Allstate's Approach to Climate Risk

Climate change represents an urgent global concern for all companies, including Allstate. The changing climate directly affects Allstate's business: We've paid out $30 billion to customers in the last 10 years as a result of catastrophe claims. Allstate's approach is to safeguard our customers while having sustainable business practices and adequate returns.

A changing climate means we must identify risks and opportunities, which can be either physical in nature, such as extreme weather patterns, or related to transitions such as policy shifts and the development of new technology. Allstate works to understand how this directly and indirectly affects our products, assets and liabilities.

Allstate's insurance businesses depend on effectively modeling, pricing, and managing risks, including those related to climate change. Allstate manages climate risks using our integrated Enterprise Risk and Return Management (ERRM) framework, which applies risk and return principles, modeling and analytics, governance, and transparent dialogue to proactively manage the company's highest-priority risks.

Insurance, investment and reputational risk categories are significantly impacted by climate change.

- Insurance risk: More severe weather events are increasing loss costs for homeowners insurance, requiring risk management actions such as changes in pricing, product coverages, underwriting practices and reinsurance utilization.

- Investment risk: Climate change presents physical risks to real estate and infrastructure investments, as well as transition risks that impact holdings in certain industries, requiring consideration within investment underwriting and portfolio management activities. The evolution of society to a low-carbon footprint presents opportunities to both participate in the development of solutions and to earn attractive investment returns.

- Reputational risk: Climate change matters deeply to customers and other key stakeholders, and Allstate continues to collaborate through external partnerships and public engagements, as well as enhance disclosures to provide transparency into our strategy, progress and goals in the area.

Allstate aims to achieve net zero Scope 1 and 2 greenhouse gas emissions by 2030. By the end of 2025, Allstate will set a target for Scope 3 emissions.

About this Report

Allstate is providing the following information to address the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The inclusion of information contained and referenced in this report should not be taken as an indication of the materiality or financial impact of that information. Allstate's financial disclosures can be found in our 2023 Annual Report on Form 10-K.

All other sustainability-related reporting is available at AllstateSustainability.com/reporting. This includes Allstate's annual SASB Index and TCFD Index and consolidated disclosure aligned with the Global Reporting Initiatives (GRI) and the UN's Sustainable Development Goals (SDGs), as well as Allstate's annual CDP report and EEO-1 disclosures.

Data Assurance

The data contained in this report has been subjected to internal verification procedures. Additionally, Allstate obtains assurance of select GHG emissions each year, which is disclosed in greater detail in Allstate's annual CDP report.

Forward Looking Statements

This report contains "forward-looking statements" that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like "plans," "seeks," "expects," "will," "should," "anticipates," "estimates," "intends," "believes," "likely," "targets" and other words with similar meanings. These statements may address, among other things, our strategy for growth, catastrophe, exposure management, product development, investment results, regulatory approvals, market position, expenses, financial results, litigation, and reserves. We believe that these statements are based on reasonable estimates, assumptions and plans. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update any forward-looking statements as a result of new information or future events or developments. In addition, forward-looking statements are subject to certain risks or uncertainties that could cause actual results to differ materially from those communicated in these forward-looking statements.

In addition, historical, current, and forward-looking environmental and other sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future, including future laws and rulemaking. Forward-looking and other statements regarding environmental and other sustainability efforts and aspirations are for informational purposes only and are not intended as an advertisement for Allstate's equity, debt, businesses, products, or services and the reader is specifically notified that any investor-requested disclosure or future required disclosure is not and should not be construed as an inducement for the reader to purchase any product or services. The statements and analysis in these publications represent a good faith effort by Allstate to address these investor requests despite significant unknown variables and, at times, inconsistent market data, government policy signals, and calculation, methodologies, or reporting standards.

Climate Related Disclosures

On March 6, 2024, the SEC adopted climate-related disclosure regulations, requiring registrants to provide certain climate-related information in their registration statements and annual reports. The final rule requires, among other disclosures, information about a registrant's climate-related risks that have had or are reasonably likely to have a material impact on its business strategy, results of operations, or financial condition. The final rule also includes disclosure of a registrant's Scope 1 and Scope 2 greenhouse gas emissions, if material, which have become a commonly used metric to assess a registrant's exposure to such risks. In addition, under the final rule, certain disclosures of climate-related financial statement effects would be required in a registrant's audited financial statements. Initial disclosures under the final rule are required to be made in the Company's Form 10-K for the year ended December 31, 2025. The Company is evaluating the anticipated impacts of the final rule to its disclosures.

In October 2023, California enacted several climate disclosure bills. One of these is the Climate Corporate Data Accountability Act (Senate Bill 253) (the "Act"), which requires disclosure and assurance of greenhouse gas emissions using a phased reporting approach. The Act requires the California Air Resources Board to develop and adopt implementing regulations no later than January 1, 2025. Allstate has publicly reported its greenhouse gas inventory since 2010. We will continue evaluating the anticipated impacts and scope of the new laws on our reporting and disclosures.

Allstate's greenhouse gas (GHG) emissions data is based on a combination of measured and estimated data. Reporting guidelines from global organizations and standards such as CDP and the GHG Protocol inform Allstate's process and the selection of the data reported. Emissions reported are estimates only, and performance data depends on variations in processes and operations, the availability of sufficient data, the quality of those data and methodology used for measurement and estimation. Emissions data is subject to change as methods, data quality, and technology improvements occur, and changes to performance data may be updated. Data for non-Allstate operated facilities are included in consolidated emissions data and similarly may be updated as changes in the performance data are reported. Allstate's plans to reduce emissions are good-faith efforts based on current relevant data and methodology, which could be changed or refined. Allstate works to continuously improve its approach to identifying, measuring, and addressing emissions.

In early 2024, Allstate updated its Scope 3 net zero goal to align with the company's path to set a goal for financed emissions. By year-end 2025, Allstate will announce a goal for all Scope 3 categories. The update is reflected in this report.

This report was updated as of September 2024, and is provided by the Allstate Corporation on behalf of itself and of its subsidiaries, as applicable.

Climate-Related Financial Disclosures (TCFD): Reference Table

All of Allstate's sustainability disclosures are available at AllstateSustainability.com

Pillar	Recommended disclosure	Allstate's disclosure
1 | Governance Disclose the organization's governance around climate-related risks and opportunities.	A. Describe the board's oversight of climate-related risks and opportunities	SR; 10-K; CDP The Board oversees all risk and return activities, including those related to climate change, and reviews sustainability matters to prioritize efforts and progress. The Board believes sustainability benefits Allstate's stakeholders and drives long-term value creation.
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	SR; 10-K; CDP The Enterprise Risk and Return Committee (ERRC) meets monthly and is Allstate's senior risk management committee below the Board level. The ERRC directs enterprise risk and return management activities by establishing risk and return targets, determining economic capital levels, and monitoring integrated strategies and actions from an enterprise risk and return perspective. Allstate's chief sustainability officer, Responsible Investing Committee, and ESG Steering Committee also guide Allstate's sustainability efforts.

2 | Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	CDP; 10-K Risks and return opportunities are evaluated across six key categories (strategic, insurance, financial, investment, operational, and culture) with climate impacting all six areas across Allstate's operations, upstream and downstream activities. Within the six key risk categories, Allstate's risk management process also considers additional climate-related risks pertaining to current and emerging regulation, technology, legal, market, reputational, and acute and chronic physical risks. Allstate's integrated climate risk-assessment uses short-, medium- and long-term time horizons to determine financial and strategic business impacts.
	B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	CDP Managing climate-related risks and opportunities has been a priority at Allstate for over 25 years, as it impacts all aspects of its business. Allstate has worked to mitigate, and adapt to, the effects of more severe weather on customers' homes and shareholder returns, which has impacted where it provides protection, what the protection covers, pricing, utilization of risk reduction efforts such as reinsurance, provision of third-party products, and regulatory and compliance initiatives.
	C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP Allstate measures and monitors insurance risk (which includes claims frequency and severity, and catastrophes and severe weather) with different approaches, including stochastic methods and scenario analysis. We use qualitative and quantitative climate-related scenario analysis (NGFS scenarios framework, RCP 4.5, RCP 7.0 and bespoke physical climate scenario); Allstate is initially focusing on three of the scenarios: Current Policy, Net Zero 2050 and Delayed). For additional details related to the reserving process for property and casualty insurance claims, see Allstate's Form 10-K.

3 | Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	A. Describe the organization's processes for identifying and assessing climate-related risks.	CDP We manage climate risk using our integrated enterprise risk and return management framework. It includes governance, processes, culture and activities that are performed on an integrated enterprise-wide basis, following our risk and return principles.
	B. Describe the organization's processes for managing climate-related risks.	CDP On an ongoing basis, Allstate identifies, assesses, mitigates, reports and monitors material risks, including climate change, through our integrated ERRM program. This enables holistic management of key risks and incorporates risk and return management into our business model. The ERRM program includes our risk appetite statement, Risk and Return Principles, key risk and return categories, governance, modeling, analytics, and transparent management dialogue.
	C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	CDP Allstate's ERRM framework revolves around maintaining a strong foundation, building strategic value and optimizing return per unit of risk. These objectives encompass priorities such as maintaining capital strength, solvency, and liquidity, complying with laws, acting ethically, and protecting customer and proprietary information. On an ongoing basis, Allstate identifies, assesses, mitigates, reports and monitors material risks, including climate change, through our integrated ERRM program.

4 | Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	SR; CDP 10-K: Annual catastrophe losses, effect of catastrophe losses on combined ratio in total and by line of business, catastrophe losses and reserve re-estimates by line of business, and catastrophe loss by size and type of event.
	B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	SR; CDP *CY2023 Scope 1: 29,315 mt CO2e CY2023 Scope 2 (Location-Based): 43,935 mt CO2e *CY2023 Scope 2 (Market-Based): 33,615 mt CO2e CY2023 Scope 3 total: 6,999,613 mt CO2e Category 1: 2,456,745 mt CO2e Category 2: 5,383 mt CO2e Category 3: 11,471 mt CO2e Category 4: 14,223 mt CO2e Category 5: 9,874 mt CO2e *Category 6: 40,579 mt CO2e Category 7: 26,454 mt CO2e Category 13: 9,004 mt CO2e **Category 15: 4,425,880 mt CO2e, **Verified with limited assurance (view verification statement).* ***Category 15 intensity: 775 mt CO2e per million [revenue]; Category 15 coverage: 44% of portfolio [in relation to total investment portfolio at YE 2023].*
	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	SR; CDP To support the transition to a low-carbon economy, we're working to achieve net zero Scope 1 and 2 greenhouse gas emissions by 2030. We'll set a target for Scope 3 emissions by year-end 2025.

SR: Sustainability Report; 10-K: Form 10-K; ERRM: enterprise risk and return management