



FORCE FOR GOOD

2013 CORPORATE RESPONSIBILITY REPORT



ABOUT THIS REPORT

GRI DISCLOSURES 1.2 / 2.9 / 3.1 / 3.2 / 3.3 / 3.4 / 3.5 / 3.6 / 3.7 / 3.8 / 3.9 / 3.10 / 3.11 / 3.13 / 4.1 / FS1 / FS4 / FS5 / FS9

Allstate is committed to reporting each year about our sustainability performance. In this, our 12th Corporate Responsibility report, we share our achievements as well as areas where we see opportunities for improvement. Throughout this report, we also provide examples of how we apply our knowledge to improve our company, enhance our sustainability efforts and address stakeholder concerns.

REPORT CONTENT

Report content is determined both by the Global Reporting Initiative (GRI) framework and through our understanding of stakeholder priorities and concerns. **Stakeholders** include customers, employees, agency owners, investors, opinion leaders, policymakers and consumers. We also regularly receive feedback from and engage with a wide variety of community groups, nongovernmental organizations (NGOs) and activist organizations, and staff members from organizations that regulate our business and operations. We use this feedback to help guide all aspects of our corporate responsibility strategy.

ASSESSING CHANGING ISSUES: THE ALLSTATE MATERIALITY THINK TANK SUMMIT

In early 2014, academics, NGO executives, corporate responsibility professionals, journalists and consultants met online in a virtual “Think Tank” to discuss emerging sustainability issues for Allstate. The idea was to do a quick pulse-check, rather than a full re-evaluation, on the Materiality Analysis/Matrix Allstate created in 2011. The Matrix is an important element of Allstate’s corporate responsibility effort, since it identifies the sustainability issues that impact Allstate’s business from our stakeholders’ point of view.

Please send correspondence, comments and questions regarding this report to: SocialResponsibilityFeedback@allstate.com

Allstate collaborated with Convetit on a week-long virtual “Think Tank” using a stakeholder engagement platform. The online forum was convenient for participants, requiring no travel and allowing people to drop in when it was convenient for them. It was open to people from many different organizations, gathering input on key materiality issues including:

- **Environment:** Environmental Management Operations
- **Communities:** Natural Catastrophe Preparedness
- **Employees:** Diversity & Inclusion; Employee & Agent Satisfaction
- **Supply Chain:** Sustainable Procurement
- **Governance:** Transparency; Risk Management & Business Continuity
- **Products & Services:** Access to Insurance

Climate change was by far the most hotly discussed subject, with stakeholders asking that Allstate take a stronger stand on an issue that impacts its bottom line via increased claims for weather-related damages.

Allstate already pursues a wide range of climate change initiatives, from carbon mitigation strategies and investment portfolio decisions to risk management and disaster preparedness efforts. This year, Allstate will take that commitment one step further with a formal climate change policy statement [link to climate change policy section], which is included in this year’s report.

Beyond climate, stakeholders spotlighted the supply chain as a focus of material issues, and an opportunity to leverage our positive influence. Stakeholders asked that Allstate build on its success in supply chain sustainability, incorporating additional impact measures like human rights. Allstate’s procurement team is planning to embed sustainability within all of their internal and external processes — and will be benchmarking against other financial services companies in the near future.

Participants also pointed to employee engagement as Allstate's strong suit and a possible springboard for future corporate responsibility initiatives. Andy Savitz, a principal at Sustainable Business Strategies, said, "The culture of the company appears to be one of caring and it wouldn't surprise me if many employees and agents care deeply about the environment and society. My guess is that by aligning sustainability and employee values Allstate could move the needle on employee engagement resulting in potential significant business benefits."

OUR REPORTING FRAMEWORK

This is our fifth year using the GRI reporting framework, and first using the recently released "G4" guidelines. GRI is a set of global guidelines that standardizes sustainability report content and facilitates comparisons among different organizations. The guidelines are continually refined and improved to give companies a more effective framework for organizing content.

More information about our business and financial performance is available in our [Annual Report](#).

REPORT PERIOD, SCOPE AND BOUNDARIES

This report was published in August, 2014 and covers our sustainability performance for the 2013 fiscal year, January 1, 2013 to December 31, 2013.

Data in this report does not cover the facilities, operations and employees of our exclusive insurance agencies or the independent insurance agencies who sell Allstate products, unless otherwise noted.

Reporting boundaries in other areas differ by content.

- **Climate Change:** Reporting covers Allstate and affiliate-owned and leased facilities and operations in the United States, Canada, India and the United Kingdom.
- **Energy:** Reporting covers Allstate and subsidiary-owned facilities and operations in the United States, Canada, India and the United Kingdom.
- **People:** Reporting covers the employees of Allstate. Employees of exclusive agencies, independent agencies and partners are not covered except when specifically noted in the report.
- **Products and Investments:** Reporting covers all of our products, financial services and investments during calendar year 2013.

Information for this report was collected by individual departments within Allstate that gather, store and manage data in their business systems. Cameron Cole, an environmental consultant, has **verified** the data in our Greenhouse Gas inventory. All other data and statements made have been confirmed by internal Allstate teams, including representatives from Human Resources; Investments; Risk Management; Tax, Administration and Real Estate; Sourcing and Procurement Solutions; Finance, Law & Regulation; Accounting; and our Corporate Responsibility team. No significant changes were made in measurement from previous reporting years.

KEY PERFORMANCE INDICATORS AND GOALS

GRI DISCLOSURES 3.10 / EC6 / EN18 / EN26 / EN5 / EN6 / EN7

OUR KEY PERFORMANCE INDICATORS reflect our sustainability and social impact priorities. This update shows where we achieved strong results in 2013 and where we are striving to improve.

GOALS	PROGRESS
BUSINESS PRACTICES	
EMPLOYEE DIVERSITY	
<p>Earn a spot on The DiversityInc Top 50 Companies for Diversity® list on an annual basis. DiversityInc's Top 50 measures four key areas: CEO Commitment, Human Capital, Corporate and Organizational Communications, and Supplier Diversity.</p> <p>Companies must score above average in all four areas to earn a spot on the list and demonstrate strong consistency across the board in their diversity-management initiatives. Companies are measured within their industry classifications.</p>	<p>2013 - Achieved</p> <p>2012 - Achieved</p> <p>2011 - Achieved</p> <p>2010 - Did not achieve</p> <p>2009 - Did not achieve</p> <p>2008 - Did not achieve (Named to DiversityInc's 25 Noteworthy Companies)</p> <p>2007 - Achieved</p> <p>2006 - Achieved</p>
SUPPLIER DIVERSITY	
<p>Achieve 9% of Allstate's total procurement spend with businesses owned by minorities, women, veterans and members of the lesbian, gay, bisexual and transgender community by 2015.</p>	<p>On Track to Achieve 2015 Goal</p> <p>2013 - 8.3%</p> <p>2012 - 6.6%</p> <p>2011 - 5.9%</p> <p>2010 - 5.4%</p> <p>2009 - 5.7%</p> <p>2008 - 4.1%</p> <p>2007 - 5.0%</p> <p>2006 - 4.2%</p>

GOALS

PROGRESS

ENVIRONMENT	
ENERGY REDUCTION	
<p>Reduce energy use 20% by 2020 for Allstate-owned facilities (compared to our 2007 baseline).</p> <p>We are working to improve the energy efficiency of Allstate's operations, reduce electricity demand and explore renewable energy options.</p>	<p>On Track to Achieve 2020 Goal</p> <p>2013 - 19.39% reduction from 2007 baseline (10.87% reduction from 2012)</p> <p>2012 - 8.91% reduction from 2007 baseline (5.2% reduction from 2011)</p> <p>2011 - 3.91% reduction from 2007 baseline (4.12% reduction from 2010)</p> <p>2010 - 0.22% increase from 2007 baseline (0.71% reduction from 2009)</p> <p>2009 - 0.94% increase from 2007 baseline (0.22% increase from 2008)</p> <p>2008 - 0.72% increase from 2007 baseline</p> <p>2007 - Baseline set</p>
CARBON FOOTPRINT	
<p>Maintain or reduce Allstate's carbon footprint on an annual basis (compared to our 2007 baseline).</p> <p>We publish details about our environmental performance in our annual response to CDP (Carbon Disclosure Project). We are reducing our carbon footprint primarily by improving the operational efficiency of company-owned buildings, using more fuel-efficient vehicles in our corporate fleet and regulating air travel by employees more carefully.</p>	<p>Achieved</p> <p>2013 - Achieved (6.3% decrease over prior year; total 26.7% reduction since 2007)</p> <p>2012 - Achieved (3.12% decrease over prior year; total 21.79% reduction since 2007)</p> <p>2011 - Achieved (10.39% decrease over prior year; total 19.27% reduction since 2007)</p> <p>2010 - Achieved (3.16% increase over prior year; total 9.91% reduction since 2007)</p> <p>2009 - Achieved (8.38% decrease over prior year; total 12.67% reduction since 2007)</p> <p>2008 - Achieved (4.68% decrease over prior year)</p> <p>2007 - Baseline set</p>
REAL ESTATE	
<p>Focus on the sustainability of our real estate by ensuring that many major office renovations and most new construction projects are Leadership in Energy and Environmental Design (LEED) certified by the U.S. Green Building Council.</p>	<p>Achieved</p> <p>2013 - No new major construction or renovation projects</p> <p>2012 - Interior construction of Chubbuck-Pocatello call-in center achieved LEED Gold certification; F Tower building at Home Office achieved LEED certification for renovation of floors 7-9</p> <p>2011 - New Idaho call center in Chubbuck-Pocatello achieved LEED Silver certification</p> <p>2010 - Pursuing LEED certification of new Idaho call-in center in Chubbuck-Pocatello, Idaho, slated to open in 2011</p>

GOALS

PROGRESS

PAPER REDUCTION — EMPLOYEE FOCUS	
<p>Maintain or exceed employee paper reduction levels established in 2010.</p> <p>After surpassing our 2009 goal to reduce overall employee office paper use by 25% by 2010, we deemed 2010 to be our new baseline.</p>	<p>Achieved</p> <p>2013 – Achieved (17% reduction from 2012 level; 31% reduction since 2010)</p> <p>2012 – Achieved (12.8% reduction from 2011 level)</p> <p>2011 – Achieved (11.4% reduction from 2010 level)</p> <p>2010 – Established as our new baseline year after achieving 41% reduction in office paper in our corporate headquarters and more than 50% in our field offices compared to our 2008 baseline</p> <p>2009 – Well on track to achieve 2010 target (21% reduction compared to 2008 baseline)</p> <p>2008 – Baseline set</p>
PAPER REDUCTION — CUSTOMER FOCUS	
<p>Reduce paper delivery to customers by 20% by 2013 (compared to our 2009 baseline).</p> <p>In 2011, we surpassed our goal of reducing paper delivery to customers by 20% by 2013 through the use of convenient, cost-effective and environmentally friendly options such as EZPay, eBill and ePolicy.</p>	<p>2013 – Reduced customer paper use by 33% since 2009 baseline, helping our customers save more than 56 million pieces of paper</p> <p>2012 – Reduced customer paper use by 27% since 2009 baseline, saving more than 30 million pieces of paper</p> <p>2011 – Achieved. Reduced customer paper by 22.4%, saving approximately 24 million pieces of paper</p> <p>2010 – Well on pace to achieve 2013 target: 11.8% reduction totaling approximately 14 million pieces of paper saved</p> <p>2009 – Baseline set</p>

SOCIAL IMPACT

TEEN SAFE DRIVING	
<p>Contribute to reducing teen driving fatalities by 50% and create the safest generation of teen drivers by 2015.</p> <p>We are making “smart” driving socially acceptable to teens using the power of peer-to-peer influence, guidance from key adults and increased public understanding of the issue to change the way teens think and act in the car.</p>	<p>2013 – On track to achieve 2015 target.</p> <p>The Allstate Foundation Teen Safe Driving program exceeded its social impact goals for 2013: more than 7.7 million teens were informed and more than 1.2 million were involved in our teen safe driving programs in local communities. Teen deaths on U.S. roads have decreased by about 47% since 2005.</p>
FINANCIAL EMPOWERMENT FOR DOMESTIC VIOLENCE SURVIVORS	
<p>Reach 500,000 survivors of domestic violence with Allstate Foundation-funded financial empowerment services by 2015.</p> <p>Empower domestic violence survivors to increase their financial independence, which helps them end the cycle of violence to live and thrive free from abuse.</p>	<p>2013 – On track to achieve 2015 target.</p> <p>In 2013, more than 171,000 survivors received financial empowerment services through The Allstate Foundation program; more than 384,000 have received these important services since the program began in 2005.</p> <p>From financial literacy to job training to asset-building projects, Foundation-funded programs are helping survivors move from safety to security.</p>

LETTER FROM THE CEO

GRI DISCLOSURES 1.1 / 1.2 / 4.8

Allstate is a special place that is determined to “Be a Force For Good.” We live this by:

- **Doing the right thing**
- **Putting people ahead of policies**
- **Defying expectations**

It’s what our customers want, what our communities need and what we expect of ourselves.

We are driven by purpose and share a vision to safeguard the hopes and dreams of more than 16 million families. Our iconic brand slogan is “You’re in Good Hands,” and we deliver on that promise every day, protecting people from life’s uncertainties and preparing them for the future.

In 2013, Allstaters brought the “Good Hands” to life for people in need in virtually every city in the country. An impressive 65 percent of agency owners and employees were involved in corporate responsibility programs during the year, including a record 3,700 volunteers during our annual Week of Service. We also contributed more than \$29 million in financial resources to help more than 8,600 nonprofit organizations.

It’s this willingness to get involved, to lead by example and be a force for social change that inspires us to set our sights higher every year. That is especially true when it comes to our long-term commitment to reduce teen driving fatalities and help domestic violence survivors. We have taken a stand to reduce violent urban crime through Get In Chicago. In addition, we initiated a relationship with Free the Children, an organization empowering youth to rise up and be active local and global citizens.

Our focus on corporate responsibility includes Allstate’s business practices as well. We seek growth and profitability in a responsible, sustainable way by having a diverse workplace and supplier network and reducing our direct impact on the environment. I’m pleased to say we are making progress on these goals, with the number of diverse suppliers 26 percent higher than the prior year’s and carbon emissions nearly 27 percent lower than six years ago.



Allstate is a company that stands for good, and we care deeply about our customers, employees, agency owners and the communities we serve. Through our actions we help people live a good life—every day. We all have a hand in tomorrow, and Allstate is committed to doing its part to help create a brighter future.

A handwritten signature in black ink that reads "Tom Wilson". The signature is written in a cursive, flowing style.

Tom Wilson
Chairman, President and Chief Executive Officer

LETTER FROM THE SENIOR VP OF CORP. RESPONSIBILITY

GRI DISCLOSURES 1.2 / 3.5 / 4.8

Allstate is a company with a clear purpose: Bring more *good* to peoples' lives. We help our customers achieve their hopes and dreams by protecting them from life's uncertainties and preparing them for the future. And we generously lend our financial support and human capital to create safer and stronger communities.

Individually and collectively, Allstaters are driven to live our brand promise: *You're in Good Hands with Allstate*. We do this by always striving to do the right thing, putting people ahead of policies and defying expectations—delivering more than what people would expect from an insurance company. Those simple but powerful brand attributes guide our decisions, anchor our processes, and help us create innovative ways to bring more good to our customers and the world around us.

Allstate's deep commitment to corporate responsibility is a natural extension of this intense focus on our customers, and it influences our interactions with other stakeholders, our business practices, the environment and society at large. We're guided by goals established several years ago that have inspired us to significantly improve our corporate responsibility performance. In fact, we will raise the bar on many of our goals in 2014 to ensure we continue to challenge ourselves and maintain our standing as one of America's leading corporate citizens.

Following are some key highlights of progress in 2013 across our focus areas of **stakeholder engagement, responsible business practices, environmental stewardship** and **social impact** initiatives:

Stakeholders

- **Boosted satisfaction among employees:** Received a favorable response from at least 75 percent of employees on 10 of 11 key measures of satisfaction.
- **Increased agency owner satisfaction with heightened support:** Refocused efforts to support and enable



the growth of local Allstate agencies, resulting in a 20-point increase in their satisfaction with the agency-company relationship.

- **Improved Allstate's overall reputation from "average" to "strong" among all stakeholders:** Elevated our focus on customer relationships and community involvement to help spur this increase, as measured by the Reputation Institute.
- **Advocated for our customers directly with Congress:** Organized the first-ever Allstate Congressional Fly-in, which allowed our employees and agency owners to share local perspectives with elected officials on issues important to the customers we protect.

Business Practices

- **Made great progress toward our supplier diversity goal:** Spent \$409.6 million with diverse suppliers, or 8.3 percent of Allstate's total annual procurement. We expect to meet our goal of spending 9 percent of Allstate's total procurement on diverse businesses by the end of 2014, a year ahead of schedule.
- **Ranked among top companies for diversity:** Included on the DiversityInc Top 50 Companies for Diversity® list for the third year in a row, reflecting our core value of inclusive diversity.
- **Maximized investments to deliver social impact:** Maintained Allstate Investments' nearly \$1 billion commitment to socially responsible strategies, such as Low Income Housing Tax Credits and a program to help identify and develop minority- and women-owned private equity firms.
- **Leveraged big data to combat insurance fraud:** Created predictive modeling algorithms through Allstate's Quantitative Research & Analytics team to help identify and prevent claims fraud. Eliminating fraud is good for Allstate and for consumers who may benefit from lower premiums.

Environmental Stewardship

- **Delivered big-time paper cuts (the kind that don't hurt!):** Eliminated approximately 4.8 million paper documents through our eBill program.
- **Nearly achieved our long-term energy-reduction goal years ahead of plan:** Reduced energy use in owned facilities by 10.87 percent versus 2012, and by 19.39 percent compared to our 2007 baseline, nearly reaching Allstate's long-term goal to cut energy use 20 percent by 2020.
- **Continued strong performance in reducing Allstate's carbon footprint:** Lowered our footprint by 6.3 percent versus 2012 and nearly 27 percent since 2007.
- **Provided water filtration to curb plastic bottle waste:** Kept more than 1 million plastic water bottles out of landfills, thanks to 168 water-filtration stations installed across Allstate facilities.

Social Impact

- **Engaged a record number of Allstaters in community programs:** Involved 65 percent of Allstate employees and agency owners in these efforts in 2013.
- **Helped more teens stay safer on the road:** Engaged more than 1.2 million teens in our Teen Safe Driving programs.
- **Broadened reach of our Domestic Violence program:** Financially empowered more than 171,000 domestic violence survivors, helping women across the country achieve the self-sufficiency they need to get free and stay free from abuse.
- **Led new public-private effort to reduce violence in our hometown of Chicago:** Helped launch—and continue to lead—a \$50 million multiyear program to combat urban violence in the city with our sponsorship of Get In Chicago.
- **Prepared more Americans for natural disasters:** Collaborated with Points of Light to equip 5,500 families in 14 cities with their own disaster-preparedness kits.

We're proud of our 2013 accomplishments, and know there's more to be done. In 2014, we're launching efforts to integrate sustainability into our supply chain. This will allow us to more accurately measure supplier contributions to Allstate's carbon footprint and create opportunity to reduce these impacts. It will also help us identify and eliminate risks within our value chain that might negatively impact Allstate and our ability to serve our stakeholders. We're also accelerating efforts to reduce the amount of paper we send to customers. Thanks to new e-Business solutions, we're not only improving our customers' experience, we're also reducing cost and minimizing our environmental impact.

Stakeholder engagement continues to play a critical role in informing our strategic direction and future actions. In 2014, we are re-engaging with our multi-stakeholder feedback team (organized by Ceres several years ago) to review our new climate change policy and help guide our future corporate responsibility reporting. We'll also conduct a new sustainability materiality analysis to update our 2012 findings. This analysis highlights areas of opportunity and risk, and reflects issues of the highest concern to our stakeholders—issues that could significantly affect our ability to execute our business strategy.

We understand our commitment to corporate responsibility is a journey with no definite finish line. We're in it for the long haul, and we learn from every success and failure. Fortunately, we have the benefit of 70,000 extraordinary employees, agency owners and agency staff to maximize our potential to truly be a force for good in society!

I hope you'll take a few moments to explore our new report website to learn more about Allstate's approach to corporate responsibility, as well as the stories that bring our efforts to life. I also encourage you to share comments and suggestions via email to SocialResponsibilityFeedback@allstate.com. Thank you for your continued interest in Allstate.



Victoria Dinges

Senior Vice President, Corporate Responsibility

ORGANIZATIONAL PROFILE

GRI DISCLOSURES 2.1 / 2.2 / 2.3 / 2.5 / 2.6 / 4.2 / 4.5 / 4.8 / EC1COMM

The Allstate Corporation is the largest publicly held personal lines property and casualty insurer in America. We provide insurance products to approximately 16 million households. Allstate was founded in 1931 and became a publicly traded company in 1993. 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.

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

Allstate is strong and building a better future. We had \$34.5 billion in revenues in 2013, a 3.6 percent increase from \$33.3 billion in 2012. We’re also growing our agencies, our consumer offerings and our positive influence on society.

A COMPANY THAT CARES

We are a 70,000-strong force for good comprised of employees, agency owners and staff. Of Allstate’s employees, 57% are women and 32% are minorities. These employees and agency owners care deeply about our customers, the way we do business, our communities and our place in society. We care enough not just to guess what our customers and stakeholders need and what they expect from us. We ask, and we engage.

We make our Good Hands® come to life by contributing millions of dollars and volunteering thousands of hours each year.

We make bold commitments to improve people’s lives by leading the charge on teen safe driving, preparing customers for disasters and empowering domestic violence survivors.

A CUSTOMER-CENTRIC COMPANY

Our team of trusted advisors across the country is changing the way consumers think about insurance, providing total household solutions and delivering a best-in-class customer experience. We’re redefining what it means to be an insurance provider by building technologies, products and services tailored to specific households and different stages of life.

For customers who prefer to handle their own insurance needs, our Esurance brand helps people to do business with Allstate when, where and how they choose.

A COMPANY LEADING INNOVATION

Allstate provides a complete customer care experience that emphasizes service, connectedness, safety, preparedness and value. We are leveraging technology to connect with customers so it’s easy for them to do business with us anywhere, anytime and any way they choose.

OUR SHARED VISION

Our Shared Vision is who we are, what we expect from each other and the essence of our organization. It leverages our strengths while providing the roadmap for our continued success.

Our Purpose

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

To deliver substantially more value than the competition by reinventing protection and retirement to improve customers’ lives.

Our Values

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

Corporate Goal

To create long-term value by serving our stakeholders, taking appropriate risks and leveraging our capabilities and strategic assets.

Our Principles

- Put the customer at the center of all of our actions
- Use consumer insights, data and technology to serve customers and generate growth and attractive economic returns
- 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 and agencies fulfilling work, 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

Our Operating Priorities

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

To find out about Allstate's reach at the state level, view our [vital statistics](#).

FINANCIAL STRENGTH AND PERFORMANCE

Allstate is one of the strongest companies in our industry. Both Allstate Insurance Company and Allstate Life Insurance Company had an A.M. Best financial strength rating of A+ (superior) as of year-end 2013. Allstate held \$27.7 billion in capital resources, and manages more than \$80 billion in assets in our well-diversified investment portfolio.

This financial strength enables Allstate to grow our business and keep our promises to customers, investors, employees and communities through good and bad economic conditions.

Net income available to common shareholders for 2013 was \$2.3 billion, or \$4.81 per diluted common share. During 2013, we also continued to invest in initiatives that help make communities safer and stronger, including \$29 million given by The Allstate Foundation, Allstate, its employees and agency owners.

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

ALLSTATE'S CONSUMER SEGMENTATION STRATEGY

When purchasing insurance or any other product or service, consumers have more choices than ever before. We believe a company can build tremendous customer loyalty over time by making it a top priority to understand and meet its customers' needs. As a result, Allstate continues to refine its product offerings, marketing outreach and customer service based on careful research. Our company serves four different consumer segments with distinct interaction preferences (local advice and assistance versus self-serve) and brand preferences (brand-neutral versus brand-sensitive).

BRAND-NEUTRAL



Encompass products are sold through independent agencies that serve brand-neutral customers who prefer personal service and support from an independent agent.



Answer Financial, an independent personal lines insurance agency, serves self-directed, brand-neutral consumers who want a choice between insurance carriers.



Allstate brand products are sold primarily through Allstate exclusive agencies and serve brand sensitive customers who prefer local personal advice and service.



Esurance brand products are sold directly to self-directed, brand sensitive consumers online and through call centers.

LOCAL ADVICE AND ASSISTANCE

SELF-SERVE

BRAND SENSITIVE

ALLSTATE CANADA

Allstate Insurance Company of Canada has provided peace of mind to Canadians since 1953 with a full line of property and casualty insurance products and services. Allstate Canada's more than 1,800 employees and agents deliver a full line of auto and home products in the provinces of Alberta, Ontario, Quebec, New Brunswick and Nova Scotia.

Allstate Canada has a proud heritage of community involvement. The primary focus for Allstate Canada and the separately funded Allstate Foundation of Canada is contributing to building safe and healthy communities through funding and the volunteer efforts of employees.

KEY INITIATIVES

- Mothers Against Drunk Driving (MADD)
- United Way
- Crime Stoppers
- Junior Achievement

ALLSTATE CANADA AT-A-GLANCE

- Since 1953
- Agents/Employees: 1,866
- Regional headquarters: Markham, Ontario
- Focus: full line of auto and home products
- Net income: \$113 million

Agents and employees increased Allstate Canada's annual donation to the United Way by more than 14 percent in 2013, helping the company win a national fundraising award.

Targeting distracted driving

In 2013, high school students across the country had the opportunity to give distracted drivers a piece of their mind via video, audio or picture through Allstate Canada's *Just Drive Canada* contest. 240 entries from 64 schools were received, and nearly 58,000 public votes for favorite entries were cast from across Canada, all serving to provide a platform for teens to speak out and generate a national conversation about the dangers of distracted driving.



“From MADD to United Way to our award-winning distracted driving awareness campaign, Allstate Canada values its agents and employees demonstrating leadership and presence in the communities they serve. Our sense of good corporate citizenship includes robust community involvement—this is who we are as a company.”

—John O'Donnell, President and CEO, Allstate Insurance Company of Canada

ESURANCE

Esurance provides direct-to-consumer insurance products and services online and over the phone. With car insurance now available in 42 states, the company has also begun rolling out renters, homeowners, and motorcycle coverage in select states.

Intent on making insurance easy and efficient, Esurance continually pushes the boundaries of technology to simplify the experience from quote to claim. With intuitive online tools and a mobile app that offers unique features, like photo claims and video appraisal, the company empowers consumers to make smart decisions about their insurance. And with one-of-a-kind consumer benefits like Fuelcaster™, the gas price predictor, Esurance continues to define itself as insurance for the modern world.

Since its inception, Esurance has made corporate responsibility a priority. The company promotes diversity and equality in the workplace and community, encourages volunteer efforts, and saves countless trees by making insurance documents available online.

KEY INITIATIVES

- Diversity and Inclusion Advisory Council
- Pride partnerships and sponsorships
- Recycled Rides for families in need
- Hybrid claims vehicles
- Esurance Grant Program
- Employee volunteer programs

ESURANCE AT-A-GLANCE

- Founded: 1999
 - Associates: over 3,000
 - Headquarters: San Francisco, CA
 - Product: direct-to-consumer personal insurance
 - Written premium: USD \$1.3 billion
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Through WE G.I.V.E., Esurance teams up with the NBA's Golden State Warriors to Guide, Inspire, Volunteer, and Educate within the community. Esurance associates have donated time to the San Francisco-Marin Food Bank, Habitat for Humanity, and San Francisco Recreation and Parks.

Esurance DriveSafe™ Teen Driver Safety Program

Teens are at a greater risk of accident than any other demographic. To help tackle this issue, Esurance DriveSafe uses technology to limit phone use behind the wheel and gives parents the tools to help teach their teens safer, more responsible driving habits.



“As a company born online, we’re bringing insurance into the modern world. Diversity, equality, and innovation are our foundation. And we embody these values by supporting our communities and associates, as well as through the products and services we provide.”

—Gary C. Tolman, President and CEO, Esurance

ALLSTATE NORTHERN IRELAND

Allstate Northern Ireland specializes in delivering high-quality, low-cost technology and business solutions to its parent company, The Allstate Corporation, and its subsidiaries.

KEY INITIATIVES

Our People

- 400 employees completed the Energy for Life program
- 578 employees have flexible working arrangements including condensed, staggered, and part-time schedules and homeworking

Our Community

- Over \$168,000 raised by employees for local charities
- Committed to STEM education: trained 35 teachers in new technologies; 100 students attended in-house workshops; leaders provided guest lectures at schools and universities
- Overall >15,000 students have attended an XtheTXT–Don't Text & Drive session

Our Environment

- Ranked in top 10% of environmentally conscious businesses in NI
- 34% waste reduction in 2012
- 600+ bikes purchased through cycle-to-work program
- Northern Ireland's 1st 'Water Champion' for outstanding water conservation efforts

ANI AT-A-GLANCE

- Established: 1998
- Locations: Belfast, Londonderry and Strabane
- Employees: 2,200+
- Net income: \$12.9 million

Allstate NI is accredited to Investors in People Gold Status and is an Investors in People Champion.

2013 Achievements and Awards:

- Winner—Irish News Workplace and Employment Awards—Work, Life and Well-being Award
- Winner—CIPD NI HR Team of the Year Award, Health and Wellness Initiative of the Year Award and Professional of the Year Award

Allstate Teachers' Technology Training (AT3) Program

Recent research reveals that Northern Ireland's IT sector is expected to add another 20,000 jobs by 2020. Realizing there was a need for a more robust talent pipeline in this industry, ANI's training team created the Allstate Teachers' Technology Training (AT3) program. The purpose of AT3 is three-fold: to support IT teachers with the most up-to-date knowledge and resources; to encourage school-age children to take an interest in science, technology, engineering and math (STEM) subjects; and to inspire the next generation of IT talent needed to run Allstate NI's business.

Thirty-five teachers from across Northern Ireland attended a five-day computer-programming course, customized for the new A-level in Software Systems Development qualification standards. The new qualification, started in September 2013, is the first to require teachers delivering the syllabus to possess programming skills.

Allstate NI waived the course fee, valued at more than \$1650, with the understanding that participating schools would make a discretionary monetary donation to one of ANI's chosen charities, the National Society for the Prevention of Cruelty to Children (NSPCC).

Allstate NI's two Senior Trainers, Gerry Byrne and David Wilson, delivered the AT3 program to all 35 teachers from across NI. Each has over 35 years teaching experience in both the education and industry sectors.

The ANI Training Department was awarded the Allstate "Champion 2013 Outstanding Team Volunteer" accolade for the program. Vicky Dinges, Senior Vice President of Corporate Responsibility said, "There are many employees who care about their communities but this team takes dedication to another level with their passion for making a difference in schools across Northern Ireland through the creation of this program. This work not only makes a positive impact in the community but to Allstate's reputation as well. Thank you for being one of Allstate's leading volunteer teams!" Allstate made a \$5,000 grant to a nonprofit organization of the team's choice.



"Being a responsible organization is important to our success and that of the customers and communities we serve internationally. Corporate responsibility is embedded in our values and informs how we conduct business, develop products and services and deliver on our goals and commitments."

— **Rose Kelly**, Vice President & Chief Administrative Officer

Read more about Allstate Northern Ireland's Corporate Responsibility initiatives.

ALLSTATE SOLUTIONS PRIVATE LIMITED (ASPL)

Allstate Solutions Private Limited (ASPL), located in the high-tech city of Bangalore, India, delivers exceptional technology services in a cost-competitive manner through an engaged workforce dedicated to quality, innovation and inclusion. ASPL serves as a key component of Allstate Technology and Operations' (ATO) international strategy.

KEY INITIATIVES

- Specialized IT services include mobile, enterprise Java development,.NET development and Mainframe development
- Routinely partners with local non-profits to empower Bangalore communities through a variety of projects such as donating and planting trees at a local orphanage.

ASPL AT-A-GLANCE

- Founded: 2012
- Agents/Employees: 600
- Regional headquarters: Bangalore, India
- Services: Leading-edge IT services

ASPL launched in late 2012 with 57 highly skilled and enthusiastic employees and today stands more than 600 employees strong.

Allstateers have always had great passion for giving back to communities through volunteer service. The new team at ASPL is proudly carrying on this tradition. During the 2013 Allstate Week of Service, more than 40 ASPL employees visited a local Bangalore orphanage to donate and plant trees. For many of the IT professionals, it was their first tree planting experience. In one day, ASPL employees and orphanage children planted more than 100 fruit and vegetable-bearing trees and plants. Through this activity, employees shared the importance of sustaining a healthy environment and maintaining a healthy diet.

“Planting the saplings is a small step towards retaining the healthy environment of Bangalore. It is important for children to learn about benefits of greenery from an early stage and we hope the children will take care of the plants and enjoy the produce ... By getting the children involved, we intend to educate and nurture responsible citizens of the future,” said Chetan Garga, ASPL Managing Director.



“ASPL has adopted Allstate’s employee- and customer-focused culture and we are fast becoming an employer of choice in India. I am delighted to see the socially oriented activities our employees are doing in their individual capacities, and am confident with this enthusiasm, we will progress our corporate responsibility initiatives to achieve maximum impact in the Bangalore community.”

—**Chetan Garga**, Managing Director, ASPL

CORPORATE GOVERNANCE

GRI DISCLOSURES 4.1 / 4.2 / 4.5 / 4.7 / 4.10 / FS4 / FS9

Strong corporate governance is a critical component to our success in driving sustained value. That's why we're working hard to ensure executive and Board-level transparency and accountability.

CORPORATE GOVERNANCE STRUCTURE

The Allstate Board of Directors has ultimate responsibility for the conduct of the company. In 2013, our Board was composed of 12 members, including Thomas J. Wilson, who serves as Chairman of the Board, President and Chief Executive Officer of Allstate. Mr. Wilson has served as Chairman of Allstate since May 2008 and as President and Chief Executive Officer since January 2007.

The Board is responsible for selecting the Chairman of the Board and the Chief Executive Officer (CEO). Allstate's Corporate Governance Guidelines allow the Board to apportion the responsibilities of these positions in any way that it considers to be in Allstate's best interest. The Board believes such flexibility helps it adapt the leadership function to changing circumstances.

A lead independent director presides at all Board meetings, where the Chairman is not present, and at all executive sessions; serves as a liaison between the Chairman and the independent directors, when necessary, to provide a supplemental channel of communication; and works with the Chairman to provide the Board with meeting agendas, schedules and other relevant information. In conjunction with the chair of the Nominating and Governance Committee, he facilitates and communicates the Board's performance evaluation of the CEO; facilitates the evaluation of the Board and director performance; and communicates with significant stockholders on matters involving broad corporate policies and practices.

The CEO meets at least annually with the Compensation and Succession Committee and the Nominating and Governance Committee to discuss succession planning and management development for senior executives.

The senior leadership team is selected by the CEO and is responsible for the day-to-day management of the business. The Board acts as advisor to senior leadership and oversees its performance.

Allstate's Board of Directors has adopted Director Independence Standards to ensure each director, with the exception of Mr. Wilson, is independent in accordance with Allstate's Corporate Governance Guidelines. These Guidelines also include criteria used in selecting nominees for election to the Board. These criteria are periodically reviewed to ensure that they appropriately reflect the issues considered in evaluating director candidates. The Nominating and Governance Committee recommends criteria for assessment of the performance of the Board of Directors.

Each year, management reports to the Nominating and Governance Committee the Corporation's Board compensation in relation to peer companies. No specific element of the Board's compensation is directly based on the Corporation's sustainability performance. To link compensation with corporate performance, a meaningful portion of each director's compensation is provided in the form of restricted stock units, which currently provide for delivery of the underlying shares of Allstate common stock upon the earlier of the date of the director's death or disability, or the date the director leaves the Board. Allstate maintains stock ownership guidelines for our non-employee directors. Within five years of joining the Board, each director is expected to accumulate an ownership position in Allstate securities equal to five times the value of the annual cash retainer paid for Board service.

A full description of the Corporation's director compensation is provided in the Corporation's annual proxy statement available on the [Investor Relations](#) page within the [About Allstate](#) section of our website.

GOVERNANCE OF SUSTAINABILITY

Allstate's Office of Corporate Responsibility, which resides in the company's Corporate Relations department, is responsible for managing sustainability, corporate responsibility and environmental reporting; strategic philanthropy; and companywide volunteer service. It reports regularly to our senior leadership team to keep them apprised of sustainability issues and initiatives.

In addition to the Corporate Responsibility team, our Sustainability Leadership Team, which is composed of officers and senior staff from all areas of the company, meets quarterly to review environmental efforts from an enterprise-wide perspective, build alignment, create momentum for Allstate's heightened sustainability efforts and identify new opportunities associated with environmental responsibility and climate change.

Allstate's Sustainability Leadership Team completes an annual review of the company's operations, stakeholder expectations and competitive actions to identify internal opportunities related to climate change. The Team considers potential opportunities related to employee engagement, current and future sustainability-related regulation, improved operational efficiencies and customer and consumer expectations. Allstate's Senior Vice President of Corporate Responsibility, who leads the Team, reports to senior leadership on the Team's efforts and assessments. These results are then reported to the Board, when necessary.

More details regarding oversight can be found on the [Risk Management](#) page of this report.

ETHICS AND INTEGRITY

GRI DISCLOSURES 4.6 / 4.8 / 4.9 / HR3

IN MY GOOD HANDS: THE ALLSTATE CODE OF ETHICS

Integrity means we never sacrifice doing what's right. We do the right things in the right way at the right time. We never compromise our integrity.

Adhering to high ethical principles is critical to protecting the Allstate brand and maintaining a positive work environment. Allstate is widely recognized as an ethical company. Preserving this trust will never be compromised.

This philosophy is essential to Allstate's business and to our reputation. It builds trust and strengthens relationships within the company, and among our customers and other stakeholders. Every day, we put our values into action through our behaviors, decisions and interactions.

Allstate's comprehensive Code of Ethics applies to all employees and to our Board of Directors. The Code covers a range of topics, including conflicts of interest, workplace safety, harassment and discrimination, protection of data and insider trading. It is available at www.allstatecodeofethics.com.

TRAINING AND COMMUNICATION

Ethical conduct is everyone's business at Allstate. We continuously evaluate new and better ways to ensure that all employees understand our ethical standards, their roles in upholding those standards and in how they apply to their job responsibilities.

We updated our Code of Ethics in 2012 to provide greater guidance on company expectations. It discusses Allstate's purpose and includes photos and images of actual Allstate employees, agents and customers; leadership quotes; and business-based question-and-answer scenarios.

To reinforce these values and principles, Allstate provides online training and ethical leadership workshops. Each year, all employees are required to acknowledge their understanding of and commitment to compliance with our Code of Ethics and company policies.

RECOGNITION

The Allstate Compliance and Ethics (ACE) Award, which is one of only two corporate-wide awards, recognizes employees who are considered role models by demonstrating behaviors and decisions aligned with Allstate's core values. Recipients of this award are selected semiannually by a panel of judges that includes the chief ethics and compliance officer, a member of the senior leadership team and a past recipient of the award. Award recipients are honored at an annual luncheon. Allstate's CEO provided the keynote speech for the 2012-2013 event. The ACE Award reaffirms the importance of ethics in our daily business dealings with customers, coworkers and the communities we serve.

REPORTING CONCERNS

All employees are encouraged and expected to report misconduct in the workplace. Concerns can be raised through supervisors or local Human Resources consultants.

Additionally, employees and non-employees can report violations — even anonymously — by contacting Allstate i-Report, a 24/7 toll-free number, at 800-706-9855. Once a concern is raised, it will be investigated to determine what further actions may be necessary. If required, appropriate actions will be taken.

Allstate policy and the Code of Ethics prohibit any form of retaliation for reporting a workplace or ethical concern.

STAKEHOLDERS

Allstate

GRI DISCLOSURES 1.0 / 1.2 / ABC

At Allstate, we rally around the theme of “Be a Force For Good” by striving to do the right thing at the right time, putting people ahead of policies and defying expectations. We are dedicated to empowering all of our stakeholders with the support and solutions they require to help them do good things. We give customers the power to protect their loved ones from risk and prepare for the future. We provide our employees with knowledge and training to help them deliver the best possible advice and solutions. We provide agency owners and financial specialists with the tools to build trusted relationships with customers. And we continually adapt this support according to what we hear through active engagement with customers, employees, agency owners and investors.

1 Billion

MILES DRIVEN AS PART OF ALLSTATE'S DRIVewise PROGRAM, REWARDING CUSTOMERS FOR SAFE DRIVING

75%

OR MORE EMPLOYEES GAVE A FAVORABLE RESPONSE ON 10 OUT OF 11 KEY MEASURES OF EMPLOYEE SATISFACTION

RAPID RESPONSE IN MOORE, OKLAHOMA

Allstate was a force for good on May 20, 2013, when a tornado with over 200-mile-per-hour winds struck Moore, Oklahoma, killing 24 people and destroying more than 1,000 homes. A day after the storm, Allstate set up a mobile claims unit to help customers assess their losses, file claims and begin the process of recovery and rebuilding.

HEARING CONCERNS, ADAPTING TO CHANGING NEEDS

Whether you're a customer, an employee, an agency owner or anyone else with a stake in Allstate's success, we want to know what you are thinking. We continually survey our stakeholders to learn what we are doing right and where we can improve—and we use the results to drive and shape our business strategy. Here are some of the things we've learned this year:

- *Customers* told us the number-one driver of their satisfaction with Allstate was a trusted relationship with their agency owner. As a result, we have focused on increasing the contact and support customers receive from their Allstate agency—not just when they buy a policy or file a claim, but on a regular basis, at every phase of their lives.



- Allstate *employees* are, overall, very satisfied with their work environment, their leaders, and their ability to do the right thing for customers. However, we also know employees serve their customers best when they are healthy and feel good about their careers and financial prospects. Consequently, we've designed a comprehensive suite of physical and financial wellness programs, career development opportunities and other initiatives to help them perform at their best and be the best possible resource for customers.
- Our surveys tell us that *agency owners* can have their greatest impact on customer satisfaction by providing quality service and customized advice. Their knowledge of insurance products and services, familiarity with local markets, and hands-on, local presence make them an invaluable resource to customers. We support them through comprehensive education and technological resources, like eAgent, a cloud-based relationship management system that makes it easy to access customer data and provide solutions from anywhere with an Internet connection.

HOW WE INTERACT WITH STAKEHOLDERS

Through regular, structured engagement with key stakeholder groups, we seek:

- **Fresh ideas from outside our company**

We continue to rely on NGO representatives, investors, opinion leaders, policymakers, and top-level Allstate employees and agency owners in our stakeholder panel to evaluate our progress and identify new challenges in sustainability.

In addition, in early 2014, we conducted an online materiality “think tank” to gather insights from professionals in academia, the nonprofit world, and industry experts about the issues they believe Allstate should be monitoring now and in the future. We expect this materiality engagement to inform our corporate responsibility strategy in the lead-up to an updated full materiality analysis next year.

- **Insight into our corporate reputation**

For the last four years, we have used our proprietary metric, the Allstate Reputation Scorecard, to measure our overall reputation among stakeholder groups. Allstate's reputation research gives voice to nearly 8,000 consumers, customers, employees, agency owners, investors, policymakers and opinion leaders each year. It helps us track the health of our relationships with stakeholders, provides an ongoing understanding of what's expected of us, and measures the impact of reputation on business results.

In 2013, we made a significant advance with our overall reputation, moving from “high average” to “strong” with a score of 72—the highest since measurement began in 2010, and a three-point advance from our 2012 score of 69. For more information about the scores and what they mean, [click here](#).

CORPORATE REPUTATION SCORES ARE MEASURED ON A SCALE OF 0-100, CORRESPONDING TO THE FOLLOWING RATINGS:

Excellent: > 80

Strong/Robust: 70-79

Average/Moderate: 60-69

Weak/Vulnerable: 50-59

Poor: below 50.

Our improved reputation reflects more favorable perceptions of the company's performance in several areas, most notably financial results and leadership.

Understanding what's important to each of our stakeholders enables us to focus our efforts and tailor our products, services and communications more effectively. In our 2013 research, the following items emerge as key areas of interest:

- How we build and maintain our relationships with customers
- The importance of how we do business

- Local community involvement as a key opportunity to engage audiences and increase positive perceptions of Allstate more broadly

ADVICE AND GUIDANCE FROM TOP AGENCY OWNERS AND ALLSTATE SENIOR LEADERSHIP

We formed our National Advisory Board in 2003 to bring together Allstate’s senior leadership and a cross-section of exclusive agency owners and exclusive financial specialists from across the enterprise. The National Advisory Board and the Agency Executive Council provide a forum for dialogue to address national business issues and work together to develop solutions that strengthen the agency-company relationship.

The National Advisory Board and the Agency Executive Council provide valuable perspective and help develop actionable solutions for company and agency success by:

- Voicing opinions on key issues from agency owners across the country
- Suggesting and exploring ideas and providing the agency owner point of view on the company’s strategic direction
- Influencing the way Allstate’s business decisions affect agencies and customers
- Supporting an environment of mutual trust and respect between company leadership and agency owners

We use a similar structure to support agency owner engagement within each of Allstate’s 13 regional offices and Allstate New Jersey in the U.S., and within Allstate Canada. Our Regional Advisory Boards typically include agency owners from the National Advisory Board, as well as others who can speak to the interests and concerns of fellow agency owners and financial specialists in their regions. The boards communicate directly with Allstate’s field senior vice presidents and their leadership teams to provide regular feedback, raise issues and collaborate on key initiatives.



STAKEHOLDERS DRIVE FUTURE STRATEGIES

Listening to stakeholders is important, but it’s only the beginning of our process. Input from employees, agency owners, customers and the sustainability community shapes our future strategies.

For instance, our customers have told us that the key driver in their relationship with Allstate is their relationship with their agent. Knowing this, we have continued to focus our enterprise to support that relationship, ensuring that all Allstate-brand customers have an agency, integrating agency owners into all phases of the customer relationship, and giving agency owners the tools to serve their customers wherever they are via e-commerce technologies like e-signature, e-statements and cloud-based record-keeping. Customers who prefer to buy insurance directly can still do so through our Esurance and Encompass brands.

Through our feedback processes, we have also learned that customers want their insurance company to be a continuing resource, one that can advise them on everything from disaster-preparedness and car repairs to investing for a secure retirement. As a result, we are taking a more holistic, household needs-based approach. For people at all phases of life— young people learning to drive, couples renting first apartments together, families with growing children, middle-age households looking toward retirement, or retirees— Allstate is there to help do good.

Communication with others in our industry allows us to stay at the forefront of emerging trends. We are actively

involved in industry groups like the Insurance Institute for Highway Safety, the Insurance Institute for Home Safety, and Advocates for Insurance Modernization. Through these associations, we stay in tune with evolving technologies like e-commerce, connected homes and connected cars. We are currently working with academics, safety experts and legal scholars to explore the implications of emerging “driverless car” technologies. We are asking questions like: Will driverless technologies increase or reduce driver risk? Who is liable for driverless car accidents? How will insurance change as a result of this shift in technology?

In some cases, the legal and regulatory framework of our industry has not kept up with the evolving needs of our stakeholders, so we work through a variety of advocacy groups to pursue sensible policy changes. For instance, we know many of our customers would like to receive important policy documents electronically, rather than through the mail, so we are working with policy makers across the country to make this possible.

Listening to stakeholders is important to us. It’s the right thing to do — and it helps us stay ahead in a fast-moving industry.

CUSTOMERS

GRI DISCLOSURES 1.0 / 1.2 / ABC

Customers are at the heart of everything we do at Allstate. Through every aspect of our business, we strive to deliver what our customers want — a safer, more secure future for themselves and their families, insured through customized solutions. Not all customers are alike. At Allstate, we've created four distinct business models to serve different groups of customers:



not just sales volume. We are integrating systems across our entire organization, so agency owners are better able to get involved when their customers file a claim. We are making sure all of our Allstate-branded customers have an agency assigned to them; this year, we connected all Allstate customers previously without a relationship to an Allstate agency owner. We are equipping agency owners with the tools, technology and education they need to be a force for good in customers' lives.

MEETING EVER-EVOLVING HOUSEHOLD NEEDS

FINANCIAL SOLUTIONS THROUGH A TRUSTED ADVISOR

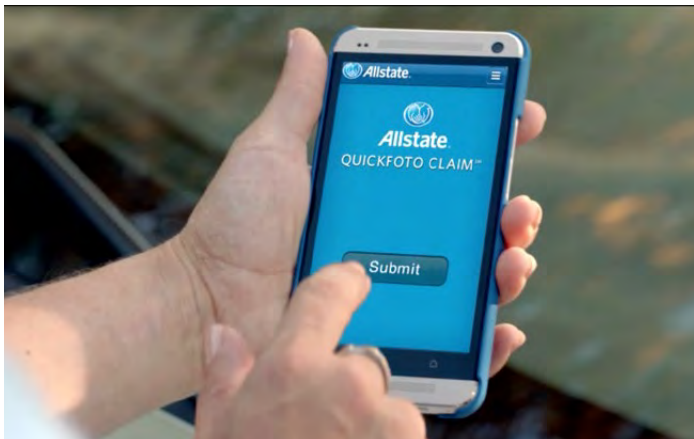
Insurance and financial products are complicated. Customers know their peace of mind and security depend on making the right choices. They need someone they can trust to help them find the right solutions for their unique life situations. The relationship between agency owner and customer is at the heart of our business, and this year we gathered extensive data from customers to help us find ways to reinforce and support this relationship.

For instance, we have re-designed our compensation system so agency owners are rewarded for good customer service,

A teenager buys her first car. A newlywed couple moves into their first apartment. A young couple has a first child. Another buys a starter home. Families start saving for their children's college education. Midlife couples begin to think about retirement. As household needs vary, people need different financial and insurance solutions. We are working on a new approach to our business, one in which our agency owners — and Allstate — are a regular part of their customers' lives. For instance, our agency owners can now make the Good Hands Repair Network available to customers — even when they don't have a claim. When a customer's roof sags, we can help find a contractor. When a customer is in need of assistance with maintenance or prevention work on either an automobile or home, we can help find a quality repair service provider.

NOT JUST PAYING CLAIMS BUT PREVENTING LOSSES

No one *wants* to file a claim. Most people prefer to avoid damages to their home or vehicle in the first place. Allstate is committed to fast, fair and easy claim settlement. We also think it's important to give customers the tools to minimize their exposure to losses. For instance, we offer customized weather alerts to policyholders by text or email, so they know when a storm might be coming. We also provide both prevention tips and maintenance alerts informing our customers of ways to help prevent bad things from happening, along with easy-to-use reminders for when they might need a checkup for their car or home.



LOCAL KNOWLEDGE ABOUT RISKS

Allstate agents are local, so they have a unique opportunity to add value on behalf of their local customers. We know that one homeowner's risks are different from those of another policyholder who lives even just a few miles away. While one home might be vulnerable to one type of event, another might have completely different risk exposures. Agents also receive detailed information about the claims filed in their area and, as a result, they understand the specific risks customers face. Allstate agents share that knowledge so customers can protect their most valuable assets.

MAKING IT EASIER TO INTERACT WITH ALLSTATE

Our customers count on the advice of their agent, so we're making it easier for our customers to interact with Allstate agency owners. Customers can call 1-800-ALLSTATE any time during business hours, to be connected directly to their agency owner.



INNOVATIVE SERVICES

Innovation is a critical element of our effort to provide a complete customer experience that emphasizes service, connectedness, safety, preparedness and value. We're making it easy for people to do business with us anytime, anyway and anywhere they choose with a range of cutting-edge products and services that are connecting consumers to better their lives:

FLEXIBLE COVERAGE FOR SPECIFIC CUSTOMER NEEDS

Allstate's House and Home product provides consumers with much more flexibility and the ability to purchase higher and lower coverage options to arrive at the most competitive rate, and with more pricing points. The product was first launched in 2012 and expanded to 27 states in 2013. Our goal is to introduce House & Home in almost all states, along with expanding online quote capabilities. And, in states where regulatory and market issues don't allow for Allstate's

House & Home, products are available through North Light Specialty Insurance Company (NLSIC), our excess and surplus lines carrier.

EXPANDING COVERAGE IN HIGH-RISK AREAS

NLSIC is a wholly owned subsidiary of Allstate Insurance Company that offers personal lines property coverage to unique customer segments, including coastal properties in hurricane-, wildfire-, or earthquake-prone regions; high-value homes; remote areas; and risks with prior losses.

Sometimes an Allstate “admitted” carrier cannot offer homeowners’ insurance because of catastrophic exposure and regulatory constraints. NLSIC allows agents to say yes more often, maintain critical presence in property insurance markets, and offer a discount on policies to Allstate auto insurance customers who prefer to bundle their products.

- North Light is financially strong and gives policyholders peace of mind and a variety of choices. It also enables Allstate agents to write and retain customers at adequate rate levels.
- Because it is a surplus lines carrier, there is less state regulation around forms, guidelines and rates, enabling North Light to react quickly to market conditions and changes, and underwrite for unique factors posed by individual risks and circumstances.

In 2013, we expanded access to North Light to three new states, bringing the total number of active states to 33.

USING TECHNOLOGY TO HELP CUSTOMERS DRIVE SAFER

Drivewise, Allstate’s program to reward customers for safe driving, hit a major milestone in 2013, as customers registered more than 1 billion miles driven over the course of about 38 million hours of driving data. The Drivewise program is now available in 30 states. We expect to expand it to an additional 16 states in 2014.

By using Drivewise, Allstate customers can plug customized “telematic” equipment in their car or use a smartphone

application that collects feedback on behaviors that include hard braking and high-speed driving. Those who drive safely can receive safe driving rewards. It’s one more way in which we share helpful information with customers to make their lives better. For more information about how we protect the data we gather through the Drivewise program, see the data privacy segment of this report.

HELPING CUSTOMERS UNDERSTAND RISKS

As we continue our transformation into a company that helps people live the good life every day, we are committed to providing solutions that broaden relationships. Homeowners tell us they need and want help understanding and prioritizing the safety and maintenance of their homes. That’s why Allstate is piloting the Home Checkup program, in which a professional completes an in-home review personalized to the customer’s home-care goals, then collaborates with the homeowner to create a customized report — complete with photos and maintenance considerations. We want to help homeowners identify changes they can make in their homes today, helping them prevent big problems tomorrow and potentially lessening their risk of having a claim.

TAKING THE HASSLE OUT OF CAR BUYING

Through a relationship with TrueCar, Allstate helps consumers get hassle-free savings on their next car purchase by giving them a head start on car shopping and allowing them to negotiate a good price on their own.

FAST, FAIR AND EASY CLAIMS SETTLEMENT

Customers who have claims — whether because of a car accident or damage to their homes — are already under stress. They want a claims process that’s fast, fair and easy. At Allstate, we bring all of our resources together to make the customer’s experience as painless as possible. This year we continued this commitment and made significant improvements to our claim-handling process.

THE RIGHT PERSON WITH THE RIGHT SKILLS

In 2013, we began an ambitious project to develop better ways to coordinate our 4,000 field representatives in order to add value any time customers need help; we can connect customers with the person who has the best skill set to serve them. This new approach will fully integrate all relevant members of teams assigned to each customer claim, providing ongoing updates as the claim moves through the processing system. The system allows us to match employees with the appropriate skills to every job, quickly and efficiently. It even works across our product lines.

For example, let's say a customer backs into his or her garage and damages the car *and* the home at the same time, and an on-site inspection is the best option. We will be able to send a single individual to settle both claims, saving customers time and effort, and allowing us to be more cost-efficient. In addition, the system gives our frontline team easy-to-use technology to manage their work while empowering them with the tools to create, move or cancel inspections for customers on site.

CONVENIENT E-BASED REPORTING TOOLS

New technologies make claims reporting even easier for customers. For instance, customers can file most auto claims by using our QuickFoto Claim® app (see our [sidebar](#)). This is especially useful when storms or other weather events have made roads to the customer's house impassable. Allstate property claims adjusters are now equipped with iPads, making communications with customers and our cloud-based home office systems seamless, regardless of where they are. This approach provides customers who have damage to their home with the ability to document it via videoconferencing with a claims professional.

RESPONSIBLE MARKETING COMMUNICATION

We strive to make our marketing materials and policies clear and relevant, so customers can make informed choices about the products they need. Wherever possible, we provide these materials electronically, to minimize our environmental impact and serve customers more effectively.

Understanding the car of the future at Tech-Cor



Since 1979, Allstate's collision technology subsidiary, Tech-Cor LLC, has worked cooperatively with auto manufacturers, insurers and the collision repair industry to develop innovative ways to make vehicles more

damage-resistant and the methods used to repair them more efficient and cost effective. Today, this organization is at the cutting edge of collision research, making sure vendors have the tools and processes they will need to fix current and future vehicle models. The pace at which automobile technology is changing continues to increase, as manufacturers adapt to new fuel-efficiency standards and shifting consumer preference. Once, cars and trucks were made mostly of steel; today, the typical vehicle is composed of six to 15 different kinds of material, including steel, aluminum, magnesium, plastics and carbon fiber. The integration of computer technology into nearly every facet of vehicle design has given automobiles exciting new capabilities, but it has also created additional challenges for repair shops. Today more than ever, when a vehicle needs repair, it is critical to take it to a body shop with the right capabilities, knowledge and experience to fix it.

Tech-Cor is best known for its expertise in sectioning repairs, or, in layman's terms, removing and replacing just the damaged part of a larger piece of the car body. The subsidiary has worked with leading vehicle manufacturers including Hyundai, Honda and Ford to design sectioning procedures for their vehicles. In this process, Tech-Cor creates a replacement component for a particular vehicle, tests it and sends it back to the manufacturer for comment. With the manufacturer's approval, the team then performs the actual repair, placing the new component into the car. Then they conduct additional tests on the vehicle, often crashing it deliberately to find out how the new part holds up. The component design specs then go back to the manufacturer. In many cases, auto companies will incorporate the new part into future versions of the vehicle.

Tech-Cor shares its results with manufacturers and industry groups like the Inter-Industry Conference on Auto Collision Repair (I-CAR) and the Insurance Institute for Highway Safety, so all vehicles can be made safer and easier to repair. The unit also shares its vast knowledge of repair procedures with Allstate, so claims adjusters know which repair vendors have the right expertise to make specific repairs on specific models. It's another way in which Allstate leverages information and resources to be a force for good.

DATA PRIVACY AND SECURITY

Keeping personal information secure at all times is fundamental to remaining a trusted business and employer. Not only is this the right thing to do, it is also mandated by increasingly stringent privacy laws in the states and countries where we do business. Personal information must be protected from unauthorized access and from disclosure by unauthorized parties.

To provide our customers with the best service and products for their needs, we may collect personal information such as their name, phone number, home and email addresses, driver's license number, social security number, credit/debit card information, marital status, family member information, and health or medical information.

We also maintain records that include, but are not limited to, policy coverage, premiums and payment history. Finally, we may collect information from outside sources, such as a customer's driving record or claims history.

PROTECTING PRIVACY IN DRIVewise

Some of our customers have asked, in particular, about the information we collect via Drivewise, where we gather data electronically to evaluate customers' driving behaviors. The only information customers share with Allstate is drawn directly from the vehicles' on-board computers or through an application installed on the driver's smartphone. The information that is used to calculate any Drivewise reward is available through the customer's Drivewise website or mobile application.

We allow agency owners, call-center representatives and Drivewise Customer Service Team members access to a customer's Drivewise website in order to better service customers who have questions about their performance and rewards. We use Drivewise data to calculate the driving performance rewards provided to customers. We also use this data to improve the Drivewise program and to develop and support additional programs and services made available to customers. Personally identifiable information is not collected from the Drivewise device.

HOW WE PROTECT CUSTOMER DATA

We respect and protect all personal data by:

- Complying with all applicable privacy laws and company policies on privacy and information technology usage
- Communicating clearly how personal information is used, retained and disclosed
- Respecting and protecting the privacy of every individual's personally identifiable information
- Embedding strong privacy-protection practices in all business processes and systems
- Using a secure site for accessing personal information electronically
- Never leaving personal information at or near workstations, and locking away any printed documents containing personal information
- Immediately contacting the Allstate i-Report Line at 1-800-706-9855 if we know or suspect that personal information has been accessed or disclosed inappropriately
- Disclosing personal data or other confidential business information only to those who have a valid business need to know, or as required by law
- Requiring that suppliers or business partners safeguard confidential consumer information and use it only to provide the requested services
- Sharing consumer or employee information only as permitted by our Privacy Policy
- Disposing of documents containing personal information in a secure manner

Each quarter, we educate employees about our information security and privacy policies through training and resources. These materials are designed not only to share information security and privacy best practices, but to inform employees about the importance of being security-aware and protecting Allstate's company and customer data. Data privacy and security courses are highly encouraged for all employees.

A mobile app for faster claims processing

Filing an auto claim can now be as simple as snapping a smart-phone photo for customers who use the QuickFoto® Claim function included in the Allstate Mobile app. The new technology, rolled out in September 2013, allows customers to settle some auto claims by submitting photos of their damaged vehicle. The photos are reviewed by Allstate and an estimate is sent back electronically to the customer. Our innovative approach was awarded a patent.

“QuickFoto Claim enhances the customer experience by offering an easier, faster option to help settle a claim,” says Allstate Claims Executive Vice President Michael Roche. “More than half of Allstate’s customers have a smartphone, so connectivity on the go is clearly important to them and that means it’s important to us.”

QuickFoto Claim complements Allstate’s mobile claims portfolio which allows customers to access policy and agency information on the go, along with easy tools to use in the event they’re involved in an accident. The app allows customers to document accident details, start a claim, view the status of an existing claim, see their claim payment history or even send messages to their claim representative. Beyond the claims functionality, Allstate Mobile is also used by tens of thousands of customers each month to pay their insurance premiums using their mobile devices.

Allstate’s House & Home policies allow consumers to choose the amount of coverage they prefer.

Regular interaction with Allstate agency owners was the #1 driver of customer satisfaction.

NEXT STEPS

Allstate is continuing to explore new technologies and ideas to support its customers better. We are expanding our capabilities in online customer service—via e-insurance cards, e-signature, and electronically delivered documents and policies—to reduce paper waste and communicate with customers in the way they prefer. Where state law does not permit these faster, more convenient electronic forms of communication, we are working with insurance departments and legislatures to advocate for change.

We are also excited about the possibilities of emerging connected-home and connected-car technologies—and are working to incorporate them into current and future business strategies. In a pilot program this year, we equipped about 100 of our employees with smart-home monitors, which allowed them to remotely control heating and air conditioning, lighting and security. We hope to offer these tools to customers in the future.

Finally, we believe the implications of driverless-car technology will impact nearly every aspect of the automotive and insurance industries—from vehicle design and manufacture to accident prevention and liability law. We are staying at the forefront of these changes, as we have in the past with auto safety innovations like seatbelts, airbags and telematics, so that we can offer the benefit of our expertise to our customers.

EMPLOYEES

GRI DISCLOSURES EC1COMM / 3.5 / EC3 / EC8 / LA7 / LA8 / LA11

Allstate employees work with customers during some of the most stressful times of their lives — after a natural disaster or auto accident, or when they're seeking advice about how to protect their families from loss. We know employees have to be at their best to meet customer needs so we've created an environment where employees can work with a purpose, think big and enjoy what they do. We enable employees with rich career opportunities to support their professional development and goals, abundant resources for personal growth, and the means to make a significant impact in the community. We empower Allstate employees so that they can be a force for good in their work, their personal lives and their communities.

GOOD WORK

WE LISTEN TO EMPLOYEES TO FIND OUT HOW WE CAN SUPPORT THEM BETTER

Employees are a force for good at Allstate when they can share their insights into how we can improve all aspects of our operations. We want to know what they think about our company, what they think we're doing well and where they would like to see us improve. One way employees share their insights with us is through the annual VOICE survey, which measures employees' opinions on 11 topics pertaining to morale and experiences when working at Allstate. In addition, Allstate conducts two "Good Work" surveys and two "Good Life" surveys to obtain more in-depth insights in the areas of work and well-being.

In 2013, 78 percent of our employees participated in the VOICE survey, a 10 percent jump over 2012. In 10 out of the 11 main categories, we scored 75 percent favorable, and our results matched or outperformed an external benchmark for all but one item where comparisons were available; the benchmark was set by the Mayflower Group, a consortium of 42 companies who employ at least 7,500 employees, and who administer robust employee opinion surveys.

In 2013, 90 percent of employees said, "At work, I am encouraged to pursue healthy habits that will improve my overall well-being." Employees also reported particularly



high satisfaction with their immediate managers and with their level of empowerment. Employees' perceptions of an inclusive and diverse environment at Allstate were very strong as well.

Despite significant changes in Allstate's retirement program, satisfaction with benefits has improved since 2012 and exceeds the external benchmark.

The main areas of opportunity pertained to employees' perceptions of career opportunity and merit- or performance-based rewards, especially in business units that had experienced staff reductions or cutbacks. We are working to address these perceptions through the career development initiatives described below.

Allstate scored favorably (75% or more employees gave a favorable response) on 10 out of 11 key measures of employee satisfaction.

LOOKING FOR TALENT INSIDE OUR ORGANIZATION

Employees can be a force for good only when they are working at the top of their ability, learning new skills and challenging themselves with new responsibilities. Allstate's

Enterprise Talent Market, which enables employees to apply for open positions within the company, was developed to help them reach their full potential. The program, which was begun in 2012, made significant gains in 2013, with internal hires increasing 13 percent over the prior year. More than half of participants have reported a positive experience with the Enterprise Talent Market, either obtaining new jobs or learning more about the skills and training they will need to qualify for them. The human resources team is currently gathering participants' input to fine-tune the program.

DEVELOPING SKILLS FOR A 21ST CENTURY WORKPLACE

Employees also sharpened their skills via career development training opportunities that drew more than 1,100 participants across Allstate. In 2013, Allstate offered two Good Work sessions, one on career opportunities and a second on personal branding and social media. Employees could attend a three-day workshop in person or view the event online at their own locations.

"I do not know anyone at other companies who has received this much leadership experience in less than three years." — Brett Mackey

"The amount I learned in one short year still amazes me, and I feel fortunate to have had the opportunity to manage people so early in my career." — Lauren DeYoung

In addition to our early-career developmental initiatives, there is a strong focus on developing those already in leadership roles. Within the Impact Program suite we also have Impact: Leading Leaders, aimed to accelerate the development of midlevel leadership, and in 2014 we will add Impact: Leading Others, for frontline leaders. These two programs each host 25–30 participants per year.

Beyond our programs focused on targeted talent pools, there are other offerings to the enterprise to help employees build leadership skills and raise their self-awareness. Our

Training the next generation of leaders

Employees are a force for good and their leadership will help drive our future success. Throughout various stages of our employees' career journeys, Allstate is there to support their development and prepare them to be future leaders in the organization.

Allstate has several offerings focused on accelerating the development of young leaders. Our Leadership Development Program (LDP) for recent college graduates is a robust and challenging three-year rotational program that includes experiential development through rotations in three different business areas, personal assessments, formal learning events, mentoring relationships, and exposure to key leaders. We welcomed our inaugural cohort of 64 participants in July of 2011. Since then our program has made a positive impact in the organization and has continued to grow in size with 156 participants in 2013. In 2013, we also introduced our Impact for Emerging Leaders Program for emerging early-career talent, which had 21 participants from departments across the enterprise. This one-year development program includes personal assessments, mentoring relationships, cross-functional projects to provide enterprise exposure, and classroom development sessions to build leadership skills. Both of these programs provide participants with the opportunity to build their business acumen, enterprise capabilities, and leadership skills to help accelerate their careers at Allstate.

New Leadership Development Studio (NLDS) helps new leaders develop skills needed as they embark on their leadership journey. This workshop helps new leaders increase self-awareness of their own leadership style and behaviors and how that impacts others, enhance their communication skills in critical conversations, and identify and effectively communicate performance outcomes and opportunities to others. In 2013, we had 15 NLDS workshops with 375 participants. Our Facilitative Leadership (FL) workshop is for more experienced leaders and helps leaders create a workplace distinguished by outstanding performance and employee satisfaction. In 2013, we had 16 FL workshops with 320 participants. Through our Leaders as Teachers and Thought Leader Forum sessions we provide the enterprise with an opportunity to hear from internal and external keynote speakers on a variety of influential and engaging topics. We had over 3,100 employees attend these sessions in 2013.

One in three people we hired this year came from inside the Allstate enterprise — up from one in five last year.

GOOD LIFE

In 2013, we focused on two key themes in our Good Life well being programs: cancer prevention and financial fitness.

SAVING LIVES WITH CANCER SCREENING

Cancer strikes one out of every two men and one out of every three women in the U.S.,¹ costing \$125 billion² in treatment annually and causing untold suffering for victims and their families.

With cancer affecting thousands of Allstate employees and their loved ones each year, we launched a three-year cancer prevention effort in 2013 — with year one focusing on increasing cancer screening rates. We kicked off the year offering a \$100 incentive for both employees and spouses who had screenings for breast, cervical or colon cancer. In March 2013, offices across the country sponsored a “pledge to get a cancer screening in honor of a loved one” campaign. In conjunction with National Colorectal Cancer Awareness Month, we brought the “Prevent Cancer Super Colon” to three of our largest buildings. This walk-through exhibit was toured by over 1,400 employees who took the unique opportunity to learn that colorectal cancer is preventable, treatable and beatable. We also invited local gastroenterologists to speak about the importance of colonoscopies and had our medical plan carriers mail reminders to employees who had not received recommended cancer screenings.

These yearlong efforts raised awareness and resulted in an increased number of cancer screenings in our medical plans for breast, cervical and colon cancer. By the end of the year, nearly 7,500 employees and nearly 2,000 spouses reported having completed a cancer screening.

¹ American Cancer Institute <http://www.cancer.org/cancer/cancerbasics/lifetime-probability-of-developing-or-dying-from-cancer>

² National Cancer Institute <http://www.cancer.gov/aboutnci/servingpeople/understanding-burden/costofcancer>

EMPOWERING ALLSTATERS TO ACHIEVE FINANCIAL SECURITY

When employees are economically secure, they are able to perform more effectively on the job, enjoy better physical health and have better relationships and interactions with coworkers and customers. But after a prolonged recession, many employees are stressed and worried about their finances. This year, Allstate launched a major program to help employees with financial planning, including financial education seminars events and a financial self-assessment completed by more than 7,000 Allstaters. We offered financial counseling, free of charge, to any Allstate employee who requested it.

Our financial well-being programs were particularly successful in helping employees learn about their new retirement benefits after we made significant changes to the retirement plan. Over 4,500 employees attended seminars to find out more about the new options — this may be one of the reasons employees’ satisfaction with their benefits improved despite a period of significant change.

In 2013, Allstate organized 190 financial well-being events in 40 locations.

ROLLING OUT ENERGY FOR LIFE NATIONWIDE

Allstate expanded its “Energy for Life” program in 2013. “Energy for Life” is a one-and-a-half-day workshop built around scientific principles of energy management, such as how to eat and move, maximize energy during the day and stay focused on what matters most at work and at home. Based on principles from the Human Performance Institute, it is offered free of charge during the workday to employees at all levels of the organization.

By the end of 2013, 13,000 employees and 650 agents had participated in “Energy for Life” and a follow-on program, Continuing Your Journey. This four-hour workshop helps employees stay on the path to well-being by refocusing, reconnecting and recharging. The content focuses on the

new science behind the power of habits, and participants are encouraged to utilize a partner to keep each other on track. Developed and offered exclusively by Allstate, it is also available at no cost to employees during the workday.

PROVIDING COMPETITIVE PAY AND BENEFITS

We reward our employees for their hard work with competitive salaries and a range of benefits tailored to the needs of individual employees and their families. In 2013, we paid \$4 billion in total employee compensation. This included \$231 million for health and welfare benefits, and an additional \$13.1 million for well-being programs, including wellness incentives, Energy for Life and other programs. Allstate offers a comprehensive and competitive package of benefits that includes medical, dental, vision, long-term disability insurance, life insurance, and innovative programs such as BridgeHealth which helps employees find high-quality centers of excellence when they need surgery.

HELPING TO BALANCE HOME AND WORK RESPONSIBILITIES

We also recognize that employees cannot do their best work when they're worried about child or elder care or other responsibilities outside the office. To support them, we offer family-friendly benefits like dependent medical/dental and vision coverage, daycare flexible spending accounts, childcare discounts, adoption reimbursement and flexible working arrangements. In the most recent VOICE survey, results suggested that this support is working. Ninety-one percent of respondents said that their managers support efforts to balance work and personal life, and 80 percent said that they were satisfied with their work-life balance.

Our work-life programs have also drawn praise from outside organizations. In 2013, Allstate was named one of the *Working Mother* 100 Best Companies for the 22nd year, for its commitment to progressive workplace programs, including child care, flexible hours, career advancement and paid family leave.

Getting on track to financial wellness

Allstate Good Life's Financial Fitness Month offers incentives, seminars, Internet-based education and in-person counseling to help employees improve their financial security.

From getting out of debt to saving for the future, managing money can be an overwhelming task. Even employees who think they have a handle on their financial health sometimes find they can benefit from a helping hand now and then.

That was the case for Charley Wiseman, a staff claim service adjuster from Bothell, Washington. He called the Ayco AnswerLine—a financial counseling service Allstate offers free to employees—for help in understanding the effects of inflation on his investments over a short period of time and advice on how to better visualize retirement. The financial counselor who took his call pointed out the importance of taking into account expenses like retiree health care and long-term care—things he had never thought about before.

Wiseman was one of nearly 2,500 employees who took advantage of Allstate's financial wellness counseling. He completed Ayco's five-minute online Financial Checkup as well as phone counseling to gain a better understanding of his financial situation.

"I regard myself as 'above average' on the financial aspects of retirement, but I got quite a bit out of my three sessions," Wiseman said. "My counselor was enjoyable and knowledgeable, and the tools available to him were flexible enough that when I threw out some curve balls, he was able to incorporate them. The experience gave me solid guidance on how to keep track of and calibrate my investments."

Energy for Life

“The energy management skills taught in Energy for Life have taught me how to be a better person. My relationship with my daughters, ages 9 and 7, has grown tremendously. Among other things, we’ve created rituals of nightly dance parties to foster greater day-to-day engagement, joy and happiness together. I’m much more of the positive, calm and optimistic person I’ve always wanted to be because I’ve learned strategies such as being more mindful, practicing gratitude and being fully engaged in the moment. I have much more day-to-day energy because I’ve learned and practiced strategies such as taking periodic recovery breaks to refuel my mental and emotional reservoirs, incorporating more movement throughout the day and eating for sustainable energy. Instead of an inner voice that is commonly acting as a critic doubting my decisions, my talents, etc., I’ve learned the hard work of being more compassionate, supportive and encouraging to myself. Life is so much easier now that I have the right tools in my toolbox. I’ve worked for several great companies in my career but never have I felt a sense of PRIDE and LOYALTY like I feel to Allstate. On the scale of employee engagement I have to believe I’m near the high end and that is thanks to Allstate. My family and I couldn’t possibly be more grateful for providing me the opportunity to experience Energy for Life.”

—Jeff Thomson, Lead Performance Coach, Talent Leadership and Effectiveness.

Since inception, more than 13,000 Allstaters—and 650 agency owners—took charge of their health and well-being through the Energy for Life program.

More than 7,000 Allstaters got a clearer picture of their financial security by taking an online financial self-assessment test.

GOOD HANDS

Engagement in our communities is part of the Allstate culture—nearly two-thirds of employees and agency owners are involved in our community relations programs.

- Over half of employees and agency owners gave their own money to support local nonprofit organizations, raising a total of \$5.8 million in 2013.
- More than two-thirds of Allstaters participated in community programs.
- 4,125 employees raised awareness of domestic violence through the **Purple Purse** program.
- 3,800 Allstaters talked to a teen driver about safety and accident prevention.
- ERG members contributed 15,000 hours to community efforts in 2013.

AGENCY OWNERS

To customers, agency owners, financial specialists and agency staff *are* Allstate. These are the trusted advisors people turn to for guidance on how to protect their homes, vehicles and other personal property as well as how to manage their life insurance and retirement investment needs. They are the partners our customers seek out when disaster strikes. And they are entrepreneurs who take an outsized role in their communities, dedicating their time, money and knowledge to making life better in towns all across America.

RELATIONSHIPS WITH AGENCIES DRIVE CUSTOMER SATISFACTION

Agency owners and financial specialists are the public face of Allstate, living and working alongside customers in local neighborhoods, leveraging their knowledge and experience and supporting their communities through volunteering and giving. When they are empowered with the right support, the right culture and the right technology, they are a powerful force for good. Moreover, they are critical to our success in serving customers. Surveys tell us, that no other factor is as important to customers' satisfaction as regular, positive interaction with their local agency. They are the trusted advisors who can provide guidance, solutions and options to all kinds of risk management and financial challenges.

AGENCY SATISFACTION IS STRONG AND GROWING

Each year, we conduct an Agency Relationship Survey to give agency owners and financial specialists an opportunity to share anonymous feedback about how they perceive their business relationship with Allstate. In 2013, our survey found that overall satisfaction increased from 2012 levels by 20 points among exclusive agencies to 75 percent and by 2 points among exclusive financial specialists to 74 percent.



SUPPORTING AGENCY PRODUCTIVITY AND WELL-BEING

In 2013 we worked to increase overall agency capacity and efficiency through enhanced technology offerings. One of the major initiatives on that front is eAgent. This online agency management system gives agency owners a more holistic view of their business, as well as the ability to offer more tailored household solutions to customers. With more than 80 percent of Allstate agents signed up for the tool by the end of 2013, eAgent is the definitive on-the-go, go-to technology, designed to streamline information and resources agencies need to take their operations from transactional to being a trusted advisor.

Agency owners and financial specialists also participated in companywide well-being programs, with 650 participating in the Energy for Life seminars, which promote balance and energy management.

DIVERSITY HELPS US SERVE DIVERSE CUSTOMERS

We approach the appointment of diverse agency owners and financial specialists with the same vigor we approach employee diversity. Among Allstate agency owners, more than 24 percent are women and nearly 20 percent are minorities. We actively promote a greater agency presence in areas with fast-growing multicultural populations.

AGENCY OWNERS ARE ENGAGED IN THEIR LOCAL COMMUNITIES

Agency owners and financial specialists are actively involved in our volunteering and giving programs, supporting their communities by advocating for safe teen driving, help for domestic violence victims and many other causes.

The Allstate Against Abuse Team is a growing network of select Allstate agency owners, personal financial representatives and employees. These individuals use their own professional expertise, along with materials and resources provided by The Allstate Foundation, to help local domestic abuse survivors achieve their financial goals and escape bad situations. This year participation in the team increased by 30 percent to 4,300 Allstaters.

Agency owners and financial specialists supported more than 1,500 local causes through the \$2 million Allstate Foundation **Allstate Agency Hands in the Community** grant program in 2013.

NEXT STEPS

Our focus going forward will be on creating new, more centralized education for agency owners and their staff, not just when they join the company, but as an ongoing process, when it best meets their needs. Allstate's agency operations team is currently reviewing its own education programs and gathering information on best practices at other companies to develop cutting-edge educational resources that can best position agency owners to succeed.

Allstate is also exploring ways to recruit veterans to its agency sales team, developing the education and support to enable those who have served in the military to become agency owners. The program is starting in pilot phase in 2014 and, if successful, will expand in later years.

A new standard for leadership and service

When veteran agency owner Dick McKenna passed away in 2013, it was the end of an era. McKenna ran one of Allstate's most successful agencies for 48 years, but his success as an agency owner was only a small piece of his story. He was tireless in his commitment to customers, Allstate and his community—and his legacy will continue to inspire his fellow agency owners and financial specialists for generations.

To commemorate his legacy, Allstate established the Dick McKenna Good Hands® Legacy Award, honoring McKenna as its first recipient at a national gathering of agency owners and financial specialists. (Photo of the gathering?) The award will be given only when an Allstate agency owner or financial specialist meets McKenna's standards of extraordinary performance: long-term service to his customers, agency friends and community, and inspiration to family, friends and peers.

Agency owners as a force for good: Bikes for disadvantaged youth

Zac Cullen owns and manages Allstate agencies in three locations in the Los Angeles area and is a consistent top-10 producer in property and casualty and life insurance. Yet he also has time to work every year with his local Wal-Mart to find kids' bicycles that are damaged or no longer usable. Zac and his team fix the bicycles at their own expense, then drop them off at the L.A. County Sheriff's Department, whose deputies deliver the bikes to underprivileged children as holiday gifts. "Some of these kids are afraid of police officers. This initiative helps change that. I like to make sure kids see law enforcement in a positive light, and this makes a huge difference," Cullen said.

BUSINESS PRACTICES

GRI DISCLOSURE 4.13

Doing the right thing is contagious. It's good for our business and our stakeholders, and helps positively influence other companies. So as we insist on responsible practices in the way we invest and manage our assets, monitor our risks, and work with our customers, partners and suppliers, our actions go beyond our own company to become a force for good in the larger world.

For instance, we spend a great deal of time and energy on understanding risk in our businesses so that we can help customers, communities and our industry manage the unpredictable. We share our knowledge with policyholders to help them better prepare against unexpected losses. We also work closely with industry partners in the auto and home industries to reduce risk industry-wide. Through our 82-year history, Allstate has been an early advocate for key safety innovations like seat belts and airbags, and

8.3%

TOTAL ANNUAL SPEND WITH BUSINESSES OWNED BY MINORITIES, WOMEN, VETERANS AND THE LGBT COMMUNITY

36th

ON DIVERSITY INC TOP 50 COMPANIES FOR DIVERSITY LIST FOR 2013 OUT OF OVER 800

we continue to take a leadership role. Our Tech-Cor facility in Wheeling, Illinois profiled [here](#), is one of the premiere facilities for auto safety research, providing auto companies with independent insights into car design and repairability.

In the supply chain area, we spent more than \$5.4 billion in 2013, buying the goods and services we require to help



meet our customers' needs. Like all businesses, we look for suppliers that can provide us with high-quality materials and services at reasonable prices. However, we also make an effort to source suppliers who share our values for diversity, inclusiveness and environmentally responsible business practices. Following the guidelines of the Small Business Administration (SBA), and also including gay, lesbian, bisexual and transgender businesses, we seek out firms as partners, and if they are not ready organizationally to take on a relationship with Allstate, we offer them mentoring and training through the **Allstate Mentoring Program** to help enhance their capability to service major corporations.

In investments, too, we incorporate social responsibility into our business goals — earning competitive returns so that we can pay claims and structure investment products that provide financial security for our customers. We invest a good portion of our fixed income assets in municipal bonds, which provide the financing to help local communities grow. We seek to be a positive social influence on the investment community by seeking out and sometimes developing new diverse talent to manage our portfolios.

RISK MANAGEMENT

GRI DISCLOSURES 4.9 / 4.11 / 4.12 / EC2 / FS2

AN INSTITUTIONAL COMMITMENT TO UNDERSTANDING RISK

Allstate manages enterprise risk under an integrated Enterprise Risk and Return Management (ERRM) framework with risk-return principles, governance and analytics. This framework provides an enterprise view of risks and opportunities and is used by senior leaders and business managers to drive strategic and business decisions. Our qualitative risk-return principles define how we operate and guide decision-making around risk and return. These principles are built around three key operating components: maintaining our strong foundation of stakeholder trust and financial strength, building strategic value and optimizing return per unit of risk.

Our Enterprise Risk and Return Management governance includes an executive management committee structure, Board oversight and chief risk officers ('CROs').

Our Enterprise Risk and Return Council (ERRC) establishes risk-return targets, determines economic capital levels, and directs integrated strategies and actions from an enterprise perspective. The ERRC is a senior management committee appointed by the CEO and chaired by the chief risk officer (CRO). ERRC members include the CEO, business unit presidents, enterprise and business unit CROs and chief financial officers, the general counsel and the treasurer. The ERRC convenes monthly to assess and manage the various risks and opportunities faced by the company, which can include topics such as regulatory change, cybersecurity, macroeconomic stability, investment markets, and risks affected by climate change, such as severe weather events.



The Board oversees Allstate's business and management, including risk and return management, and regularly reviews:

- Overall business strategy
- Business plans for Allstate's property and casualty business, life insurance and voluntary accident and health insurance businesses, and Allstate's investment portfolio
- Liquidity and use of capital
- Legal, regulatory and legislative issues

The Board has overall responsibility for oversight of management's design and implementation of ERRM. Risk and Return Committee oversight focuses on the risk and return position of the company, and Audit Committee oversight focuses on risk assessment and risk management policies, including the effectiveness of management's control environment.

CROs are appointed for the enterprise and for Allstate Protection, Allstate Financial and Allstate Investments. Collectively, the CROs create an integrated approach to risk and return management to ensure risk management practices and strategies are aligned with Allstate's overall enterprise objectives.

Read more about our risk-management systems and the risk factors identified in 2013 in our [Annual Report](#) or in our [Risk and Return and Audit Committee Charters](#).

TECHNOLOGY HELPS US PREDICT THE UNEXPECTED

Allstate's risk management capabilities protect our enterprise, but they also provide additional security to our customers. We gather extensive data on the types of claims policyholders file and the risks they face. We use that data to provide value-added information to our customers. For instance, after winter storms in the Midwest and on the Eastern Seaboard, we proactively reached out to customers in those regions about how to mitigate ice damming on snow-covered roofs. We also send customized alerts to customers when storms are approaching, along with tips about how to minimize damage to their homes and vehicles.

EDUCATION ENABLES CUSTOMERS TO PROTECT THEMSELVES

We help customers limit risk by educating them about how to prepare for and protect against common mishaps and risks. From what to do when a tree falls on a car, to how to prepare a teenager for the responsibilities of driving, to what regular maintenance home and vehicle owners should perform, our "Tools and Resources" website has the information customers need.

OUR REPAIR NETWORK HELPS ENSURE WORK IS DONE RIGHT THE FIRST TIME

Through our Good Hands Repair Network, Allstate helps policyholders find capable, qualified vendors to repair their vehicles. In 2013, we began expanding this program to cover home repairs. Customers can use our directory even when they don't have a claim, but simply need a repair referral.

A NEW POLICY STATEMENT ON CLIMATE CHANGE RISK

Climate change poses significant risks to Allstate's businesses, communities and the world at large. In 2014, with the guidance of its Sustainability Leadership Committee and external NGO partners, Allstate updated a comprehensive climate change policy statement that outlines the company's approach toward climate change, its progress in mitigating its climate change impact and its goals for the future. The full statement is available [here](#).

INVESTMENT AND ASSET MANAGEMENT

GRI DISCLOSURES EC1COMM / FS2 / FS13 / FS16 / FS5 / FS7 / FS8 / SO1 (FSSS)

Allstate's investments are managed to produce solid returns that support our business strategies while also advancing social goals like environmental protection, home ownership, community development and opportunities for diverse talent.

INVESTMENTS THAT SUPPORT OUR BUSINESS OBJECTIVES

Allstate manages more than \$80 billion in assets (as of year-end 2013), invested in fixed income, equity and alternative assets, to support its claims-paying abilities in home and auto insurance and to provide financial security to policyholders via life insurance and annuity products. While our portfolio is primarily invested to generate competitive returns while keeping risk to appropriate levels, we also incorporate social responsibility into our overall approach.

To manage these investments, our seasoned investment team employs sophisticated economic forecasting tools and a strategic asset allocation approach. We align our investment portfolio with our company's liabilities, matching each portfolio's asset allocation with the risk constraints, time horizon and return requirements of the business it supports.

One area of continued focus is municipal bonds. As of December 31, 2013, Allstate held approximately \$8.7 billion in bonds that help improve infrastructure and extend vital services in communities across the country. The portfolio is actively managed and well-diversified among states and sectors. Major holdings include bonds that help fund primary and secondary schools, public and private universities, hospitals, single and multi-family housing programs, green energy projects such as hydroelectric and wind-generated power plants, police and fire stations, libraries and community buildings, and economic development projects.



NEARLY \$1 BILLION IN SOCIALLY RESPONSIBLE ASSETS UNDER MANAGEMENT

Within the larger \$80 billion portfolio, Allstate allocates roughly \$1 billion to socially responsible strategies. This includes a \$75 million socially responsible investment (SRI) portfolio of fixed income, equity and other assets; an \$800 million low-income housing tax credit (LIHTC) portfolio, and \$100 million to a new Diversity and Emerging Managers program for identifying and developing minority- and women-owned fund managers in real estate and private equity.

APPLYING DISCIPLINED MANAGEMENT TO OUR SRI PORTFOLIO

Allstate has recently completed an overhaul of its legacy SRI portfolio, consolidating investments made over several years and putting stricter monitoring and performance measurement guidelines into place. The portfolio, with a market value of \$75 million, holds a variety of debt, equity and community investments. The new structure will enable the investment team to monitor managers and funds

more effectively — strengthening our ability to deliver competitive returns to our company while also achieving social objectives.

CREATING NEW OPPORTUNITIES IN LOW-INCOME HOUSING

The investment team also continues to hold a significant investment in LIHTC funds. The program uses private capital to finance new and rehabilitated affordable housing. In the aftermath of the 2008 credit crunch, investment in these vehicles declined sharply, forcing yields up. Allstate saw an opportunity to achieve two goals — strong investment returns and greater low-income housing availability. Over a two-year period, Allstate invested almost \$800 million, earning an average after-tax yield of 12 percent to 12.5 percent, which is locked in for 10 years. The money was invested in 34 funds, whose managers invested in some 741 properties with over 60,000 affordably priced rental units.

INVESTING IN ENVIRONMENTAL PROTECTION

As stated in our Climate Change Policy Statement, a portion of Allstate's investments help mitigate the effects of climate change. Allstate considers environmentally friendly and socially responsible investment opportunities with attractive risk/reward trade-offs. The company's investment portfolio now includes debt investments in wind, hydro, solar and geothermal projects. As of 2013, the company has invested approximately \$320 million in renewable energy projects.

Finding new talent, removing barriers to diversity

In 2013, Allstate launched a Diversity and Emerging Manager program to invest with private equity and private real estate equity asset managers that are minority- and/or women-owned firms.

"We believe Allstate is leading the insurance industry in establishing this Diversity and Emerging Manager investment program," said Edgar Alvarado, Allstate's group head of real estate equity. "We see this program as our 'farm team' — a way to identify the next generation of investment stars, break down the high barriers to entry for these talented managers, and have Allstate be a catalyst in the success of diversity- and women-owned managers. Just as important, Allstate expects its socially responsible investments to achieve strong returns — we truly can say we do well by being a force for good."

The Allstate program is managed by GCM Grosvenor Private Markets. Allstate and GCM Grosvenor are seeking managers with strong investment track records who have a demonstrated competitive advantage for their investment strategies. In addition, women and diverse professionals must have a significant ownership interest in the fund and receive at least 33 percent of a fund's carried interest (or the profits that the fund earns on its investments each year). While the majority of the women and diverse managers will be considered as emerging managers (raising their first, second or third institutional funds), the investment program will also have the flexibility to consider established women and diverse investment managers.

In 2013, Allstate made a \$100 million commitment to the Diversity and Emerging Manager program, through which it will invest in 12 to 15 funds over the next two to three years. If successful, the program will achieve two goals: generating solid investment performance for Allstate and serving as a catalyst for a new generation of women and diverse investment talent in the private equity and real estate sectors.

SUPPLY CHAIN

GRI DISCLOSURES EC6 / HR2

We leverage our purchasing power — representing more than \$4.9 billion in annual procurement — to encourage suppliers to join us in safeguarding the environment, nurturing diverse talent and supporting our communities.

We believe every impact matters. So, while the environmental and social impacts and risks in our supply chain are relatively small compared to those of industrial or manufacturing companies, we require our suppliers to adhere to the same strict standards we set for ourselves. We also build partnerships throughout our supply chain to further our sustainability priorities.

We do not currently incorporate specific requirements in all supplier contracts; however, we do include environmental safety language in the contracts of certain vendor categories, and sustainable practices are taken into consideration while evaluating suppliers during the sourcing process. We expect all of our suppliers to operate in an ethical fashion and adhere to all national and international laws and standards as requirements for doing business with Allstate. In addition, we require some suppliers, such as auto-body shops, property management companies and cleaning service companies to provide certification that they have completed proper safety and pollution training.

In 2014, we will aggressively work to incorporate sustainability practices into all facets of our internal and external procurement processes. For example, we will add sustainability language to more vendor contracts, and include a sustainability component on the scorecard that our procurement team uses to evaluate potential vendors. We will continue to proactively encourage our suppliers to incorporate sustainable business practices such as energy-, emissions- and paper-reduction efforts. As a result, suppliers are asked to report such efforts to us each year. To learn more, visit our [Supplier Code of Conduct](#).

REACHING INCLUSIVE DIVERSITY GOALS

This year, we made significant progress toward our supply chain diversity goal, increasing the amount Allstate spends with diverse businesses from 6.6 percent in 2012 to 8.3 percent in 2013. We expect to reach our long-term goal of



9 percent in 2014, a year ahead of schedule. The growth has come at a time when Allstate's annual procurement spend has been declining, indicating the strong commitment our management team has made to diverse spending.

We now work with more than 8,500 diverse suppliers as defined below:

We evaluate progress by measuring our targeted spend in the first five categories listed below and the LGBT community. We also measure our inclusive spend in all 12 categories identified by the Small Business Administration (SBA) as diverse and of special interest in meeting statutory obligations. These include:

- Minority/Women Business Enterprises (M/WBE)
- Minority-Owned Business Enterprises (MBE)
- Women-Owned Business Enterprises (WBE)
- Disabled Business Enterprises (DIS)
- Disabled Veterans Business Enterprises (DVET)
- Disadvantaged Business Enterprises (DBE)
- Historically Black Colleges or Universities (HBCU)
- Historically Underutilized Business Zone (HUB Zone)
- Small Business Administration 8(a) Program (SBA8(a))
- Small Disadvantaged Business Enterprises (SDB)
- Veteran-Owned Business Enterprises (VET)
- Small Business Enterprises (SBE)
- Gay Lesbian Bisexual Transgender-Owned Business Enterprises (GLBT)*

* Additionally, Allstate includes businesses certified by the National Gay and Lesbian Chamber of Commerce (NGLCC) as owned by a member of the GLBT community.

BUILDING TIES WITH DIVERSE GROUPS THROUGH MEMBERSHIPS

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

- 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

DEVELOPING THE NEXT GENERATION OF DIVERSE SUPPLIERS

Our goal is to find diverse suppliers with the scale and capability to meet our needs, so we work closely with emerging suppliers to help them reach critical mass. Our mentoring program is giving suppliers the knowledge and resources they need to compete and deliver on a scale to meet the needs of large corporations like Allstate.

For instance, in 2013, we began a partnership with Chicago's Office of the Mayor and the Illinois Office of the Governor in the Illinois Science and Technology Coalition, which seeks to identify entrepreneurial talent in Illinois. This year the Coalition screened more than 200 entrepreneurs whose businesses fit our priorities in customer organization, data and analytics, and connected car and home technologies. From this pool, it flagged 16 finalists, and 13 of these companies were invited to Allstate for a final round of interviews. Allstate's team then winnowed this list to six companies. One of the 13 companies has also been selected for additional mentoring, since it has promising business models but needs additional coaching to reach its potential. Through this process, we have identified two new potential minority-owned suppliers — one that is ready for partnership now and another that will require additional mentoring.

Through its partnership with the Illinois Science and Technology Coalition, Allstate offers emerging companies the chance to become partners, supplying goods and services that match our business needs. We also bring our investment team into contact with these entrepreneurs, providing an avenue for raising seed capital to grow their companies. And finally, we offer mentoring and training, so that very small businesses with great ideas can build the scale they need to join our network of suppliers.

The mentoring program is especially valuable since it connects experts from throughout Allstate, as well as some of our top minority-owned partners, with owners of emerging businesses. In addition to offering formal curriculum covering various aspects of business management, the mentoring program enables entrepreneurs to connect, one-on-one, with business leaders in Allstate's network.

NATIONAL RECOGNITION FOR DIVERSITY

Allstate's supplier diversity programs garnered national recognition this year. In February 2014, we were named to The Women's Business Enterprise National Council's annual list of America's Top Corporations for Women's Business Enterprises. The award honors corporations with leading supplier diversity programs that are breaking down barriers and proactively integrating women's business enterprises into their supply chains.

In addition, Allstate was one of three finalists for the National Gay and Lesbian Chamber of Commerce's 2014 Financial Services Diversity Leadership Awards, which recognize outstanding achievements in diversity and leadership in the financial services sector. The award recognizes corporations with exemplary employment policies, marketing initiatives, philanthropic endeavors, and procurement inclusion of LGBT people, women, persons with disabilities, and racial and ethnic minorities.

In 2013, Allstate was named California's Supplier Diversity Champion by the California Department of Insurance for its efforts in the support and development of legislation (AB53) designed to promote the engagement of diverse businesses by insurance carriers in the state.

Nurturing diverse businesses: The Popcorn Lady on Allstate's Main Street

Mrs. Wright's Popcorn

Every Thursday, Mrs. Wright's Popcorn sets up shop on Allstate's Main Street, a much-used walkway within Allstate's headquarters in Northbrook, Illinois. That gives the South Chicago start-up access to a new market and Allstate employees a taste of some of the best popcorn in town.

"We have some people who stop us on the elevator. There are always a couple of people who come up to me and say, 'I'm so glad it's Thursday, because it's popcorn day,'" says Frances Wright, who owns the business with her husband Cedric. "I'm really moved by the warmth of the people at Allstate and the support they've given. And it's been a great opportunity. We are always talking about ways to improve and build our product; we're just so pleased to have people to share it with."

Cedric Wright says he inherited his enthusiasm for cooking from his father, a retired baker, and his love of popcorn from his grandmother, whose likeness inspired the company logo. "My grandmother had this big iron skillet and she used to put some oil in the skillet, throw some popcorn in and you see her shaking it, and when you're young it's like magic. She'd take the top off the pot, and lo and behold there was popcorn," he recalls. "I always loved popcorn."

Allstate's Supplier Diversity Advocate, Rose Golembieski, happened to find Mrs. Wright's Popcorn while visiting another potential vendor on the South Side. That business owner pointed her toward the 95th Street storefront where Cedric and Frances do business. "Allstate came to us and gave us a wonderful opportunity to go into a market we probably would never have reached," says Cedric. "It not only helped us grow, but it gave us the confidence that we can make it in this business." In May of 2013, Frances began making her weekly trips to the Northbrook facility.

The Wrights say Allstate has talked to them about its mentoring and coaching programs, and they are eager to participate. They are looking for more opportunities to grow and are beginning to work on an e-commerce presence. "We'll take all the professional advice and mentoring that we can get," says Cedric.

But meanwhile, they continue to build their business by emphasizing quality. "What really makes our popcorn good? It's made with love," Cedric explains. "We have some people who stop us in the elevator to buy popcorn before we even set up—you know you're doing it right when someone's standing in front of you and eating a kernel of your popcorn, and you see that smile on their face and they say, 'Oh, that is good.'"

PROMOTING ENVIRONMENTALLY SOUND PRACTICES

In addition to promoting diversity, Allstate seeks to reduce its environmental footprint through its supply chain. For instance, we hold the auto repair shops in our Good Hands Repair Network to industry-leading standards for environmental impact, including a requirement that suppliers recycle all glass. We also have sustainability language written into all contracts with cleaning, property management and auto parts vendors.

NEXT STEPS

The year ahead will be a pivotal one for Allstate's supply chain group, since we are striving to reach our long-term goal for supplier diversity in 2014. By the end of 2013, we were spending 8.3 percent of our total procurement spend on diverse suppliers, and we are hopeful we can raise this amount to 9 percent by the end of 2014, a year ahead of target.

As we near that milestone, we will begin to assess other ways in which Allstate's supply chain group can have a positive impact. We are currently working to expand and fortify the procurement program so it includes sustainability language in all vendor contracts. This will help us to further integrate sustainability into all facets of the procurement process.

We are also looking at ways to quantify our procurement department's impact on local economies, businesses and communities.

PROTECTING AGAINST FRAUD

GRI DISCLOSURES EC1COMM / FS2 / FS13 / FS16 / FS5 / FS7 / FS8 / SO1 (FSSS)

The FBI estimates that insurance fraud costs more than \$40 billion per year or between \$400 and \$700 extra in premiums every year for every American family.

At Allstate, we know that the vast majority of our customers are honest, and that it is these hard-working families who pay the price for insurance fraud. As a result, we are committed to using all the tools at our disposal to identify claims where a strong likelihood of fraudulent claim activity is occurring.

We gather large amounts of data about the types, amounts and frequencies of claims through our claims reporting applications as well as external data, and we continually analyze the data to identify claims with potential fraud. Our fraud-related data and analytic capabilities have been developed and used by our Claims team in a manner that the California State Department of Insurance recently requested a demonstration.

We integrate the information we gather about potential fraud into other parts of our business, including Sales, Product development and Claims. Additionally, we incorporate data from across home and auto product lines into our analysis, so that information we gather in one business line can shape our decisions in another.

As a result, we have seen improvements in our ability to identify and fight fraud, particularly where large organized crime networks — including doctors, lawyers, repair shops and medical treatment facilities — are involved. Our reputation for being tough on fraud is viewed as a deterrent. When criminal networks know that we will allocate staff to investigate fraudulent claims and the risk is high in divulging their schemes, they direct their efforts elsewhere.

Improvements in the homeowner space and in medical abuse have been less dramatic, but we believe that we are identifying more suspect claims.

Big data as a force for good

Data analytics have long been part of Allstate's business. In the 1950s, our company was one of the first to use claims experience data to set rates for different classes of drivers. Yet in recent years, as the amount of data available has exploded and the analytical tools have become more sophisticated, our Quantitative Research & Analysis (QR&A) Team has begun to use data in new ways both inside and outside our company.

For instance, data analytics have become a key tool in identifying and preventing claims fraud and keeping premiums reasonable for Allstate customers. The initiative began two years ago during a surge in fraud cases in New York and Florida. The Claims team partnered with QR&A to look for data patterns that could help identify networks of criminals working together. Data analytics could sift through and cross-reference huge amounts of data, looking for indications of fraud like unusual billing patterns and mismatches between large health claims and minor vehicle damage.

Analyzing significant amounts of data has been a big part of Allstate's success in identifying medical provider fraud rings, where specific doctors or health care facilities file multiple fraudulent claims for unnecessary treatment. These predictive modeling algorithms were first rolled out in high-fraud states like New York and Florida, but now are being utilized in all 50 states. The QR&A group is now working on similar models that will help root out fraud among individuals by seeking out connections like phone numbers, P.O. boxes and other details to identify multiple linked claims.

Eliminating fraud is good for Allstate — and good for policyholders who may benefit from lower premiums — but QR&A's data analytics are also doing great things for local communities. The QR&A department sets aside a half-day per week for self-directed research and development; employees spend this time working on business, social or community problems that can be addressed using data analytics. In 2013, the department began working with the City of Chicago, using data collected by the city to improve conditions for residents.

As a result, one team of QR&A modelers developed a system for identifying which restaurants and food vendors are most likely to have health violations and should, consequently, be targeted for inspections. Another team is attempting to use data to identify which trees need to be trimmed to minimize damage to power lines and potential outages. When successfully applied, the City of Chicago will experience measurable gains in efficiency. Says Senior Vice President Eric Huls, "The partnership enables my team to sharpen their analytic and presentation skills, so it's a positive for Allstate. But it is also good for Chicago, since we've been able to bring in data analytics to solve real problems for the city."

INCLUSIVE DIVERSITY

GRI DISCLOSURES EC6 / HR2

More than \$2 billion spent with diverse suppliers since 2003.

In 2013, we spent \$409.6 million with diverse suppliers, or 8.3 percent of Allstate's total annual procurement.

We expect to meet our goal of spending 9 percent of Allstate's total procurement on diverse businesses by the end of 2014, a year ahead of schedule.

Inclusive Diversity is a core value at Allstate. Our employees work harder, meet customer needs more effectively and share a wider variety of ideas and perspectives when they know they are accepted for who they are. Our agency owners can serve a broader base of customers when they understand and embrace diversity. And our customers can rely on us to find solutions that better fit their unique needs. "Individuals thrive and perform at their highest levels when our environment welcomes different perspectives, backgrounds and cultures" says Michael Escobar, Chief Diversity and Organization Effectiveness Officer.

We take pride in the diversity of our workforce. Fifty-seven percent of our employees are women and 32 percent are minorities. Among agency owners, 24 percent are women and 20 percent are minorities. We have diverse representation at the highest levels of our company — 42 percent of our officers and managers are female and 24 percent are minorities.

This section provides an overview of our inclusive diversity efforts, but you can read more about initiatives for **employees**, **agency owners**, and **suppliers** in other sections of our report.



EXTERNAL RECOGNITION

In 2013, Allstate was included in The DiversityInc Top 50 Companies for Diversity® list for the third year in a row. Companies in the DiversityInc survey are rated in four categories, including talent pipeline, equitable talent development, CEO & senior leader commitment, and supplier diversity. To be included in the top 50, companies must score above average in all four areas and demonstrate strong consistency across the board in their diversity-management initiatives. Companies are measured within their industry classifications. Allstate ranked 36th out of over 800 global companies, earning recognition for its strong leadership commitment, mentoring programs, employee resource groups and philanthropic initiatives.

STRONG SURVEY RESULTS

External evaluations are important, but we also ask Allstate employees how they feel about diversity at our company. In the most recent VOICE survey, 80 percent or more of employees responded favorably on questions such as: "I can be myself at work"; "My team has a climate in which diverse perspectives are valued"; "The people I work with regularly seek diverse perspectives and experiences when determining the best course of action"; "The leaders of my work area leverage the diverse

perspectives and experiences of their employees to drive better business results”; and “Allstate’s top leadership demonstrates visible commitment to creating a diverse and inclusive environment”.

INSTITUTIONAL COMMITMENT

Our senior leadership team has made a strong commitment to Inclusive Diversity, with CEO Tom Wilson taking a very active role in promoting inclusiveness throughout our organization. The Enterprise Diversity Leadership Council, made up of Allstate officers from across the company’s business units, working in partnership with the Chief Diversity Officer, plays a critical role in driving new diversity strategies. They meet regularly to discuss challenges and new approaches for promoting a culture of inclusion. They also serve as champions for the best ideas, taking a leadership role as we implement diversity strategies across our organization. A key focus area for this group is the development and advancement of diverse talent at Allstate.

EMPLOYEE RESOURCE GROUPS

Employees connect with each other and build relationships across Allstate through Employee Resource Groups (ERGs), organizations of employees with common interests that are officially recognized by the company. Employee Resource Groups leverage the strength of our inclusive diversity to support our employees and our business, and help create an environment where people can thrive regardless of their background and life experiences. Employees have formed ERGs to connect with colleagues who have shared life experiences, background or career paths. Each group supports its members through mentoring, networking and a variety of social and career development activities. They also give back to communities and take part in supporting the business in specific customer initiatives.

In 2013, Allstate ERGs continued to grow. Participation in these groups was up by 30 percent and now represents 18 percent of Allstaters. Allstate ERGs had a bigger impact in their communities as well, as these groups increased their volunteer engagement by 60 percent over 2012 levels. For more information, download our [2013 ERG Annual Report](#).

Current ERGs include:

- 3AN, Allstate Asian American Network
- AAN, Allstate Adoption Network
- AAWN, African American Working Network
- AVETS, Allstate Veteran Engagement Team and Supporters
- AWIN, Allstate Women’s “I” Network
- PLAN, Professional Latino Allstate Network
- PRIDE, formerly Allstate Network of Gay and Lesbian Employees and Supporters
- PWT, Parents Working Together
- YPO, Young Professionals Organization

NEXT STEPS

In 2013, we continued to look for ways to increase representation of women and minorities at higher leadership levels, paying close attention to recruiting and employee development that will create a stronger leadership pipeline. We are especially focused on reducing turnover among minority hires and increasing minority representation in a handful of functional areas where it has lagged behind other areas.

Globalization is also changing the way we look at diversity, as we compete in a worldwide talent market for people who don’t fit into traditional diversity categories like African American, Hispanic and Asian American. As our workforce expands globally, we are working on ways to attract and retain more diverse employees, in the U.S., Canada and overseas.

We are training our leaders in cross-cultural competency so they can better manage employees from diverse backgrounds, ethnicities and cultures and create a more inclusive environment. To date, close to 1,000 managers have participated in a cross-cultural competency education program. Our future focus will be primarily on developing the capability of hiring leaders in key functional business areas. This development includes attending our cross-cultural education program and a training that focuses on the specific application of cross-cultural competence in hiring. Managers will also take a self-assessment called the

Intercultural Development Inventory, which tells managers how they perform, relative to their peers, in cross-cultural competency. People who take the test get a report on their results and have been provided with a pre-taped webinar that provides a comprehensive overview of how to interpret their results. They can also arrange a feedback session with an expert to address areas where they may need improvement.

We are also continuing to expand our delivery approach to create a self-sustaining delivery model by training trainers in the field. To date we have trained approximately 65 trainers in Home Office and the Field.

These initiatives are designed to help Allstate compete in the global marketplace for talent and for customers. They also reinforce our commitment to providing an inclusive workplace that enables all of our employees, from every background, to be a force for good.

PLAN Initiative for Spanish-speaking customers

Allstate's Employee Resource Groups are reshaping the way we do business in diverse communities, providing us with insight on ways to better serve customers from varied backgrounds and ethnicities. For instance, the Professional Latino Allstate Network (or PLAN) ERG recently worked with our Claims department to improve the customer experience for Spanish-speaking customers. These efforts have taken a variety of forms.

For instance, analyzing Claims' written Spanish communications helped the core team identify opportunities for improvement. Allstate is now working with Data Processing Systems to create Spanish versions of several critical claims form letters, the first of which should be available late this summer.

In addition, Claims' Innovation and Field Support team has beefed up training to make sure that frontline employees are using the "Preferred Language" option to accurately identify customers who prefer to communicate in Spanish. The team recently reviewed use of the drop-down option with approximately 1,800 employees.

Also in the pipeline is a plan to develop a Spanish-language proficiency tool to evaluate the fluency of incumbent Claims employees and new hire candidates. Ideally, the core team would like to see Allstate increase the number of Spanish-speaking Claims employees.

"The wishes of Latino claims customers are simple: They want to conduct business in their language of choice," Lupe Gallardo, the product launch manager, Product/Service Innovation and Development, and PLAN board member who spearheaded the project said. "Meeting [these] wishes puts us at a competitive advantage and aligns with Allstate's core customer value proposition, which is to put our customers at the center of our work."

ENVIRONMENT

GRI DISCLOSURES 3.9 / 4.10 / 4.12 / 4.13 / EN1 / EN26 / EN5 / EN6 / EN7 / FS2 / FS5 / FS8

While Allstate's operations have a much lower impact on the environment than those of an industrial or manufacturing company, we are very conscious of our footprint and continually strive to reduce it.

CLIMATE CHANGE POLICY

In 2013, we began work on a new climate change policy, defining our approach to one of the most critical environmental issues of our era. Because of the policy's importance, our senior management team was engaged in an extensive and careful review of it. The policy was finalized in 2014, and a full version of the statement can be found [here](#).

In addition, we continued to pursue green initiatives in energy use, emissions and waste reduction, balancing environmental stewardship with our organization's pursuit of strategic growth, profitability and customer satisfaction.

24.4%

TOTAL GREENHOUSE GAS EMISSIONS REDUCTION SINCE 2007 (-5.3% YOY)

40%

OF OUR CUSTOMER BILLING IS NOW HANDLED ELECTRONICALLY

GREEN BUILDINGS

Embedded in our design and construction standards are numerous energy-efficient and sustainable practices, from the incorporation of recycled and renewable resource materials to the utilization of low-flow plumbing fixtures and ENERGY STAR-rated appliances. The purchase of locally sourced materials and equipment minimizes cost and fuel usage for freight. We use low-emission paints, adhesives and sealants to preserve air quality during and after



construction. Energy-efficient heating, cooling and lighting systems not only reduce energy usage but provide a more comfortable, productive work environment. We also recycle construction waste and debris.

Allstate currently has three buildings in our portfolio that are LEED-certified. The Rochelle Data Center in Illinois achieved LEED for New Construction GOLD certification in February 2010 from the United States Green Building Council (USGBC). The Chubbuck Idaho Call Center achieved LEED for Core & Shell SILVER certification in February 2012 and LEED for Commercial Interiors certification in January 2013. F Tower building at Home Office also achieved LEED for Commercial Interiors for the renovation of floors 7-9.

Last year, we continued to align our real estate holdings with Allstate's operations and business needs, looking for opportunities to consolidate wherever possible. In one significant transaction, we sold five buildings at our Dallas campus and leased them back. As a result, we have removed roughly a half-million square feet of real estate from our owned portfolio this year; however, since we are still occupying the same space as a renter rather than an owner, the transaction had no impact on our actual environmental footprint.

ENERGY AND EMISSIONS REDUCTION

GRI DISCLOSURES EC2 / EN16COMM / EN17 / EN18 / EN9

At Allstate, we recognize that small changes can produce powerful results. Every time an employee turns off an unnecessary light, every time a customer opts to receive documents electronically instead of by mail, every time we use the bus or subway to commute to work, we are taking positive steps to reduce our environmental footprint. And while we may have made our biggest strides in energy and emissions reduction immediately after we established our environmental **key performance indicators**, we continue to look for ways to improve our efficiency.

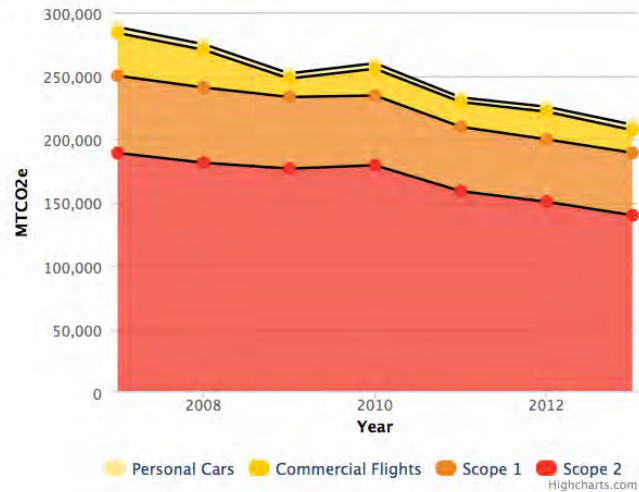
In 2013, we made good progress in reducing our energy consumption, decreasing our overall energy use by a total 18.8 percent from our 2007 baseline. We also reduced our greenhouse gas (GHG) emissions by 6.3 percent over the prior year, a total reduction of 26.7 percent since 2007.

MORE ENVIRONMENTALLY FRIENDLY OPERATIONS

We also looked for ways to make our day-to-day operations greener. For instance, we reduced our use of harmful chemicals by changing our standard janitorial contract for all our properties to comply with LEED standards. Now all our housekeeping staff use environmentally safe products to clean our facilities.

In our offices with café services, we instituted an enterprise-wide ban on Styrofoam to reduce the amount of solid waste we generate. In facilities in Charlotte and Roanoke, Virginia, we have closed full-service kitchens and replaced them with self-serve micro-markets. These facilities provide employees with a broad range of food options. They also require far less fuel, water and electricity to operate — and generate significantly less waste.

GREENHOUSE GAS EMISSIONS



EMISSIONS REDUCTION



Highcharts.com

ENERGY REDUCTION



Highcharts.com

LOWER-IMPACT COMMUTING AND TRAVEL

Reducing energy use doesn't just happen at the office. Allstate encourages employees to make sensible, environmentally friendly choices about their travel and commuting too. We now have six electric charging stations at our home office in Northbrook and another two in our Allstate Workplace Division in Jacksonville, Florida. Our new Esurance Service Center in Ogden, Utah, now under construction, will have an additional three. All of the charging stations are available free of charge to our employees. We also help our employees reduce their impact on the environment through a bus service that links to the Chicago Transit Authority and Metra train lines. And we build virtual meeting technology into many of our facilities, so unnecessary travel can be minimized.

MORE DATA CENTER COOLING

Data centers like the ones we use to process customer and claims information use a significant amount of electricity — mostly to keep the servers inside cool enough to function. At two of Allstate's data centers, we're using innovative airflow management technology to reduce the amount of power it takes to keep our systems cool.

We use a "hot aisle/cold aisle" containment arrangement, where cold air comes in through a lower-temperature aisle, cools the computer equipment and then is discharged into a hot aisle on the other side of the equipment row. We then capture the hot or exhaust air through a system of blanking plates and barriers. Because it can't flow back into the cold aisle, it floats to the top of the building, where it is returned to a cooling unit through an overhead circulation system.

This process allows our cooling equipment to work more efficiently (using less electricity), since it does not have to cool the mixed air but only the hot air (cooling less air constantly). Additionally, hot aisle containment prevents hot air from spilling over (or around) the cabinets to create hot spots in the cold aisle. In Rochelle, we have been able to use heat captured through this system to reduce our overall heating costs. In 2013, this system saved Allstate \$60,000 in our Rochelle data center and \$59,136 in Hudson, while also significantly reducing electricity use.

WASTE MANAGEMENT AND WATER

GRI DISCLOSURES EN10 / EN21 / EN22COMM / EN8 / EN9

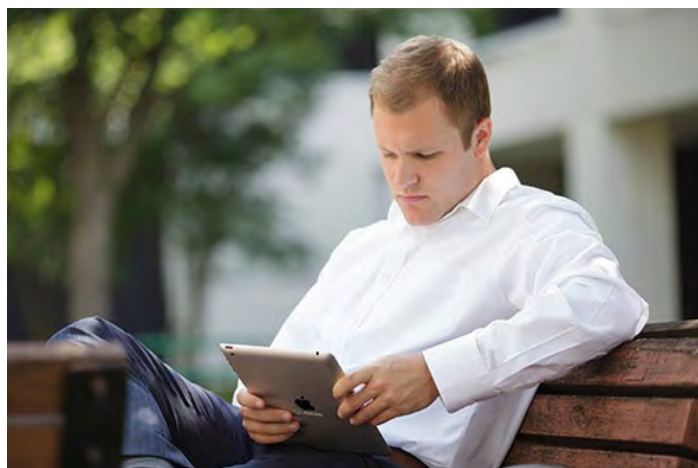
As a service business, Allstate is not an extensive user of water, nor does it generate significant amounts of waste. However, we are committed to recycling and conservation programs to minimize the impact we have on the environment. In 2013, our home office recycled 8,955 pounds of PET plastic bottles, 4,385 pounds of aluminum cans and more than 4.4 million pounds of paper.

TOWARD A PAPERLESS OFFICE

Insurance has always been a paper-intensive business, with many states still mandating that consumers receive key documents on paper and by mail. In 2013, we continued to reduce paper use—while making policies more convenient for customers—through three initiatives: eSignature, ePolicy and eBill.

Our eSignature program was launched in April 2013, giving customers the capability to sign and upload a variety of documents with the simple click of a mouse. eSignature saves time and effort for our customers, agents and employees. Because policy documents don't have to be printed out, it also saves a significant amount of paper. By late 2014, 99 percent of all policy-related documents in Allstate's system are expected to be enabled with eSignature.

Allstate ePolicy provides another opportunity for significant paper reduction. Our research shows that many of our customers would prefer to be able to access their policies and other insurance documents electronically, when they need them, rather than receiving and storing paper policies. Yet, in many states, insurance regulation requires that a paper document be mailed to consumers. Our Government Relations team is currently advocating for change in these laws, working state by state to enable electronic policy distribution. In 2013, 20 state legislatures made changes to enable insurance industry e-commerce.



Finally, through our eBill program, more and more customers are receiving and paying their bills online. We now suppress or electronically send 40 percent of our bill documents. In 2013, we eliminated some 4.8 million paper bill documents.

WATER STATIONS REDUCE SOLID WASTE

There are at least two million tons of plastic water bottles in landfills across the United States, according to recent studies, and it can take up to a thousand years for these materials to biodegrade. At Allstate, we encourage employees, agents and guests who visit our facilities to eliminate this kind of pollution at the source—by using reusable containers to drink water that we filter through our 168 water stations.

In 2013, we added 20 water-filtering stations in our home office facility, bringing the total to 168. Altogether, Allstate's employees drank 137,427 gallons of the filtered water, or enough to fill more than 1 million plastic bottles. We are currently working on developing an electronic monitoring system that will connect these water stations to our IT network to let us know when they need new filters or other maintenance.

We currently inspect them manually to determine filter replacement and maintenance needs.

With 168 water stations across Allstate facilities, we saved more than 1 million plastic water bottles from going to a landfill.

We now handle approximately 40 percent of our customer billing electronically, helping to suppress or eliminate some 4.8 million paper documents per year.

Allstate's Staff Counsel Office Goes Paperless

Defending 3,000 auto damages lawsuits a year used to create a lot of paperwork for the Allstate Staff Counsel Office, but not anymore. The office, which represents the company and policyholders in thousands of lawsuits each year, recently digitalized its case files. The group now uses electronic storage to house nearly 7 million pages of legal documents. That was enough, previously, to fill 350 file cabinets.

The Staff Counsel Office used a giant scanner housed in an Allstate customer experience center in Texas to convert existing documents into PDF format. Once scanned into the system, the documents could be shredded and recycled, dramatically reducing solid waste. The digitalized files can now be accessed by Allstate attorneys 24/7 from anywhere with an Internet connection. The group's 77 offices — located in 34 states — now have multi-function scanner/copier/printer equipment, so that they can immediately convert new documents to digital format as well.

Eliminating physical document storage has allowed the Staff Counsel Office to reduce its real estate footprint and create a more collaborative open-office environment. It has reduced paper use substantially, and has cut costs for printing. The paperless environment has also created more telecommuting opportunities for Staff Counsel attorneys, reducing the number of miles our lawyers must drive each year. But, most important, says Vice President and Assistant General Counsel George Grawe, it has made Allstate's attorneys more effective in meeting customer needs. Satisfaction among customers served through the new system has been extremely high.

"Our goal is to provide effective and efficient representation of our clients — and to resolve litigated matters appropriately as quickly as possible," Grawe added. "We are now able to get information to the Claims office quicker so that they can evaluate claims even sooner than before."

SOCIAL IMPACT

GRI DISCLOSURES 4.12 / 4.13 / EC1COMM / EC9 / FS13 / FS7 / SO1 (FSSS) / SO6

We are dedicated to bringing more good to people's lives. Through our social impact investments, we extend this commitment through and beyond our immediate stakeholder groups — customers, employees, agents, investors — so that we can be a force for good in our communities and our world.

From our focus on teen safe driving to helping survivors of domestic abuse gain financial independence and reducing violence in our hometown of Chicago, we're dedicated to improving the well-being of everyone whose lives we touch. In this way, we help communities thrive.



Reality Rides

As the second year running, the Allstate "Reality RidesSM" campaign's purpose is to drive awareness around the dangers of distracted driving. Reality Rides consists of a driving simulator that utilizes a real — but stationary — vehicle equipped with virtual reality technology, including a curved LED television displaying an animated environment that reacts to the driver's motions. Using the vehicle's steering wheel, gas and brake pedals, the driver is tasked with driving while also attempting to text, talk on the phone and enter navigation system directions.

These simulations demonstrate the potential consequences distracted drivers could face while on the road. To add impact to the simulation, participants are given traffic "tickets" to reveal potential infractions a driver could receive if the experience happened in real life. After the simulation, participants will have the opportunity to take the Allstate X the TXT[®] pledge, which promises to not text and drive. In 2013, of the 1,700 people who were surveyed before and after their Reality Rides experience, 73 percent said they learned more about distracted driving after experiencing the simulation, and 83 percent found the program "fun and effective," which fueled Allstate to continue the efforts in 2014.

65%

PERCENTAGE OF ALLSTATE EMPLOYEES, AGENCY OWNERS AND THEIR STAFF WHO PARTICIPATED IN A CORPORATE RESPONSIBILITY INITIATIVE IN 2013

1,963

NUMBER OF U.S. CITIES ACTIVELY SUPPORTED THROUGH THE FOUNDATION

45%

PERCENTAGE OF FUNDING FOCUSED ON DIVERSE COMMUNITIES

X the TXT

Allstate's X the TXT program encourages teens and their parents to pledge not to text and drive. So far, nearly two million people have made the pledge not to text behind the wheel.

Since its launch in November 2009, X the TXT pledge events, in which teens and parents have added their blue thumbprints — a symbol of their pledge not to text and drive — to large pledge banners, have taken place all over the country. Additionally, more than 190,000 people have taken the pledge online at [facebook.com/XtheTXT](https://www.facebook.com/XtheTXT).

Participants who take the pledge not to text and drive receive thumb bands with the words TXTNG KLLS to wear as a daily reminder of their commitment to keep their thumbs off their phone and their eyes on the road. Family pledge cards are passed out to start conversations about texting and driving at home, and to encourage families to make a commitment to safe, focused driving.

THE ALLSTATE FOUNDATION

Every individual and family deserves the chance to see their dreams come to life. This is the vision The Allstate Foundation has been fighting for since our story began more than 60 years ago, when leaders within Allstate Insurance Company made a formal promise to put the company's good hands to work.

Now entering its seventh decade, the Foundation has created practical, proven programs for more than a million individuals and families to help them overcome personal challenges and uncertainties — leading to better, safer lives.

The Allstate Foundation supports a range of programs across America. In every case, the Foundation directs resources and support toward areas that fulfill a commitment to helping protect and prepare people.

The Foundation focuses on two signature programs to achieve maximum impact:

- The Teen Safe Driving Program helps change the way teens think and act in the car through teen-to-teen programs, resources to help parents better manage their teen drivers and research to help educate the public about the issue.
- The Domestic Violence Program helps survivors overcome financial abuse. We help empower survivors to lead safer,

financially independent lives. Through public awareness programs we help break the taboos that prevent survivors from gaining the help they need to break free from violence.

SAFERLIVES

Allstate has long provided customers with practical advice on how to protect their homes, their cars and their families from unexpected events. In 2013, The Allstate Foundation enhanced this effort through SaferLives, a program to enable agency owners to engage in ongoing dialogue with consumers and customers on timely and relevant safety topics.

Combating urban violence in Chicago



Beginning in 2013, Allstate became one of the leaders of Get In Chicago, an organization dedicated to developing a coordinated plan to improve safety in neighborhoods across the city. Allstate played a key role in this coalition of representatives from local government, business, community groups, faith-based organizations, educational institutions and foundations when we made an early \$5 million, multiyear commitment. Our donation will help fund an effort to implement high-impact, research-based strategies to prevent violence, intervene with those at greatest risk, and help make Chicago's communities safer. We offered support in other ways, as well. Allstate CEO Tom Wilson served as a co-chair of a campaign to raise \$50 million from other local companies for Get In Chicago, and our company donated significant staff time and expertise to develop a framework for the organization. The video above gives a brief overview of the program.

Fifty percent of Allstaters gave money to local charitable causes through the Giving Campaign — a total of nearly \$4.5 million.

DOMESTIC VIOLENCE

GRI DISCLOSURES FS14 / FS16

Domestic violence affects one in every four women during their lifetime—touching the lives of more women than breast cancer, ovarian cancer and lung cancer combined. Beyond the right of every person to live a life free from violence, there is an economic cost to abuse as well. Domestic violence victims lose nearly 8 million days of paid work per year in the U.S. alone—the equivalent of 32,000 full-time jobs. In the United States, the cost of domestic violence approaches \$5.8 billion per year. That breaks down to \$4.1 billion in direct medical and health care services and \$1.7 billion in productivity losses.

Since 2005, The Allstate Foundation has partnered with the National Network to End Domestic Violence (NNEDV), along with other leading national and local programs, to help break the cycle of domestic violence through the financial empowerment of survivors. Research shows the primary reason women remain in or return to an abusive relationship is because they don't have the financial resources to break free and stay free. The financial impact of domestic abuse can last for 10 to 20 years while the survivor works to repair or build credit, create assets, and secure employment, housing, childcare and transportation.

Our multi-tiered approach to helping end domestic violence creates lasting impact. The key program strategies include:

Direct Services—Grant programs empower survivors to gain or regain control of their finances in order to get free and stay free from violence. This includes financial tools and information that can enable survivors of domestic abuse to fully understand and take control of their financial futures and the asset building strategies to help make their goals a reality.

Public Awareness—Inspiring programs like Purple Purse help increase understanding of and change societal attitudes about domestic violence and financial abuse—inspiring people to speak up and join the movement.

Thought Leadership—We are committed to developing, researching and sharing the best ideas in financial empowerment for domestic violence survivors and their families. Over the last ten years, through academic research, capacity-building conferences and cutting-edge polling, we have become a leader in the movement to end domestic violence.



ALLSTATE FOUNDATION

This year, we reached more domestic violence survivors than ever before, providing services and support to some 171,000 women. Since we began our program in 2005, we have helped more than 384,000 survivors across the country take steps toward financial independence. We are very close to our long-term goal of 500,000.

FINANCIAL EMPOWERMENT

In September 2013, The Allstate Foundation and NNEDV held the partnership's ninth annual Financial Empowerment Symposium. During the two-day event, domestic violence prevention advocates learned how to help survivors navigate the complex world of student loans, housing loans, low-income tax credits, the Affordable Care Act, career development, and building and managing assets. Since our program started, we've trained more than 7,200 advocates from 1,500 organizations throughout the nation to help survivors in new and innovative ways.

For the first time, in 2013, The Allstate Foundation held an award dinner to honor five Allstate agency owners or financial specialists involved in the fight to end domestic violence: Laura Aguilera, agency owner, San Jose, California; Michele Martin, agency owner, Northport, New York; Tara Schultz, agency owner, Kimberly, Wisconsin; John Sells, agency owner, Bowling Green, Kentucky; and Ron Williford, exclusive financial specialist, Devon, Pennsylvania. Since 2010, the Foundation has successfully been growing and engaging the Allstate Against Abuse Team—a passionate group of nearly 300

agency owners and personal financial specialists who have volunteered to help survivors in their communities achieve their financial goals and live free from abuse.

PASSING THE PURPLE PURSE

Purple Purse makes it easier to talk about a subject widely considered as taboo. It includes activities designed to educate, engage and empower individuals. Purple is the color of domestic violence, and a purse represents a woman's financial domain, important because the number one reason survivors remain in, or return to, an abusive relationship is that they don't have the financial resources to live independently. Last year, more than 1,000 purple purses filled with domestic violence information and resources were passed around in communities and online. Each pass generated a donation to YWCAs across the country for programs that help survivors gain the financial resources they need to break free from abuse.

The simple Purple Purse icon is designed to pique consumer curiosity and reach broad new audiences in unexpected, non-threatening and compelling ways. The purse has been passed by synchronized swimmers, high school athletes and cheerleaders, news anchors, doctors, and people from all walks of life. Last year, the public awareness program was mentioned nearly 3,000 times in the media, generating more than 188 million media impressions and \$350,000 for potentially life saving services at YWCAs across the nation.

We financially empowered 171,000 domestic violence survivors in 2013.

Since our program began, we have served 384,000 domestic violence survivors. We expect to reach our goal of 500,000 by our target date of 2015.

In 2013, more than 4,125 Allstate employees participated in our Purple Purse program to raise awareness about domestic violence.

Breaking down the taboos: Allstate's John Rugel talks about growing up with domestic violence

"It is estimated that about 3.3 million children each year witness the domestic abuse of their mothers and I was one of those children," Allstate officer John Rugel wrote in his blog post on Allstate's employee community site on September 23, 2013. Rugel is successful now, a Senior Vice President in Allstate Financial. But, growing up, he saw firsthand the costs of mental and physical abuse — and the way that financial empowerment could help break the cycle.

After years of abuse and of turning all the money she made over to her husband, Rugel's mother took charge of her situation, began keeping her paychecks and opened her own checking account. "With that money, my mother, brother and I left my father," Rugel wrote.

"Often, we find it easier to talk with a stranger about the weather or the game, than to a friend or family member about our concern for their well-being, when we suspect domestic violence. While there is much less stigma around discussing the issue, we still have some work to do. Even my mother's sisters, as angry and upset as they were when they finally learned about what was happening, are still a bit uncomfortable about me talking openly about the issue," Rugel added. "I'm proud to work for a company that has dedicated over \$30 million of funding toward helping remove that stigma and understanding the importance of financial literacy as an integral component of breaking the cycle of abuse."

TEEN SAFE DRIVING

Motor vehicle crashes have long been the leading cause of death for American teenagers. Teens are about three times more likely than older drivers to be involved in fatal crashes. Yet in the last few years, teen driving fatalities have dramatically declined, due in part to The Allstate Foundation Teen Safe Driving Program. In 2005, The Allstate Foundation set a long-term goal of helping reduce teen driving deaths by 50 percent by 2015. In 2012, the last year for which we have data, that rate had declined by 47 percent. To put this change in perspective, in 2005, 5,300 teens died in car crashes; in 2012, only 2,823 lost their lives. That's almost 2,500 more teens who came home safely in 2012¹.

Teen driving fatalities have declined by 47 percent since The Allstate Foundation began its Teen Safe Driving Program.

While we celebrate that success, we know there is more to do. We continued to reach out in 2013 to young people, parents, policy makers, our employees and agency owners, along with local communities, to promote safer teen driving in a variety of ways. The following are some examples of our program in action.

PEER-TO-PEER PROGRAMS CREATE AWARENESS

Teenagers listen to each other, so peer-to-peer programs like our Act Out Loud contest are a powerful way to reach them. Through the program, more than 100,000 teens at more than 300 schools across the country spread the word about safe driving. Students designed T-shirts and posters and hosted rallies to encourage more teens to have a conversation with their peers about staying safe on the road.

Participating schools were judged on criteria including involvement of student bodies, the strength of teen safe driving messages, the creativity of activities, and community and school administration involvement.

¹ "Fatality Facts: Teenagers" Insurance Institute for Highway Safety, 2012 <http://www.iihs.org/iihs/topics/t/teenagers/fatalityfacts/teenagers>



The Flame of Life Award for safety

On September 30, 2013, the National Safety Council presented its prestigious Flame of Life Award to Allstate Insurance Company and The Allstate Foundation for their national leadership in reducing car crashes involving teen drivers. The award, which recognizes significant lifesaving contributions to safety, has been presented only four times previously in the Council's 100-year history.

"We believe corporations can and should help lead positive change in society," said Vicky Dinges, Senior Vice President of corporate responsibility at Allstate. "We're very proud to have contributed to keeping millions of teens safer on the road. The National Safety Council has been an amazing partner on teen driver safety, and we thank the organization for this tremendous honor."

Cookeville High School in Tennessee won the grand prize. Their student-led rally caught the attention of country music star Tim McGraw, who invited select Cookeville High School students to attend a webcast premiere of his new music video focused on the dangers of distracted driving. Allstate awarded a prize of \$10,000 to support teen safe driving programs at Cookeville High School.

Ringing the bell for safer driving



On May 2, 2013, six Allstate agency owners, along with five teen leaders, the National Organizations for Youth Safety and Allstate Corporate Relations SVP Vicky Dinges, rang the closing bell at the New York Stock Exchange to promote Global Youth Traffic Safety Month.

EDUCATING AND INVOLVING PARENTS

Parents are the number one influence on teen drivers, yet they often have misconceptions about the risks young people face. For instance, many parents believe it's unsafe for teens to drive by themselves, while in reality the crash risk increases dramatically with each additional teen in the car. Others think alcohol is involved in most teen crashes, while in fact drinking is a factor in only about 15 percent of them². Similarly, texting while driving, widely assumed to be a major risk, accounts for a smaller number of teen accidents. Consequently, our programs are strategically focusing on the three major causes of teen crashes: speeding, failure to wear seatbelts, and the presence of too many teens in the car.

For instance, many parents assume their children are wearing seatbelts; however, 54 percent of teens involved in fatal accidents are not. Research shows that inexperience and inattention are the root cause of the vast majority

² "Estimated percent and number of fatally injured passenger vehicle drivers with BACs \geq 0.08 percent by age group" Insurance Institute for Highway Safety, 2012 <http://www.iihs.org/iihs/topics/t/teenagers/fatalityfacts/teenagers>

of teen motor vehicle crashes. For this reason, parental coaching — at least 30 minutes a week in the car with the child driving — can help ensure that teens get the experience they need for a lifetime of safe driving.

To give parents the tools to help their children drive more safely, The Allstate Foundation helped the National Safety Council launch Drive It Home. Designed by parents for parents, the unique program includes an interactive website — driveithome.org — featuring engaging videos, driving, practice tips and other valuable resources. The website uses humor to capture the attention of parents, educate them on the real dangers facing their teens on the road, and helps them provide ongoing coaching tips for recently licensed teens.

INNOVATIVE EVENTS AND PROGRAMS

The Allstate Foundation and National Safety Council promoted Drive It Home through events in 14 cities across the country. We commissioned Chicago's Second City Communications comedy troupe to write and perform a script about coaching on better driving. At each event, The Allstate Foundation gave away gas cards and entered participants in a raffle to win a 2013 Chevrolet Cruze.

In 2013, more than 3,800 Allstate employees pledged to be "teen safe driving advocates" to the young people in their lives.

We're committed to finding new ways to help parents understand how their guidance can help ensure that their child comes home after every drive.

Bill Bade and the SELF Movement

Allstate's Bill Bade founded his nonprofit organization, the SELF Movement, to empower Jacksonville, Florida teens through community involvement and education. And Allstate's 2013 Employee Volunteer of the Year has always made teen driving a special priority.

Bade and his SELF Movement colleagues created the "Stand Up, Speak Up and Make a Difference" video contest to give teens the ability to reach their peers with messages on the dangers of distracted driving. The contest, held in Duval County public schools, attracted 75 submissions that received more than 10,000 public votes. Additionally, hundreds of local residents attended a watch party for the videos at a local movie theater, \$5,000 in scholarships was awarded to participants, and \$33,000 was raised for distracted-driving education.

"Bill has made a tangible difference in the Jacksonville community," said Greg Guidos, president of Allstate Benefits in Jacksonville, Florida. "He has inspired countless teens to attend college through the scholarship program he helped create, and he's saved lives by educating our youth on the dangers of distracted driving. His message empowers the next generation to seize the moment and influence others."

NATURAL CATASTROPHE PREPAREDNESS

Natural catastrophes are the ultimate moment of truth for Allstate, our customers and our communities. We empower customers with the tools not just to recover from loss, but to help prevent it from happening. Our agency owners are actively involved in educating consumers about how they can protect their homes from extreme weather events, wildfires and other catastrophes.

INFORMATION AND ADVICE

Looking for information on what to do when a tornado approaches? Want to know how to prevent ice build-up on a roof after a heavy snow? Need tips on how to safely drive a motorcycle? Allstate's **Be Aware and Prepare** website provides easy-to-use, hands-on advice on a wide range of safety topics. Allstate agents also appear on radio and television to promote safety and disaster preparedness strategies. Here is Allstate agency owner Pete Fernandez sharing cold-weather tips on Chicago's WGN: [view video](#).

DISASTER PREPAREDNESS KIT WORKSHOPS

What do families need to survive a major disaster — an extended power blackout, for instance, or a hurricane, tornado or flood? The Federal Emergency Management Agency reports that 85 percent of Americans are not prepared for potential disasters. To help more people prepare for disasters, The Allstate Foundation is a founding supporter of Good & Ready, a collaborative disaster-preparedness initiative, convened by Points of Light, designed to help more Americans prepare themselves, their neighbors and their communities for a disaster.

In 2013, the Foundation and Points of Light equipped 5,500 families and personally educated more than 10,000 people in 14 cities in assembling their own disaster preparedness kits. The kits included items like a hand-crank radio/flashlight, water bottle, dust mask, garbage bags and hand sanitizing wipes among other items.



At events across the country, Good & Ready representatives educated people about what they would need in case of disaster and provided a fill-in-the-blanks household emergency plan and cards to download, print and keep close to hand.

PROTECTING PEOPLE IN HIGH-RISK AREAS

Allstate helped form and lead ProtectingAmerica.org, a public voice addressing natural catastrophe preparation and recovery policies. The ProtectingAmerica.org coalition advocated for special catastrophe funds to aid recovery and rebuilding in the event of disaster, as well as better prevention and mitigation through stronger building codes.

ProtectingAmerica.org was a strong advocate for the Homeowners and Taxpayers Protection Act of 2013, which would use money from private insurance premiums to finance catastrophe-loss funds and disaster prevention and mitigation programs. Protecting America.org raised awareness of disaster preparedness issues through media events accompanying the bill, and drew attention to the start of hurricane season and the first anniversary of Superstorm Sandy.

Surviving disaster to help others

When Superstorm Sandy swept through Long Island, Allstate agency owner Christina Shaw was six months pregnant with her first child. Although her home was flooded with several feet of water, without electricity and heat for many weeks, and her Bellmore agency was also without power, Christina still put her customers first. She and her staff operated outside their agency, powering their laptops and mobile phones with their vehicles to maintain service during this critical time. She also made herself available to customers at the Allstate National Catastrophe Team's Mobile Claim Center unit set up in Freeport. Christina and her staff were so appreciative of the NCT claims support and dedicated efforts that they made sure to bring food and coffee to each of them to show their gratitude.

Christina was one of many hundreds of New York-, New Jersey- and Connecticut-based Allstate agency owners who made personal sacrifices to put their customers first in a time of disaster. We heard of many Allstaters setting aside their own losses during Hurricane Sandy to assist their friends, neighbors and customers. But Christina's story stands out because it continues beyond the initial tragedy.

In August 2013, Christina continued to help people prepare for and recover from catastrophes by volunteering at The Allstate Foundation's SaferLives Good & Ready event at Eisenhower Park. More than 400 attendees received catastrophe kits and Christina's passion for preparedness was evident, as she was selected as a local spokesperson to convey the reality behind being "Good and Ready" on Long Island. Doing what she does best, Christina helped educate consumers who were building kits about the importance of being prepared, and advised them of the steps they needed to take to prepare their homes and families after they took their catastrophe kits home.

In late October of 2013, on the one-year anniversary of Superstorm Sandy, Christina Shaw was also one of 70 Allstaters who helped rebuild the Little Hands playground in Freeport, New York, which had been inundated with seven feet of water during the storm. Christina and others like her are working together to help their communities recover and be better prepared for any new challenges that may confront them.



SUPPORTING RESEARCH INTO SAFETY ISSUES

Understanding extreme weather and other hazardous events can help policyholders prepare for them better. Allstate works closely with the Insurance Institute for Business & Home Safety (IBHS) to gain insights into common household risks and share them with policyholders.

Feeding the hungry when disaster strikes

In 2011, Allstate and The Allstate Foundation forged a multiyear partnership with Feeding America to support the organization's effort to provide much-needed food and supplies to families impacted by natural catastrophes. Matt Winter, Allstate's president of Auto, Home and Agencies, spearheaded the effort; he had been involved with Feeding America's Phoenix, Arizona-area operation as a local board member and currently serves on the organization's national board of directors. He has also been involved in numerous hands-on initiatives, leading Allstate participation in food collection drives and other campaigns during Allstate's Week of Service.

"Hunger affects millions of Americans, some on an ongoing basis, others after a natural catastrophe," said Winter. "Our partnership with Feeding America enables us to have a real impact on this important issue." (This is a placeholder quote to be confirmed/edited or replaced by Winter or his staff.)

Through this partnership, Allstate and The Allstate Foundation are providing \$1 million to Feeding America (\$250,000 per year over the course of four years). In addition, we will provide up to \$1 million of additional contingency funding (with a maximum of \$250,000 per year) through The Allstate Foundation in the event of significant natural catastrophes.

In 2013, Allstate continued its long-term partnership with Feeding America, the nation's leading domestic hunger-relief charity, working on a long-term, countrywide basis to alleviate hunger. Allstate's support enabled Feeding America's National Office to provide 135 truckloads containing 3.5 million pounds of food and grocery items and to coordinate Feeding America staff support for member food banks.

Allstate focused specifically on Feeding America's Disaster Relief Program, which works through member food banks to ensure that they are able to respond to disasters in the communities they serve. Feeding America's network served communities and individuals impacted by Texas storms (May 2013); Oklahoma tornadoes (May 2013); Colorado floods (September 2013); and Washington, Illinois, tornadoes (November 2013).

In addition, Allstate employees and agency owners showed their commitment to Feeding America through the annual Allstate Week of Service event. This year, more than 1,000 Allstaters took part in 133 food drives and warehouse projects that helped provide 345,000 meals to families at risk of hunger.

"The commitment of Allstate Insurance Company enables Feeding America to build capacity in disaster preparedness and provide a consistent level of response to disasters of any scale," said Feeding America's manager of Corporate Partnerships, Christine Feiner. "Allstate's support has allowed the organization to strengthen member food banks' capabilities, place dedicated disaster relief boxes in strategic locations throughout the country, and reinforce relationships with key partners such as the Red Cross and Voluntary Organizations Active in Disaster [VOAD]."

Feiner added, "What is perhaps most crucial is that Allstate's ongoing commitment helps ensure that Feeding America can respond quickly to any event in any community, even if it fails to generate the media attention or dedicated fundraising of a Superstorm Sandy."

COMMUNITY INVOLVEMENT

GRI DISCLOSURE EC8

Our employees and agency owners are a force for good in the communities where they live and work, volunteering their time and donating their money to local organizations that make life better for everyone. We support their efforts, making community involvement an integral part of our culture through workplace giving and volunteering programs.

ALLSTATE CONTRIBUTED \$29 MILLION TO A BROAD RANGE OF ORGANIZATIONS

Allstate, The Allstate Foundation and its employees and agency owners gave a total of \$29 million in 2013 to local community organizations.

EMPLOYEES AND AGENCY OWNERS SUPPORT LOCAL NONPROFITS

In 2013, half of Allstate employees and agency owners participated in the Allstate Giving Campaign, contributing \$5.8 million, including Allstate's match. The Giving Campaign matches 15 cents for every dollar donated by employees and agency owners to local and national nonprofits. The company adds an additional five cents to the local United Way, and covers all administrative costs associated with the campaign.

Beyond the Giving Campaign, in 2013 286 employees and agency owners raised \$56,180 (including the company match) for Oklahoma tornado survivors. The Allstate Foundation made an additional \$25,000 grant to a local nonprofit in Oklahoma City.

NEARLY TWO-THIRDS PARTICIPATE IN CORPORATE RESPONSIBILITY

Sixty-five percent of our employees and agents got involved in some aspect of our corporate responsibility programs during the year, whether by donating funds through the giving campaign or volunteering their time.

ALLSTATE LEVERAGES ITS KNOWLEDGE AND RESOURCES

We also contribute our institutional resources to community projects, bringing together the experience, the people, the leadership, the intellectual capital and the alliances that can enhance people's well-being and prosperity. For instance, Allstate donated the pro bono time and expertise of its employees to develop a framework for the Get In Chicago initiative against urban violence.

WE MAKE LONG-TERM COMMITMENTS TO IMPORTANT ISSUES

Our two signature programs — Teen Safe Driving and Domestic Violence — have been in place for nearly a decade. While many corporate organizations change their priorities year by year, our focus, patience and commitment to measurable results have yielded impressive progress in addressing two vexing social issues.

ADVOCACY

GRI DISCLOSURE S05

In addition to our volunteer and financial support of philanthropic efforts, Allstate works to support our customers and communities through our advocacy work on public policy issues. Here are some of the ways in which we seek to influence public policy for the benefit of our customers and the communities we serve.

WORKING TOWARD A MODERNIZED, MORE CONSISTENT REGULATORY SYSTEM

Insurance in the United States is regulated at the state level, creating a complex and often fragmented system of state requirements and laws. Under the current state insurance regulatory system, national and regional insurance companies must comply with thousands of different insurance laws and regulations. These differing systems, requirements and interpretations impose enormous costs and inhibit innovation. The end result is often less consumer choice and increased prices. Allstate is committed to building a better insurance regulatory system with more uniformity and consistency for consumers.

Allstate offers a range of innovative products and cutting-edge services, using technology to meet customers' needs. In some cases, cumbersome and duplicative regulations prevent us from providing these insurance options to our customers. We support legislation that would allow consumers to have greater choice in purchasing the insurance coverage that meets their needs — for instance, enabling electronic delivery of insurance documents. We also support efforts to make regulations more uniform to reduce costs and increase efficiency.

ADVOCATING FOR CONSUMER PROTECTION

Protecting customers from fraud and abuse in the insurance system is at the center of Allstate's public policy mission. From working to improve various states' no-fault auto insurance systems to combating abuse in the legal system, we're on the front lines, fighting for our customers each and every day.



One way we do this is by protecting people from fraudulent contractors who prey on unsuspecting homeowners. This tactic often occurs after a major storm, when customers need to have their roofs repaired or replaced. While most roofing contractors are honest and competent, these storms can also attract less-reputable roofing contractors who perform subpar work and take advantage of customers. Over the past three years, Allstate has worked in 17 states to strengthen laws that protect consumers from fraudulent roofing contractors. We actively seek solutions that range from stricter licensing laws to stronger penalties for fraud.

LEADERSHIP IN INDUSTRY GROUPS

Through board membership, Allstate's senior leadership team actively participates in many of the industry groups we support, contributing our knowledge and expertise to the issues that affect our company and our customers. We are active in the Insurance Institute for Highway Safety, the Institute for Business and Home Safety, the Institute for Legal Reform, and many others.

NEXT STEPS: PREPARING FOR A CONNECTED FUTURE

Looking ahead, we believe that connectivity will be a key trend driving our industry. Already, connected home technologies allow customers to monitor remotely the safety

and security of their residences. We believe we will soon see widespread use of mobile applications that tell consumers when their water pipes are leaking or their furnace has switched off, or whether they remembered to lock their doors and windows. At Allstate, we have already tested this type of technology with a small group of employees, and we expect that it will become an important tool for managing home-related risks in the future.

Connected car technologies are even more exciting. Today, auto manufacturers are beginning to build collision-avoidance technologies like collision warnings, automatic braking, lane departure warning and prevention, adaptive headlights and blind-spot detection into new vehicles. Developing technologies like the Google driverless car will take vehicle automation even further. In 2013, California, Nevada, Florida and Michigan changed their laws to permit licensing on a test basis for the Google car. We expect other states will follow as this technology is refined.

We believe these technologies will affect nearly every aspect of automobile manufacturing and auto insurance. For instance, if driverless car features cut meaningfully into the number of accidents, auto manufacturers may be able to use lighter, more fuel-efficient materials to construct their vehicles.

Driverless cars may also change the nature of liability, shifting the blame for accidents from drivers to car manufacturers. We are working closely with industry groups and academics to understand these changes and navigate this ever-evolving environment.

Agency owners and employees advocate for change



Constituent advocacy is the cornerstone of our political process. Sharing a local perspective with elected officials on issues facing insurers is critical to our ability to champion issues important to the customers we protect. In September 2013, several Allstate employees and agency owners participated in the company's first-ever Congressional "Fly-In" to talk with lawmakers about issues affecting the insurance industry and consumers. During the sessions, Allstaters discussed issues with their elected officials, including insurance reform, support for modernizing and improving the insurance regulatory system, and federal support for disaster preparedness. These grassroots advocacy efforts will continue in 2014 and beyond as a way to enhance our government relations and public affairs efforts.

CORPORATE INVOLVEMENT IN PUBLIC POLICY

GRI DISCLOSURES 4.1 / 4.13 / SO5

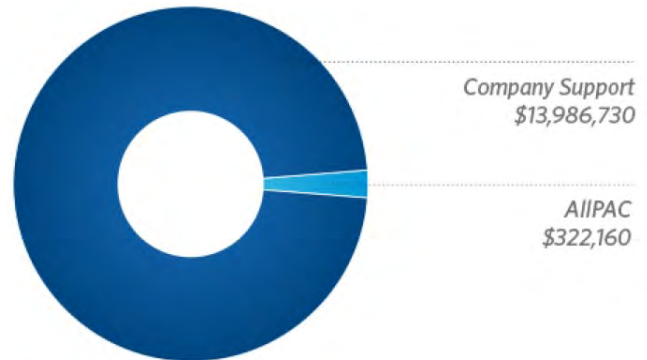
Allstate is actively involved in the public policy process at the state and federal levels. We believe that the existence of extensive state-based regulation of insurance, the importance of a fair court system to our customers, and the priority we place on the importance of personal safety and property protection combine to compel Allstate to seek to shape sound public policy. Participating in the development of good public policy and offering ideas and resources in this arena help our customers to protect themselves from life's uncertainties and to 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. Internal guidelines and procedures ensure that our public policy efforts remain consistent with the company's annual operating plan and established priorities while advancing positions that promote the best interests of our shareholders, employees, agents, and customers. Subject matter experts and government relations professionals in the company are responsible for working with organizations and associations that the company supports. A team of dedicated public policy and legal professionals is responsible for overseeing and managing Allstate's public policy engagement, with reporting to senior management and the company's Board of Directors.

Allstate's use of corporate resources in the public policy arena is consistent with the company's annual operating plan and with its 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

TOTAL SUPPORT OF PUBLIC POLICY INITIATIVES



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, agents, and customers.

With regard to corporate contributions to candidates, our General Counsel, the Senior Vice President–Government, and the Industry Relations/Deputy General Counsel 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 and are devoted to candidates whose views and positions seek to improve the insurance marketplace for the company, the insurance industry, and the insurance consumer.

OVERVIEW OF EXPENDITURES

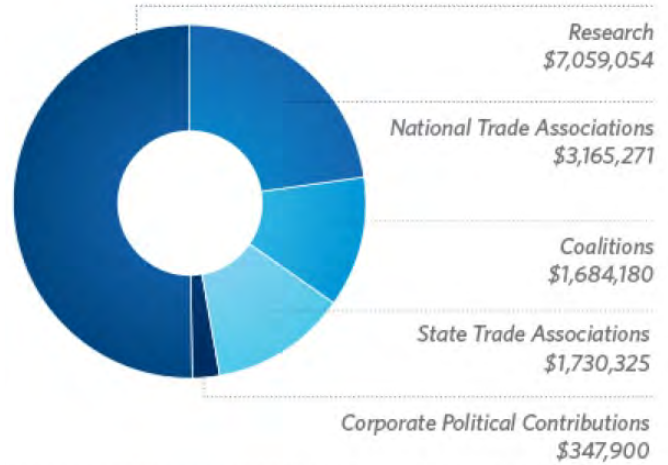
Allstate supports candidates for public office, research associations, coalitions, industry trade associations, nonprofit organizations, and other groups to advance key priorities such as ensuring a healthy regulatory system, promoting fiscal responsibility, fostering market innovation, and promoting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

committee. Nevertheless, when we believe it prudent to work across such differences on behalf of the interests of our stakeholders, that's what we do.

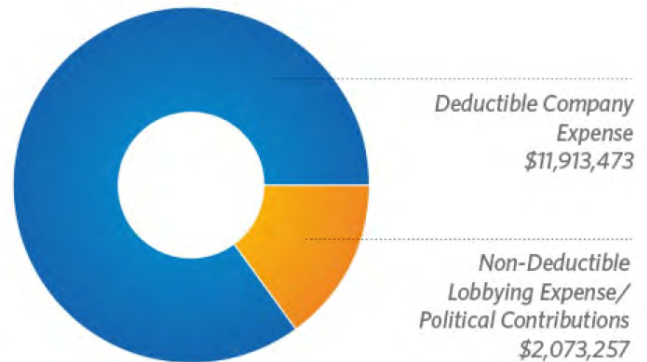
In 2013, the company's efforts in this arena utilized approximately \$14 million in corporate funds, which represents .04% of revenues. In addition, for the same period, the employee-funded political action committees contributed approximately \$322,160 to a wide variety of political organizations and candidates.

As part of our public policy efforts, the company supports various organizations, including those that may engage in lobbying activities, and contributes to the support of candidates and political committees. Our resources are allocated among the following five categories of activities: research, coalitions, national and state trade associations, and corporate political contributions. This report describes each of the categories and the amount we spend in each category. We devote more than 50 percent of these corporate resources toward research. Approximately 85 percent of the total company support was directed to tax-deductible, non-lobbying endeavors.

COMPANY SUPPORT OF PUBLIC POLICY INITIATIVES



DEDUCTIBLE EXPENSES AND NON-DEDUCTIBLE LOBBYING EXPENSES/POLITICAL CONTRIBUTIONS



ORGANIZATIONS AND INITIATIVES WE SUPPORT

GRI DISCLOSURES 4.1 / 4.13 / SO5

RESEARCH

Allstate supports research groups and other organizations that provide unbiased information that is used to shape public policy debate and inform consumers and businesses about key issues affecting insurance consumers, including the role that insurance plays in our daily lives. Our support is largely focused on improving safety on our roads and in our homes. In 2013, Allstate provided nearly \$7.1 million to research organizations, such as the Insurance Institute for Highway Safety (see the list of major organizations that Allstate supported in 2013 within this report).

Our support is focused largely on safety on our roads and in our homes. In addition, we are involved in other noteworthy research that is not captured in this report. For example, for the past three years we have partnered with the *National Journal* to publish the “Allstate/National Journal Heartland Monitor Poll” series, which measures the attitudes and feelings of citizens in the American middle class regarding important economic issues. This poll has been referenced in several publications.

COALITIONS

Allstate partners with advocacy organizations and other coalitions throughout the country to promote various public policy positions.

We promote ways to better prepare and protect America from natural catastrophes. Recent storms and earthquakes have reminded us all that no place in the country is immune from the tragic death and devastation caused by severe weather. Furthermore, events such as Hurricane Katrina and Superstorm Sandy, and the existence of large unfunded state government insurance pools, have created financial exposure for insurance customers, companies, and the American taxpayer. America needs to be better prepared for these catastrophes and needs to strengthen its financial infrastructure to protect itself from these events. Allstate

joined others in a coalition known as ProtectingAmerica.org to offer ideas to build a more effective catastrophe management system that would better prepare and protect America from major catastrophes.

Throughout our history, we have also endeavored to make roads safer. We were pioneers in the advocacy of mandatory seatbelts and airbags in cars. Today, many of our employees and agents devote significant time every day to promoting safer driving, and work 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 teen drivers. In 2013, Allstate provided \$1.7 million to coalitions, with almost \$133,000 (8%) attributed to lobbying efforts.

NATIONAL AND STATE TRADE ASSOCIATIONS

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 for us to develop innovative products for our customers, and for our exclusive agents to operate as efficiently as possible. Allstate supports business organizations that assist our 11,600 agency owners and exclusive financial representatives who operate small businesses located on main streets across the United States and Canada. 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 that deal with so-called bad faith laws. In addition, Allstate advocates against theories of civil recovery that cost our customers too much money. That's why Allstate supports a court system that is fair for everyone. As part of this effort, Allstate contributes to groups that advocate meaningful change for insurance consumers, nationally and in individual states. In 2013, Allstate provided almost \$3.2 million to national trade associations, with approximately \$1.5 million (47%) attributed to lobbying efforts, and slightly more than \$1.7 million to state trade associations, with approximately \$476,000 (28%) attributed to lobbying efforts.

HERE ARE THE MAJOR ORGANIZATIONS WITHIN THE CATEGORIES DESCRIBED ABOVE THAT ALLSTATE SUPPORTED IN 2013:

Advocates for Highway and Auto Safety Advocates for safe driving initiatives, including a common-sense approach to graduated driver licensing and ways to reduce distracted driving to protect those most important to us — our children. Find more information at Saferoads.org.

American Council of Life Insurers Represents more than 300 legal reserve life insurance and fraternal benefit society member companies operating in the United States.

BuildStrong Coalition A coalition of national business and consumer organizations, companies and emergency management officials dedicated to promoting stronger building codes

Certified Automotive Parts Association Improves the marketplace for consumers through certification and advocacy of quality replacement auto parts.

Financial Services Forum Pursues policies that encourage savings and investment, promotes an open and competitive global marketplace, and ensures that people everywhere have the opportunity to participate fully and productively in the 21st-century global economy.

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

Florida Chamber of Commerce Represents the interests of more than 139,000 members in Tallahassee and in Washington, D.C.

I-CAR The Inter-Industry Conference on Auto Collision Repair, a not-for-profit organization focused on education, knowledge, and solutions for the Collision Repair Inter-Industry. The primary goal of I-CAR is to assure complete and safe repairs for the ultimate benefit of the consumer.

Illinois Life Insurance Council Organized to encourage and improve the business of life and health insurance in the state of Illinois

Independent Insurance Agents & Brokers of America A national alliance of more than a quarter-million business owners and their employees who offer all types of insurance and financial services products

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 Information Network of California Enhances consumers' understanding of insurance and safety issues

Insurance Institute for Business & Home Safety Dedicated to reducing 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 The premier research facility for improving motor vehicle safety

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, Inc. Serves as a resource for the property and casualty insurance industry, public policymakers, 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.

Personal Insurance Federation of Florida Keeps personal insurance affordable and available for Florida consumers through state government advocacy and political action.

ProtectingAmerica.org Advocates for a comprehensive, integrated national catastrophe management solution. More information at ProtectingAmerica.org.

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

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 STATE CANDIDATES AND COMMITTEES

GRI DISCLOSURES 4.1 / 4.13 / SO5

CORPORATE CONTRIBUTIONS

As noted earlier in this report, Allstate contributed approximately 2.5% of its total public policy expenditures of nearly \$14 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. Allstate's support in this area totaled \$347,900.

PAC CONTRIBUTIONS AND GRASSROOTS LOBBYING

ALLPAC and MIALLPAC Contributions The Allstate Insurance Company Political Action Committee (ALLPAC) is a voluntary, nonpartisan political action committee (PAC) comprising eligible individual employees. Participation in ALLPAC is voluntary, and the decision whether or not to participate does not affect an employee's status in any way. These 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. In 2013, ALLPAC had 334 members, contributing a total of \$291,373 in 2013, with an average contribution of approximately \$872 per participant.

ALLPAC contributions to candidates are governed by a board of directors composed of company officers. 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 2013, ALLPAC contributed a total of \$322,160 to state and federal candidates for public office as well as political committees. Of that total, 34% supported Democratic candidates and committees, 64% supported Republican candidates and committees, and 2% supported nonpartisan 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 2013, MIALLPAC had seven members who contributed a total of \$6,354 in 2013, with an average contribution of \$907 per participant.

Grassroots Lobbying Allstate leverages an intranet-based system called, Take Your Stand, as a means to engage interested agency owners and employees through grassroots activism on important public policy initiatives. In 2013, the company spent \$35,995 for vendor services to administer and host this online communication portal. Through this platform, Allstate agents and employees are able to communicate directly with elected federal and state officials on public policy matters that are important to Allstate and our customers. Participation in Take Your Stand activism is completely voluntary. In 2013, more than 21,400 Allstate agents and employees sent more than 4,000 advocacy messages to 492 elected state and federal officials.

GRI INDEX

This is our fifth year using the Global Reporting Initiative's (GRI) reporting framework, and first using the recently released "G4" guidelines. GRI is a set of global guidelines that standardizes sustainability report content and facilitates comparisons among different organizations. The below index highlights where specific GRI disclosures are located within the report.

GENERAL STANDARD DISCLOSURES

GRI #	STRATEGY & ANALYSIS	WHERE TO FIND IT
1	CEO Letter	Overview: Letter from the CEO
2	Key impacts, risks, and opportunities	Overview: About this Report
GRI #	ORGANIZATIONAL PROFILE	WHERE TO FIND IT
3	Organization name	Company: Organizational Profile
4	Primary brands, products, and services	Company: Organizational Profile ; Stakeholders: Customers
5	Headquarters location	About Allstate
6	Where the organization operates	Company: Organizational Profile
7	Nature of ownership and legal form	Company: Organizational Profile ; About Allstate
8	Markets served	Downloads: 2013 Vital Statistics (PDF) ; Annual Report
9	Scale of the organization	Company: Organizational Profile ; Downloads: 2013 Vital Statistics (PDF)
10	Total number of employees by type	Downloads: Key Metrics (PDF)
12	Supply chain description	Business Practices: Supply Chain
13	Organizational changes during the reporting period	Overview: About this Report ; Annual Report
15	External charters, principles, or other initiatives	Stakeholders: Customers ; Environment
16	Membership associations	Environment ; Social Impact ; Business Practices ; Public Policy
GRI #	IDENTIFIED MATERIAL ASPECTS & BOUNDARIES	WHERE TO FIND IT
17	Entities included in financial statements	Annual Report
18	Process for defining report boundaries and content	Overview: About this Report
19	Material aspects included in the report	Overview: About this Report
20	Descriptions of material aspect boundaries within the organization	Overview: About this Report
22	Restatements	Overview: About this Report ; Overview: Key Performance Indicators and Goals
23	Changes from previous reports in terms of scope and/or boundaries	Overview: About this Report ; Overview: Key Performance Indicators and Goals

GRI #	STAKEHOLDER ENGAGEMENT	WHERE TO FIND IT
24	Stakeholder groups	Overview: About this Report ; Stakeholders
25	How stakeholders were identified	Overview: About this Report ; Stakeholders
26	Approach to stakeholder engagement	Overview: About this Report ; Stakeholders
27	Topics raised during stakeholder engagements	Overview: About this Report ; Stakeholders
GRI #	REPORT PROFILE	WHERE TO FIND IT
28	Reporting period	Overview: About this Report
30	Reporting cycle	Overview: About this Report
31	Report contact	Overview: About this Report
32	"In accordance" option, GRI Index and report assurance	GRI Index ; Overview: About this Report ;
GRI #	GOVERNANCE	WHERE TO FIND IT
34	Governance structure of the organization	Company: Organizational Profile ; Company: Corporate Governance ; Public Policy
35	Process for delegating authority for sustainability topics from the board to senior executives and other employees	Company: Corporate Governance
36	High-level accountability for sustainability topics	Company: Corporate Governance
37	Processes for consultation between stakeholders and the board on sustainability topics	Company: Corporate Governance
38	Composition of the board and its committees	Company: Corporate Governance
39	Whether the chair of the board is also an executive officer	Company: Corporate Governance
40	Nomination and selection processes for the board and its committees	Company: Corporate Governance
42	Board and executives' roles in the organization's mission statements, strategies, policies, and goals related to sustainability impacts	Company: Corporate Governance
45	Board role in the identification and management of sustainability impacts, risks, and opportunities	Business Practices: Risk Management
46	Board role in reviewing risk management processes for sustainability topics	Business Practices: Risk Management
GRI #	ETHICS & INTEGRITY	WHERE TO FIND IT
56	Code of conduct	Company: Ethics and Integrity
57	Helplines or advice lines for employees	Company: Ethics and Integrity
58	Mechanisms for reporting concerns about unethical or unlawful behavior	Company: Ethics and Integrity

SPECIFIC STANDARD DISCLOSURES

GRI #	ECONOMIC	WHERE TO FIND IT
EC1	Economic value	Business Practices: Investment & Asset Management
EC2	Climate change risks	Business Practices: Risk Management
EC3	Benefit plan coverage	Stakeholders: Employees
EC7	Infrastructure investments	Business Practices: Investment & Asset Management
EC8	Indirect economic impacts	Business Practices: Investment & Asset Management
EC9	Local suppliers	Business Practices: Supply Chain
GRI #	ENVIRONMENTAL	WHERE TO FIND IT
EN3	Energy consumption (Scope 1 + 2)	Environment: Energy and Emissions Reduction
EN5	Energy intensity	CDP
EN6	Energy reductions	Environment: Energy and Emissions Reduction
EN15	GHG emissions (Scope 1)	Environment: Energy and Emissions Reduction
EN16	GHG emissions (Scope 2)	Environment: Energy and Emissions Reduction
EN17	GHG emissions (Scope 3)	Environment: Energy and Emissions Reduction
EN18	GHG emissions intensity	CDP
EN19	Reduction of GHG emissions	Environment: Energy and Emissions Reduction
EN31	Environmental investments	Business Practices: Investment and Asset Management ; Environment
GRI #	SOCIAL: LABOR PRACTICES & DECENT WORK	WHERE TO FIND IT
LA2	Benefits provided to full-time employees	Stakeholders: Employees
LA9	Average hours of training for employees	Downloads: Key Metrics (PDF)
LA10	Programs for skills management managing career endings	Stakeholders: Employees
GRI #	SOCIAL: SOCIETY	WHERE TO FIND IT
SO1	Local community engagement, impact assessments and development programs	Social Impact: Community Involvement
SO6	Political contributions	Public Policy