Change, Climate Change 2013: Physical Science Basis (Cambridge: Cambridge University Press), 126.

emergency kits and other tools. These collaborative efforts increase awareness of weather-related risks and help people better protect themselves and loved ones.

Allstate is an active member and financial supporter of the Insurance Institute for Business & Home Safety. The IBHS mission is to conduct objective, scientific research to identify and promote effective actions that strengthen homes, businesses and communities against natural catastrophes and other causes of loss. Allstate partners with IBHS to promote more durable homes and commercial buildings by improving building practices and by strengthening building codes so our communities are more resilient against natural catastrophes. By working to increase resiliency, Allstate saves lives and reduces the cost of severe weather and natural disasters.



The Allstate Foundation partners with agency owners and their local nonprofits to prepare communities for disasters by providing emergency kits and other tools.

**MORE THAT**

# MATTERS

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We engaged valued stakeholders in our materiality assessment process in 2015. The priorities of our stakeholders brought about this year's focus on climate change, talent management, privacy and information security, and community presence. These topics are central to Allstate's purpose of providing protection for our customers and being a trusted leader in our communities. We know there are other critical topics we must monitor and manage to continue our success. For our stakeholders who are interested in these "More That Matters" areas, in this section we provide additional detail and updates on our performance and progress.



# Claims & Product Innovation

We are taking bold actions to transform the customer experience during the claims process, setting a new standard for faster and easier claims handling, while maintaining quality and accuracy. At Allstate, we help protect customers from life's uncertainties and prepare them for the future.

By innovating, we ensure our business successfully maneuvers the rapid industry transitions due to advances in information technology. By accurately and efficiently assessing and managing claims, we continue to be a force for good and maintain the trust of our valued customers.

## Definition

Innovation in design, production and management of goods and services, including new and disruptive competitive service offerings.

## Relevant GRI indicator:

G4-DMA

See <https://allstatesustainability.com/> for details.

**Quality**  
When we continuously improve our customer experience, our business thrives and we enable our customers to live a good life.

## Highlight Story



Allstate employees Ryan Campbell (left) and Mark Slusar (right) teamed up to help customers understand the risks associated with owning a home.

By connecting the worlds of big data and innovation, the team created a new strategy called Home IQ to help homeowners better maintain their homes and understand the associated risks.

### When Big Data and Innovation Collide

Allstate employees Mark Slusar (Data and Analytics) and Ryan Campbell (Marketing Innovation) have embarked on an unprecedented journey to better understand the risks facing customers in their homes. By connecting the worlds of big data and innovation, the team created a new strategy called Home IQ to help homeowners better maintain their homes and understand the associated risks. As Mark describes, “This means a new level

of protection, and it’s a promise.” The new product allows Allstate to support customers every step of the way while simultaneously better understanding the risks involved with owning a home. Ultimately, Mark and Ryan believe their data and systems work will permeate throughout Allstate, resulting in better data and products to create an even stronger business.

Our industry continues to change rapidly; customers increasingly expect quick, seamless, digital interactions. Those expectations are framed not only by their expectations of insurance, but by all their other service interactions. Our claims mission has always been to restore customers' lives to normal after the unexpected happens by delivering compassionate service that is fast, fair and easy.

## Digital Transformation

Allstate is committed to creating a truly differentiated claims experience by leading our industry in digital transformation. We are taking bold actions to transform the customer experience during the claims process, setting a new standard for faster and easier claim handling, while maintaining quality and accuracy.

As part of our digital transformation, we are modernizing our operating model to follow the pillars of Design, Perform, Measure—designing the technology and processes to achieve our goals, performing those processes with that technology consistently across all locations and measuring our outcomes to provide feedback and make adjustments where needed.

We are working to take advantage of emerging technologies and advanced data and analytics capabilities to better meet the needs of customers and make us more efficient.

### QuickFoto Claim®:

QuickFoto Claim®—a feature within our free, user-friendly Allstate Mobile app—is revolutionizing our claims model for cars that have been in an incident but are still driveable. The app allows customers to take photos of their car's damage and submit them directly to our team of highly trained



Merchandise Mart, Tech Week

auto technicians who can remotely calculate the estimated damage amount. There is no need to schedule an appointment or take the car in for a physical inspection.

## Customers usually receive their estimate in a matter of hours compared to five days with our traditional process.

In 2013, we were first to market with QuickFoto Claim®, but the technology was initially underutilized. Throughout 2016, we encouraged use of QuickFoto Claim® through targeted efforts in California and Texas, along with additional support resources for agencies, like a toolkit and webinars. We continue to expand the user base through 2017. As a result of increased

adoption, we will be able to consolidate more than 800 drive-in claims locations across the country, reducing our [environmental footprint](#), while maintaining our quality and improving customer experience. We have opened two Digital Operating Centers in Dallas and Charlotte, with more than 400 employees between the two locations, to take on the additional remote estimating work. In 2017, we hope to dramatically expand virtual estimating capabilities to include claims on non-drivable cars and submission of live streaming video.

#### **QuickCard Pay:**

Allstate now offers one of the fastest payment methods in the industry. Allstate's market-leading QuickCard Pay provides a nearly instantaneous payment to customers and claimants anytime, anywhere in the U.S. Instead of waiting up to a week to receive a check in the mail, or a few days with Fast Mobile e-Pay, Allstate can now send customers a claim payment in real time. All they need is a debit card and an email address to have nearly immediate access to funds through virtually any bank account with a linked U.S. debit card.

#### **Customer Smart Videos:**

At Allstate, it is our responsibility to make sure our customers fully understand the claim process and all pertinent information specific to their claims. Throughout the claim process, we will send them video tutorials customized to their specific situations, explaining where they are in the process and the next steps to be taken. It will include all the key information they need, including the claim number and the representative assigned to the claim.

#### **MyClaim Center:**

Customers have 24/7 access to claim information from any device through MyClaim Center, a new interface within MyAccount and the Allstate Mobile app. Using MyClaim, customers can check their claim status, obtain details about or schedule inspections and access information about coverage, deductibles, rental reservations, digital payments and more.

#### **Aerial Imaging:**

Allstate has been one of the leaders in aerial imaging research. Aerial imagery taken by drones, piloted airplanes or satellites is innovative technology that we use to better meet the needs of our customers. For example, drones can capture higher resolution images, which means an adjuster can look at photographs and zoom in to see great detail. We can now use aerial imagery to assist in property inspections to deliver a faster, more modernized claim experience.



## Product Innovation

# Evolving

Through ongoing, diligent monitoring of the evolving environment, consumer expectations and market conditions, we are dedicated to ensuring we have products and experiences that meet customer needs.

### **Drivewise®:**

Telematics technology allows insurers to monitor driving habits through a device or app. With Drivewise®—Allstate's telematics program available in 49 states plus D.C.—Allstate was the first major U.S. insurer to bring to market a mobile app through which we provide customers insights into their driving behaviors to promote safe driving and reward those customers that demonstrate safe driving behaviors.

### **Milewise<sup>SM</sup>:**

Pay-per-mile insurance is a new kind of auto insurance that is based on the miles a customer drives. Consumers today are accustomed to personalized products or services in which they have more control over cost and usage. To keep Allstate ahead of this consumer trend, Allstate's pay-per-mile auto insurance is currently in a market test in Texas and Oregon, giving customers more control over their auto insurance rate.

### **Ride for Hire® and Host Advantage™:**

With rapid growth of consumers who use their personal cars and homes to participate in the sharing economy, Allstate moved quickly to provide customers with coverage options that address their needs related to the sharing economy:

- + Ride for Hire® provides Allstate customers driving for transportation network companies, like Uber and Lyft, an optional endorsement to help fill the gap between their personal auto policy coverage and what's provided by the TNC's commercial policy.
- + Host Advantage™ provides Allstate customers renting out their homes on sites like Airbnb and HomeAway with coverage options to help with their personal property protection gaps.

# Employee Health & Safety

Allstate strives to set the standard for employee health and safety.

Employee safety is a moral imperative—and it makes good financial sense. Allstate focuses on preventing injuries so employees and contractors can live their lives fully.

Prevention also saves the company money by avoiding lost work time and medical claims. Allstate's safety mission is for all employees, contractors and visitors to return home safely every day. The company's approach goes beyond compliance and focuses on exceeding federal requirements:

## Definition

Making resources available to promote the satisfaction, work-life balance, health and well-being of employees; ensuring safe working conditions; having a robust safety training program; meeting and exceeding global health and safety regulatory requirements.

## Relevant GRI indicator:

G4-DMA

See <https://allstatesustainability.com/> for details.



# Support

We believe people do their best work when they are healthy and feel good. That's why Allstate employees have access to an array of market-competitive benefits and programs to help support their physical health, financial security and work-life balance.

## Highlight Story



Allstaters cheer on fellow employees at the 8th annual Sprint & Stride 5k benefitting The Allstate Foundation—Purple Purse.

We have a network of more than 200 well-being champions throughout our organization.

### Energy for Life

Through our [Allstate Good Life](#)® well-being programs, we have learned that people are more likely to make healthy choices like exercising, eating right and getting physical checkups when they are influenced by their peers to do

so. We have a network of more than 200 well-being champions throughout our organization. These employees are empowered to help create a culture of well-being in more than 100 Allstate offices.

Rather than limit our focus to the Occupational Safety and Health Administration's construction industry regulations, Allstate uses OSHA's general industry regulations, 29 CFR 1910, as a starting point.

Allstate effectively manages workplace safety through several measures:

- + **Governance**
- + **Safety equipment**
- + **Safety training and education**
- + **Monitoring and audits**

## Governance

Allstate's Enterprise Workforce Safety Committee, which includes representatives from Risk Management, Administration and Real Estate, Law & Regulation, Compliance and Corporate Relations, meets regularly to discuss how to mitigate safety concerns.

If employees have concerns, they are encouraged to contact Safety and Environmental teams, or contact human resources through Ask HR, a dedicated line to reach the team quickly by phone, email or chat page, or i-Report, Allstate's confidential process for reporting ethical concerns.

## Safety Equipment

Allstate provides personal protective equipment at no charge to employees. All of our 140 locations have working fire extinguishers and, in total, we have 344 automated external defibrillators distributed across these locations. Portable extinguishers are evaluated annually with additional monthly quick checks. We actively monitor the age of each piece of safety equipment and ensure that AED replacement pads and batteries ship automatically prior to the expiration date. To supplement our safety equipment, a new corporate program enables employees to receive CPR and AED training. These classes are held on an as-requested basis, and are not required for most employees. In 2016, we trained 610 people enterprise-wide.

## Safety Training and Education

Our safety training provides employees the specific education they need, based on their role within the organization. While Allstate is primarily an office environment, our printing and communications center, service center, record center and engineering employees require targeted training.



In 2016, Allstate provided targeted safety training to 597 active employees throughout the enterprise. Another 113 users had been trained but are no longer in the role for which the training was intended. This exceeds OSHA, National Fire Protection Association and U.S. Environmental Protection Agency expectations. Where safety issues could have catastrophic results, Allstate annually trains employees, exceeding OSHA requirements.

Beyond training, Allstate continues to send out weekly blog articles—called Safety Food for Thought—on safety-related issues. These articles, sent to employees in a safety-required role and available to all employees, provide valuable safety information and tips.

## Monitoring and Audits

Our instructor-led online safety training ensures employees understand safe processes from beginning to end. Allstate performs and documents periodic safety observations of employees who work in high hazard environments to ensure they perform their tasks correctly. In all large locations owned and managed with a triple net lease—where Allstate manages all aspects of the facility—the company performs annual safety site audits based on OSHA general industry guidelines. In 2016, audits increased by 3 percent.

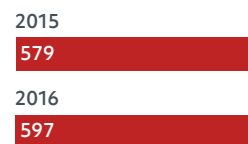
Slips and falls are Allstate’s most common safety issue; in 2016, we saw great progress, and reduced slips and falls by 35 percent. Some of this difference is related to a milder winter. We are also now addressing each slip and fall immediately to ensure the cause is mitigated and a second incident does not take place. The company evaluates parking lots, entranceways and doors to ensure no identifiable trip hazards exist. Allstate’s safety team works closely with the security team to review incident reports and correct safety issues to minimize the risk of future accidents.

From an environmental perspective, Allstate has an ongoing indoor air quality program. Every two to four years, we conduct IAQ surveys to assure our locations are safe and meet Allstate’s [IAQ comfort guidelines](#). Allstate developed these guidelines using applicable OSHA and American Society of Heating, Refrigerating and Air Conditioning Engineers standards for indoor air quality. In 2016, we conducted 57 IAQ surveys, covering about a third of all owned and leased locations above 5,000 square feet in size.

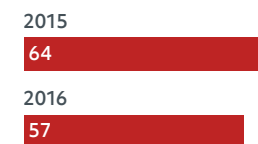
The Administration and Real Estate department leads several other initiatives to ensure a safe environment for employees and protection of the natural environment. For example, each year the team leads asbestos awareness training and spill-plan training sessions. The company uses an online portal to track which employees receive safety training, how often they receive it and how well they perform.

We evaluate our performance using these key indicators on a quarterly basis, comparing year-over-year results and adjusting as needed to improve our companywide safety approach.

Number of employees receiving training



Number of IAQ surveys



## Employee Health and Wellness

We believe people do their best work when they are healthy and feel good. That's why Allstate employees have access to an array of market-competitive benefits and programs to help support their physical health, financial security and work-life balance.

Through our [Allstate Good Life](#)<sup>®</sup> well-being programs, we have learned that people are more likely to make healthy choices like exercising, eating right and getting physical checkups when they are influenced by their peers to do so. We have a network of more than 200 well-being champions throughout our organization. These employees are empowered to help create a culture of well-being in more than 100 Allstate offices.

We also recognize that people take better care of themselves when they have the tools to help them make their own health decisions. Allstate



Allstate offers bicycles for employees to travel around its Northbrook, Illinois, location, encouraging movement during the work day.

who took the assessment and enrolled in the company-sponsored medical plan for the following year also avoided a surcharge on their medical plan premiums. More than 2,820 employees took advantage of health coaching to work on issues such as reducing stress or changing food habits.

March Mania had more than 10,000 employees forming teams and challenging themselves to walk 100,000 steps over three weeks to earn an incentive and bragging rights. In 2016, for the first time, Allstate also offered a sleep tracking incentive opportunity. Over 6,000 people chose to earn at least one of their wellness incentives while sleeping. Others tracked nutrition, or used a mobile app to sync a step tracker with a "Stride through 85" years of Allstate historical milestones. There were 15,524 employees and 1,802 spouses / domestic partners who earned at least one \$100 wellness incentive.

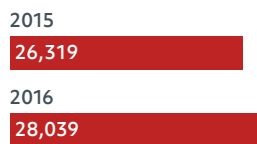
In 2016, 28,039 or 85 percent of Allstate employees took part in the online [health risk assessment](#), which helped employees identify their strengths and potential problem areas to initiate a productive conversation with their doctors.

Financial well-being is just as important as physical well-being in helping to support employees' ability to do their best work. In 2016, we added [HelloWallet](#), a Web and mobile application designed to help employees reach their financial goals. It offers employees a chance to gain insights into their finances by seeing all their accounts in one place, provides suggestions for setting priorities and helps employees pay down debt and save for the future. Allstate included HelloWallet in its menu of wellness incentives, offering a \$100 wellness incentive to employees who built a budget of

10 items or more and logged in three times. Twenty-two percent of Allstaters enrolled in 2016.

Allstate also continued to provide financial well-being seminars during its Fourth Annual [Financial Fitness Week](#). Over 4,066 employees attended and viewed sessions on personal finance including everything from student loans and investing 101 to how our personal history influences how we handle money and how to help close the racial gap in financial well-being.

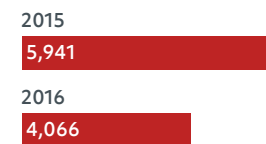
Allstaters who completed the online health risk assessment



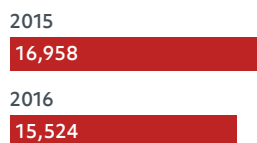
Individuals using health coaching services



Attendance at personal finance sessions



Allstaters earning \$100 wellness incentive: **EMPLOYEES**



Allstaters earning \$100 wellness incentive: **SPOUSES/DOMESTIC PARTNERS**



# Responsible Investment

Allstate leverages our resources as an institutional investor to be a force for good.

With over \$80 billion in investments, Allstate's investment decisions represent a critical part of our corporate responsibility footprint.

How we choose to invest our assets affects our employees, customers and investors. By investing in various client-mandated portfolios, we protect our ability to pay the claims of our customers and attract further investment.

## Definition

Including environmental, social and governance factors and the long-term health and stability of the company in Allstate investment decisions.

### Relevant GRI indicators:

G4-DMA

G4-EC1

See <https://allstatesustainability.com/> for details.



# Holistic

We provide the best value to our shareholders by taking a competitive and holistic approach to investing. Our socially responsible portfolios provide Allstate with strong returns, keep risk at appropriate levels and weave corporate responsibility into their overall approach.

## Highlight Story



Allstate invests in municipal bonds that improve the communities where our customers live and work.

As Allstate proactively manages over \$80 billion of investments, we seek opportunities to direct a portion of our funds to high-quality portfolios with benefits to the communities where we live and work.

### Bonds to Better Communities

As Allstate proactively manages over \$80 billion of investments, we seek opportunities to direct a portion of our funds to high-quality portfolios with benefits to the communities where we live and work. Municipal bonds are part of Allstate's fixed-income investments, and provide Allstate with tax-exempt investment income. The proceeds of these bonds are often used for public works and capital projects for community members.

Municipal bonds, like those in which Allstate invests, are often used to build, renovate or equip projects like local schools, residence halls at colleges

and universities, community buildings like police and fire stations, libraries and health care locations such as hospitals, out-patient clinics and skilled-nursing facilities.

We know that while these bonds are solid investments and protect the value we provide to our customers, they are also working to improve the cities, schools and hospitals that serve our communities and customers daily, and are just one example of the ways our investment portfolio can drive positive impact as well as income.

## We provide the best value to our shareholders by taking a competitive and holistic approach to investing.

Our socially responsible portfolios provide Allstate with strong returns, keep risk at appropriate levels and weave corporate responsibility into their overall approach. Although the financial impacts of our socially responsible investments may sometimes be difficult to quantify, we see the social benefits come to life in the communities and projects we support.

In 2016, our socially responsible investments included a low-income-housing tax credit portfolio of \$441 million. The renewable energy assets in Allstate's investment portfolio had a book value of approximately \$228M. This is made up predominantly of hydro, wind and solar plants in the U.S., but also includes renewable energy investments in the United Kingdom, Latin America and Africa. Additionally, we had a municipal portfolio with a socially responsible focus of \$2.1 billion.

## Nurturing Diverse Talent in Asset Management

The number of multicultural and diverse households continues to grow, shifting the United States toward a nation where minorities compose a majority of the population. Despite research showing that diverse investing teams consistently outperform less diverse investing teams, women and minorities are still underrepresented in the private equity and real estate private equity investment sectors. Allstate works to secure the continuity of

our workforce through a variety of diversity initiatives. ([Read more about inclusive diversity at Allstate.](#)) To ensure our investment team demonstrates superior performance and helps bridge the underrepresentation gap, Allstate created the Diversity Emerging Managers program.

## Allstate committed \$83 million of the \$100 million allocated to the program to participating firms. We carefully assess the returns on the funds we commit for investment.

The goal of Allstate's Diversity Emerging Manager program is to identify the next generation of women and minority investment managers. To do this, we collaborate with Grosvenor Capital Management to select women- and minority-owned firms that demonstrate excellence to participate in the program.

In addition to our financial commitment, the participating firms also receive development training from Grosvenor Capital Management that covers a wide range of topics related to operating an asset management firm, including management, finance and marketing.

## Impact Community Capital

Impact Community Capital was founded to create a bridge between low-income communities in need of investment and insurance companies. It aims to put policyholders' capital into profitable investments while at the same time making a positive impact. Since its inception, the sum of ICC's socially responsible investments in underserved communities has grown to more than \$1 billion. The ICC invests in affordable housing, healthcare and economic development.

Since 2000, Allstate has helped ICC increase its ability to finance affordable housing by investing in securitized loans packaged by its affiliate, Impact Community Impact Loan. Impact CIL purchases mortgage loans on newly constructed or rehabilitated affordable multifamily housing properties, most of which are eligible for Low Income Housing Tax Credits. When the mortgage pool reaches an optimal size, the loans are securitized. Under the Community Impact Loan Program, Impact CIL has provided more than \$800 million of financing on project loans containing more than 33,000 low-income housing units.

## The Perspectives Charter Schools and Allstate Partnership

In 2010, Allstate Investments began hosting students from Perspectives Charter School, a school on the South Side of Chicago, at our Northbrook, IL headquarters. Over the course of a five-day internship, up to 20 high school juniors are exposed to the broad range of professions at Allstate, with a

focus on investing, which is a professional field often overlooked by high school students. This program enables Allstate to deepen our relationship with the Chicago community.

The program introduces the students to investment concepts and what it means to trade for a large institutional investor. Through our Investing Challenge, the students apply these investment concepts by selecting stocks, tracking performance and presenting the results to the Investment Department. The internship also provides the students with opportunities

# Education

We emphasize to interns the need to plan for their career through a strong focus on education and networking, and to plan for retirement at an early age—both of which help to achieve long-term financial health.

to meet diverse employees from disciplines across the company, including marketing, legal, technology, agency ownership, communications and human resources. We are proud of this unique partnership and continue to expand the reach and depth of programming each year.

# Financial Inclusion

Allstate proudly protects people against life's uncertainties and we strive to ensure those with limited means have the same opportunity to benefit from being in our good hands.

Financial inclusion lies at the intersection of business and social value—generating positive feedback and shared value by working to build a financially inclusive business. We challenge ourselves to create innovative products and services to meet our customers' needs and outperform our competition. Financial inclusion is a license to operate in the insurance industry; legal and reputational considerations are an important part of our management of this material topic.

Our efforts in financial inclusion focus on:

- + **Offering competitive prices;**
- + **Providing economic empowerment to survivors of domestic violence and;**
- + **Investing in affordable housing.**

## Relevant GRI indicators:

G4-DMA

G4-EC1

See <https://allstatesustainability.com/> for details.

# Empower

When we give domestic violence survivors the tools and access they need for a healthy financial life, we empower them to participate more fully in the economy.



## Highlight Story



Play video →

The No. 1 reason domestic violence victims can't just leave is that they're being abused financially.

Allstate devotes its resources and expertise to support financial empowerment to end domestic violence.

### America's Largest Prison Break

The No. 1 reason domestic violence victims can't just leave is that they're being abused financially. Lori, a domestic violence survivor, experienced this firsthand. Psychically, mentally and emotionally abused, Lori knew she had to get out, but she couldn't simply take her children and just leave. Her husband controlled all the finances, imprisoning her in her own marriage.

To escape, Lori painstakingly tucked away small amounts of money in one place her abusive husband wouldn't think to look—a box of tampons. After two years, she finally saved enough to hire a divorce lawyer and leave the abusive marriage to start a new life for herself and her children.

## Offering Competitive Prices

Allstate agency owners and financial specialists value and build personal relationships with each of their customers. They work to achieve the best insurance solutions for their customers' needs at the right price for each unique customer—balancing risks and costs. We regularly update our pricing models to ensure our customers benefit from the most advanced approaches. As a result, our prices are highly competitive and fair, providing our customers with outstanding value.

Auto insurance prices are risk-based so that lower-risk drivers pay less than higher-risk drivers. We use information such as driving safety records, driving characteristics and vehicle type to provide our customers with accurate and competitive prices. We base our homeowners insurance pricing on a combination of external factors such as the frequency of storms or other natural disasters that occur in the area, the cost of building materials, how old the home is and home insurance policy preferences such as the amount of deductible selected and qualifying discounts.

Allstate offers several ways to reduce customers' premiums including discounts for insuring both their car and their home with Allstate, paying their bill automatically and installing safety features like smoke detectors or home security devices.

## Empowering Survivors of Domestic Violence

One way we address financial inclusion, unique to us, is through our work with survivors of domestic violence. This financial engagement ultimately provides value to Allstate.

Many survivors of domestic violence lack the financial literacy and assets they need to escape their circumstances. Allstate helps break this cycle with The Allstate Foundation Purple Purse campaign. To read more about the work of The Allstate Foundation Purple Purse, see [Community Performance](#).



By empowering domestic violence survivors with information and resources, Purple Purse increases their chances of successfully escaping their abusive partner.

## Investing in Affordable Housing

Impact Community Capital was founded to create a bridge between low-income communities in need of investment and insurance companies with a need to invest policyholders' capital in profitable investments and at the same time make a positive impact. Since its inception, the sum of ICC's socially responsible investments in underserved communities has grown to more than \$1 billion. The ICC invests in affordable housing, healthcare and economic development.

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Investing

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# Sustainable Procurement

At Allstate, environmental and social leadership in our purchasing decisions helps us live Our Shared Purpose.

We realize the magnitude of our global purchasing activity means our procurement practices have far-ranging effects.

This offers Allstate the opportunity to positively influence the businesses from which we source the various products and services required to operate our enterprise. We are proud of our business practices, and our work in sustainable procurement is one of the many ways in which we demonstrate our commitment to sustainability and corporate responsibility. We will continue to hold ourselves and our suppliers accountable for how we affect our stakeholders.

## Definition

Screening suppliers for ethical and sustainable practices; helping suppliers adopt ethical and sustainable behaviors.

## Relevant GRI indicator:

G4-DMA

See <https://allstatesustainability.com/> for details.

# Risk

Sustainably managing our supply chain helps mitigate risk. By understanding how suppliers are managing topics such as emissions, waste, regulatory compliance and cybersecurity, we can better articulate Allstate's expectations of them.

## Highlight Story



Sarah Rahn, CEO and President of Madison Avenue Worldwide, meets with mentor Vicky Dinges, Allstate Senior Vice President of Corporate Responsibility.

Play video →

“The Allstate Mentoring Program had a huge impact on my business. I’ve doubled the size of my employees, I got a 10 percent increase in revenues... the access that you get is absolutely unprecedented.”

—Sarah Rahn, CEO and President of Madison Avenue Worldwide

### Making a Difference for Small Business Owners

Allstate’s Mentoring Program is one standout aspect of our Supplier Diversity Program. The initiative supports diverse small business owners by providing training, resources and access to top business leaders to make their businesses stronger. Sarah Rahn, CEO and President of Madison Avenue Worldwide, experienced the power and value of the Mentoring Program

firsthand while working with her mentor, Allstate Senior Vice President of Corporate Relations Vicky Dinges. Sarah explains, “The Allstate Mentoring Program had a huge impact on my business. I’ve doubled the size of my employees, I got a 10 percent increase in revenues...the access that you get is absolutely unprecedented.”

Each year, more than 10,000 Allstate employees travel for business. To manage our carbon footprint, it is important that we choose travel partners who exhibit sustainable business practices. In 2016, through our supplier sustainability check-ins, Allstate worked closely with one of our preferred airlines to help drive innovative sustainability solutions.

By introducing fuel-efficient technology onto the airline routes, our supplier's program to replace older, less fuel-efficient aircraft with newer models that produce fewer emissions and less noise helped Allstate to lower our carbon footprint while meeting the business needs of our employees.

The new fuel-efficient technology, combined with Allstate's new focus on on-demand management, or traveling only when the trip is a business necessity, produced the following results:

- + **Reduced emissions by 249 metric tons of CO<sub>2</sub>e compared to the previous year.**
- + **Allstate employees took fewer airline trips, resulting in better flight mix efficiency.**

Sustainably managing our supply chain helps mitigate risk. By understanding how suppliers are managing topics such as emissions, waste, regulatory compliance and cybersecurity, we can better articulate Allstate's expectations of them. By actively managing these risks, we enhance our reputation and align procurement decisions with environmental and social responsibility, increasing the confidence of stakeholders who depend on Allstate's performance.

## Supplier Impacts

We manage environmental and social impacts in our supply chain through a combination of agreements, surveys, scorecards, resource reduction programs and policies (such as our [Supplier Code of Ethics](#)). All suppliers doing business with Allstate must adhere to our requirements—stated in the Supplier Code of Ethics—regarding [human rights](#), environmental stewardship, diversity and inclusion, child labor and more. We are in the process of developing key performance indicators and targets to more effectively monitor the influence of our sourcing efforts.

### Cybersecurity:

Just as reliance on information technology has increased for organizations, so has the importance of customer privacy and data security. To mitigate the potential risks of an information security breach arising from a supplier relationship, we provide vendor specific training courses on Allstate's security standards. We train suppliers to recognize behaviors that increase risk, familiarize them with Allstate's corporate values and evaluate security protocols of every supplier with access to sensitive data. Starting in 2017, Allstate is now requiring all vendors to complete this course.

Read more about Allstate's [Privacy and Information Security](#) practices.

### Resource Reduction and Sustainability Road Map for Suppliers:

In 2015, our Sourcing & Procurement Solutions department identified and prioritized the most important sustainable procurement initiatives through a rigorous analysis of resources used at Allstate. As a result of this assessment, we focused our responsible purchasing program on computer equipment, furniture, leased properties, paper products, professional services, software,

utilities and our corporate vehicle fleet. For each resource, we identified key performance indicators to include in the supplier scorecard and created Sustainable Procurement Playbooks that provide detailed rationale behind assessing material impacts and how suppliers should respond to the KPIs. We distributed the playbooks to Allstate’s commodity managers in each spend category, who then use the tools to help suppliers provide required information for each KPI. We continue to mature our process to accurately and consistently track supplier KPIs.

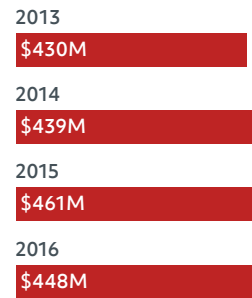
## Supplier Diversity

Allstate is committed to achieving its long-term goal to have 9 percent of the company’s total procurement spend with diverse businesses. Allstate recognizes diverse businesses as enterprises that are at least 51 percent owned and operated by minorities, women, veterans, LGBTQ and disabled. Minority suppliers include: African-American, Hispanic-American, Native American and Asian- and Pacific Islander-American (Asian-Indian included).

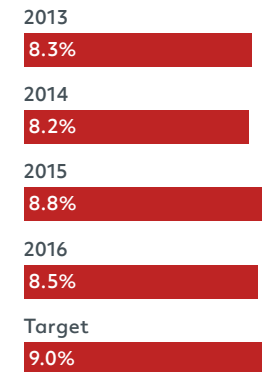
To be eligible for our Supplier Diversity program, a company must provide certification as a minority-, woman-, veteran-, LGBTQ- or disabled-owned business by one of the following councils:

- + National Gay and Lesbian Chamber of Commerce
- + National Minority Supplier Development Council
- + U.S. Pan Asian American Chamber of Commerce
- + Women’s Business Enterprise National Council
- + Department of Veterans Affairs Center for Veterans Enterprise Vendor Information
- + U.S. Business Leadership Network

### Supplier diversity spend



### Diverse supplier spending as a percent of purchasing spend



We evaluate progress by measuring our targeted spend in the first five categories listed below. We also measure our inclusive spend in all 13 categories identified by the Small Business Administration as diverse and of special interest in meeting statutory obligations. These include:

- + Minority / Women-Owned Business Enterprises
- + Minority-Owned Business Enterprises
- + Women-Owned Business Enterprises
- + Lesbian, Gay, Bisexual, Transgender, Questioning-Owned Business Enterprises
- + Disabled Business Enterprises
- + Disabled Veterans Business Enterprises
- + Disadvantaged Business Enterprises
- + Historically Black Colleges and Universities
- + Historically Underutilized Business Zone
- + Small Business Administration 8(a) Program
- + Small Disadvantaged Business Enterprises
- + Veteran-Owned Business Enterprises
- + Small Business Enterprises

### Building Ties with Diverse Groups Through Memberships:

Allstate works with select organizations to conduct national benchmarking, connect with diverse suppliers and identify successful practices in supplier diversity. Allstate is a member of the following organizations:

- + The National Minority Supplier Development Council
- + Women's Business Enterprise National Council
- + National Veteran-Owned Business Association
- + National Gay and Lesbian Chamber of Commerce
- + United States Hispanic Chamber of Commerce
- + United States Pan Asian Chamber of Commerce
- + Financial Services Roundtable for Supplier Diversity

### Industry Recognition:

In 2016, a number of external organizations recognized our supply chain diversity efforts. We received the following awards:

- + 2016 Corporation of the Year—Chicago Minority Supplier Development Council
- + Top 50 Best Companies for Supplier Diversity 2016—*Black Enterprise Magazine*
- + Best-of-the-Best Corporations for Inclusion—National Gay & Lesbian Chamber of Commerce and the National Business Inclusion Consortium
- + WE 100 Corporations of the Year—*Women's Enterprise USA Magazine*
- + 2016 America's Top Corporations – Silver—Women's Business Enterprise National Council

### Training the Next Generation of Diverse Suppliers:

Allstate is committed to helping develop diverse suppliers through our various Supplier Diversity initiatives. Every year, we host the Allstate

Supplier Diversity Exchange. This event gives diverse suppliers and start-up companies the opportunity to network with key Allstate decision makers and our major suppliers and strategic partners. The program creates a mutually beneficial relationship: Allstate helps support businesses in underserved areas, and participating companies become better positioned to compete for contract opportunities. Since the inception of the Exchange in 2006, Allstate has spent over \$850 million with diverse suppliers that have participated in the event through 2016.



Allstate Supplier Diversity Exchange

In addition to the Supplier Diversity Exchange, we also support diverse businesses through the Allstate Mentoring Program. Through the Allstate Mentoring Program, diverse companies are selected to receive training, resources and networking opportunities aimed at building their business capacity.





[Read more](#) about Allstate's Supplier Diversity Exchange and Mentoring Program.

# Energy, Emissions & Waste

We are in an industry with extensive climate-related risk. Therefore, we believe it is in the best interest for society and for our business to reduce our environmental footprint. Beyond reducing cost for our operations, we avoid contributing to the very issue we are attempting to mitigate through our responsible investment and public policy efforts.

Today, energy and waste reduction efforts are table stakes for sound stakeholder relationships. By demonstrating stewardship of the earth, Allstate nurtures its reputation as an environmentally and socially responsible company while enabling greater opportunities for our business and our stakeholders.

## Definition

Reducing Allstate’s own energy consumption and associated emissions; increasing the use of renewable sources of energy; reducing and properly disposing of waste, including composting and recycling.

### Relevant GRI indicators:

G4-DMA	G4-EN16
G4-EN3	G4-EN17
G4-EN6	G4-EN18
G4-EN15	G4-EN19

See <https://allstatesustainability.com/> for details.

# Goals

In 2010, Allstate set a goal to achieve a 20 percent energy-use reduction (absolute) against our 2007 baseline by the year 2020. Thanks to efforts across the enterprise, we surpassed this goal six years early, in 2014.

## Highlight Story



Allstate's food dehydrating system, the SOMAT machine, keeps 18 tons of food out of landfills each year.

The SOMAT machine has zero environmental impact and saves more than 18 tons of food from ending up in landfills each year.

### From Food to Fertilizer

Allstate's cafeteria houses a large-scale food dehydrator, the SOMAT machine, which reduces landfill waste and simultaneously benefits the environment while beautifying the corporate campus. The dehydrating process is simple. Food goes into the "pulper" and gets broken down into what we call "coleslaw" (because it looks and smells like it!), while the liquid

from the food gets recycled back into the machine. The coleslaw is next dehydrated to remove all remaining liquid. The result is a nutrient rich mulch that is used to fertilize trees all over campus. The SOMAT machine has zero environmental impact and saves more than 18 tons of food from ending up in landfills each year.

## Energy and Emissions

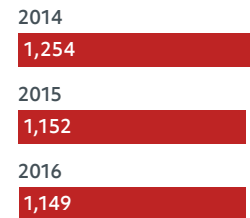
In 2010, Allstate set a goal to achieve a 20 percent energy-use reduction (absolute) against our 2007 baseline by the year 2020. Thanks to efforts across the enterprise, we surpassed this goal six years early, in 2014. Allstate is in the process of evaluating a next generation target, to be set in 2018.

In the meantime, we continue to reduce consumption by consolidating office space, recapturing heat energy as a by-product of Allstate’s data center operations and optimizing the use of energy efficient equipment and systems. Examples of this include HVAC equipment and controls, reduced-lighting power density designs and daylight harvesting in Allstate’s offices. In early 2016, we replaced two chillers at our headquarters in Northbrook, IL, which increased energy efficiency and cut operational costs.

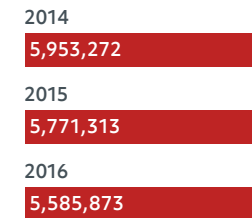
The trend toward consolidating our office space into fewer, larger locations continued in 2016, creating more efficient utilization of space across our owned and leased building portfolios. For more on how our claims practices are transforming our business model, see our [Claims and Product Innovation](#) section.

### Building Portfolio

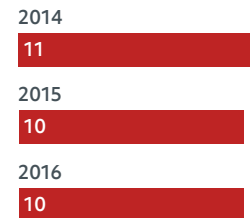
Leased Building Portfolio by number of locations



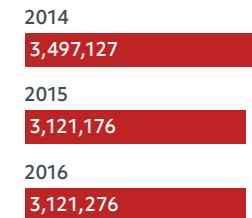
Leased Building Portfolio by square footage



Owned Building Portfolio by number of locations



Owned Building Portfolio by square footage



G4 Indicator	Indicator Text	Metric	2014	2015	2016
G4-EN15	Direct GHG Emissions (Scope 1)	Greenhouse Gas Emissions	52,690	55,700	56,521
G4-EN16	Energy indirect GHG emissions (Scope 2, location-based)		117,019	112,000	104,350
G4-EN17	Other indirect GHG emissions (Scope 3)		32,065	20,518	46,239

## Waste

At Allstate's corporate headquarters in Northbrook, IL, we recycle PET (polyethylene terephthalate) plastic bottles, aluminum, lightbulbs, metal scrap and paper. In addition to Allstate's recycling program, we manage waste through bottling stations, cafeteria waste dehydration and pulping, paperless business solutions and secure shredding.

### Water Fountains and Bottling Stations:

More than two million tons of disposable water bottles sit in U.S. landfills. To reduce the use of disposable water bottles, several years ago we launched an enterprisewide bottling station program. Employees fill up their bottles with filtered tap water at bottling stations rather than purchasing disposable water bottles. Allstate maintains 230 bottling stations across our facilities.



Allstate maintains 230 bottling stations across our facilities.

### Reducing Employee Cafeteria Waste:

In 2013, the U.S. generated more than 37 million tons of food waste, 21 percent of our solid waste generated. The U.S. Department of Agriculture estimates that Americans discarded more than a third of all food produced in 2010.

Because food requires substantial resources to produce, discarding it wastes not only the food itself, but the resources that contributed to its production. Additionally, once food reaches the landfill, it begins to decompose producing methane, a greenhouse gas that has an impact on the climate 25 times greater than CO<sub>2</sub>.

To lessen our impact on this international issue we installed a food pulper and dehydrator at our headquarters. The pulper grinds food waste, which we then feed through the dehydrator system. After we process the food waste, only five percent of the volume remains. Rich in nutrients, this dehydrated waste serves as a rich soil amendment for our campus landscaping. Our home office cafeteria, which is also our largest, has been zero-waste since 2015.

### Paper Reduction:

Paper is Allstate's largest source of potential waste. To this end, we have implemented numerous reduction initiatives.

We have a Print Optimization and Paperless Task Force that is comprised of business unit leaders from across the company. The team monitors and tracks employee and customer printing and paper use, and works with the enterprise communications team to run employee awareness campaigns on the operational and ecological costs of printing.

We make every effort to keep documents in electronic form; however, when dealing with confidential documents this is not always possible so Allstate maintains a secure shred program where paper documents are shredded and recycled.

We also encourage transitioning to electronic forms of customer communications to help cut costs and reduces both our footprint and our customers' footprints. Allstate currently has three paperless initiatives available to our customers: eSignature, ePolicy and eBill. Customers can sign up for these free services through My Account, our online customer self-service hub.



Customer paperless initiatives  
(% usage)

Year	2014	2015	2016
ePolicy	11	20	25
eBill	25	32	35
MyAccount	44	51	56
eSignature			28