Approach to Climate Risk

Climate change represents an urgent global concern for all companies, including Allstate. Allstate's approach is to safeguard our customers while having sustainable business practices and adequate returns.

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

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

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

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

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

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

In December 2022, Allstate announced a commitment to achieve net zero emissions for direct, indirect and value-chain greenhouse gas (GHG) emissions by 2030, other than its investment portfolio and underwriting emissions. By the end of 2025, Allstate will establish a goal for financed emissions. Allstate will continue to evaluate emerging methodologies for emissions associated with underwriting activities that align with Allstate's business practices and strategy.

About this Report

Allstate is providing the following table that indicates where readers can find disclosures within publicly available documents that address the recommendations of the **Task Force on Climate-Related Financial Disclosures (TCFD)**. Allstate intends to further align its disclosures with the recommendations of the TCFD in the future. Our climate-related progress and disclosures can be found on **AllstateSustainability.com.**

The index was last updated in October 2023 to include references of Allstate's 2023 CDP Climate Change response.

TCFD Index

Recommended Disclosures	Response/Comment
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	The Board oversees all risk and return activities, including those related to climate change, and reviews Environmental, Social and Governance (ESG) matters to prioritize efforts and progress. The Board believes sustainability benefits Allstate's stakeholders and drives long-term value creation. The Board has overall responsibility for ESG oversight and receives regular updates on ESG matters. The Nominating, Governance and Social Responsibility Committee oversees ESG priorities, strategy and reporting. The Risk and Return Committee (RRC) oversees climate change risks and opportunities using Allstate's ERRM framework, while the Enterprise Risk and Return Council ("ERRC") evaluates climate change risk in coordination with the ESG Steering Committee, which leads Allstate's broader ESG efforts. The Board regularly hears from Allstate's Chief Risk Officer about climate change risks and reviewed climate risk at two meetings in 2022. For a full description of our Board's oversight of climate risk, please see Allstate's 2023 Proxy Statement, pgs. 35 and 60, Climate Strategy and Disaster Resiliency section of Allstate's Sustainability Report, and Allstate's CDP Climate Change 2023 response, C1.1, C1.1a, C1.1b, C1.1d.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	The ERRC meets monthly and is Allstate's senior risk management committee below the Board level. The ERRC directs ERRM activities by establishing risk and return targets, determining economic capital levels, and monitoring integrated strategies and actions from an enterprise risk and return perspective. The ERRC consists of Allstate's Chief Executive

Officer, Chief Risk Officer, Chief Financial Officer, Market-Facing Business leaders, and other senior leaders. The CRO chairs the ERRC and ensures that it performs its duties, and reports to the CEO. Business areas identify, measure, manage, monitor and report on risks at a granular level, including climate risks, and risks in excess of limits or tolerances are reported regularly to the ERRC and the RRC in the quarterly ERRM Summary Report. For a more detailed description of our ERRM framework, see pgs. 82-83 of the Annual Report on Form 10-K.

Our Chief Legal Officer and General Counsel works with leadership from across the company to guide Allstate's sustainability efforts and reports regularly to the Nominating, Governance and Social Responsibility Committee on the company's ESG progress as well as provides periodic updates to the full Board.

Allstate has had an ESG Steering Committee (formerly, the Sustainability Council) since 2007. This cross-functional management committee supports Allstate's ongoing commitment to environmental, health and safety, corporate social responsibility, human capital management, corporate governance, sustainability, and other public policy matters. The committee is comprised of individuals from Strategy, Finance, Financial Products, Enterprise Solutions, Corporate Brand, Enterprise Risk and Return Management, Human Resources, Legal, Investments, Property-Liability, and Protection Products and Services. Allstate's Senior Vice President of Corporate Strategy and Senior Vice President of Corporate Law co-chair the committee, which meets monthly, and updates senior executives.

On the Investments side, the Responsible Investing Committee monitors ESG investing trends, evaluates ESG investing best practices, supports the work of the ESG Steering Committee and periodically reports on its activities to other senior leaders within Allstate. In conjunction with Allstate's Investments Risk Committee, the Responsible Investing Committee also monitors our investment portfolio for potential short- and long-term exposures to climate change.

Managing climate risk is also fundamental to Allstate's financial and operational success. Early in 2023, Allstate developed a climate policy which covers relevant business practices relating to decarbonization and biodiversity.

For additional information regarding management's role in assessing and managing climate-related risks and opportunities, see Allstate's CDP Climate Change 2023 response, C1.2, C1.3, 2023 Proxy Statement, pgs. 39 and 60, Allstate's Climate Policy, and Accountability under the Climate Strategy and Disaster Resiliency section of Allstate's Sustainability Report.

Strategy

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Risks and return opportunities are evaluated across six key categories (strategic, insurance, financial, investment, operational, and culture) with climate impacting all six areas. Increased severe weather has raised loss costs for auto and homeowner's insurance, requiring changes in pricing, product coverages, underwriting practices and reinsurance utilization. Impacts will continue to evolve due to the increasing effect of severe weather driven by climate change. Physical and transition risks exist within the investment portfolio, along with opportunities associated with "green" investments and emerging technologies. Physical risks also exist within Allstate's operations as critical processes at Allstate could be disrupted by a variety of scenarios, including loss of facility due to weather-related occurrences. See 2023 Proxy Statement, pgs. 35, 39-40 and 56-57. Allstate has identified the following climate-related risks with the potential to have a substantive financial or strategic impact on its business: • Policy and legal risk (medium term) • Capital adequacy and risk-weighted assets (short term) • Operational risk (short term) • Reputational risk (medium term) • Market risk (medium term) For a more complete description of risks identified, please see Allstate's 2023 CDP Climate Change Response, C2.3, C2.3a, C2.4, C2.4a, and the Risk Factors section of the Annual Report on Form 10-K, pgs. 22-31, for a list of risks impacting Allstate.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Managing climate-related risks and opportunities has been a priority at Allstate for over 25 years, as it impacts all aspects of its business. Allstate has worked to mitigate the effects of more severe weather on customers' homes and shareholder returns, which has impacted where it provides protection, what the protection covers, pricing, utilization of risk reduction efforts such as reinsurance, provision of third-party products, and regulatory and compliance initiatives. Substantial progress has been made to make homes safer through better building codes, and to improve affordability by pooling risks and modifying Allstate's business practices. As the climate continues to change, this expertise will serve customers and shareholders well. Allstate will also continue to adjust its strategy and risk profile to protect stakeholders and its reputation. The identified climate-related risks have influenced Allstate's strategy in the following areas:

- Products and services: Allstate seeks to understand climate risks that directly affect both our insurance products and our assets. We modify those products and protect those assets accordingly, to protect our stakeholders and reputation.
- Supply chain and value chain: Under our Chief Procurement Officer, the Sustainability Sourcing Lead is dedicated to overseeing our sustainable procurement strategy that evaluates, tracks, and mitigates ESG risk exposure, increasing visibility and transparency in the supply chain.
- Investment in research and development: Allstate's long-term strategy includes investments in technology, data, and analytics to further drive efficiencies in our operations and the products Allstate offers its customers.
- Operations: Allstate seeks to maintain an understanding of climate risks that directly affect our insurance products, assets and investment portfolio, and to adjust our strategy and risk profile accordingly to protect our stakeholders and reputation.

Climate-related risks and opportunities also factor into Allstate's financial planning process.

On the Investments side, Allstate wants to help the world transition to a lower-carbon emissions footprint by considering investments in companies that provide capital for their transition. As part of its impact sub-portfolio, Allstate invests in companies, funds, and assets that support climate change mitigation and adaptation and that seek to improve the natural world. Allstate expects its investment professionals to refrain from making investments that may result in significant ESG-related risks including, but not limited to, investments prohibited by the Investment Guidelines.

For more information on how climate-related risks and opportunities have influenced Allstate's businesses, strategy and financial planning, please see Allstate's CDP Climate Change 2023 response, C2.3a, C2.4a, C3.1, C3.3, C3.4, C-FS3.7, C-FS3.7a.

c) Describe the resiliency of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

We analyze the potential business impacts of climate change as part of the strategic planning process. Allstate's strategy to increase market share in the personal property-liability business and expand protection offerings aims to protect its customers from increased frequent and severe weather. Along with changing product details and underwriting practices, the company has a comprehensive catastrophe reinsurance program to reduce certain risks.

Allstate measures and monitors insurance risk (which includes claims frequency and severity, and catastrophes and severe weather) with different approaches, including stochastic methods and scenario analysis. We use qualitative and quantitative climate-related scenario analysis (NGFS scenarios framework, RCP 4.5 and RCP 7.0) to inform our strategy:

- Allstate's Catastrophe Modeling and Analytics Team (CMAT) and Pricing Groups monitor climate change information as part of their analysis of weather-related trends. We capture a distribution of potential scenarios using assumptions calibrated to varying climate change scenarios. Losses and changes in exposure, as well as business continuity, resiliency, and solvency, are analyzed and reported to senior leaders bi-annually. Projections are also reported annually, with additional monitoring provided as needed for both actual and projected reporting. CMAT also partners with the Investments group to model the catastrophe exposure of real estate investments and portfolios.

- Allstate's Business Continuity Management team has business continuity plans for Allstate's critical processes. Those plans address a variety of scenarios, including loss of facility due to weather-related occurrences. Allstate's business continuity lifecycle involves identifying the most critical processes, developing Business Continuity Plans (BCPs) for them, and then performing exercises for each plan. The lifecycle is performed annually.

For additional details related to the reserving process for property and casualty insurance claims, see pgs. 88-94 of the Annual Report on Form 10-K.

For a full description of Allstate's process, please see Allstate's CDP Climate Change 2023 response, C3.2, C3.2a, C3.2b, and Policies and Procedures under the Climate Strategy and Disaster Resiliency section of Allstate's Sustainability Report.

Risk Management

We manage climate change risk as part of the ERRM program. Enterprise risks and opportunities are identified, measured, managed, monitored, and reported under an

a) Describe the organization's processes for identifying and assessing climate-related risks.	integrated ERRM framework, which includes our risk appetite statement, Risk and Return Principles, key risk and return categories, governance, modeling, analytics, and transparent management dialogue. The RRC also assesses risk associated with extremely low-frequency scenarios annually. For a full description of risks and opportunities identified and our risk management process, please see Allstate's CDP Climate Change 2023 response, C2.2, C2.2a, C-FS2.2b, C-FS2.2c, C-FS2.2d, C-FS2.2e, C2.3, C2.3a, C2.4, C2.4a. For additional information regarding our climate management process, please see Allstate's 2023 Proxy Statement, pgs. 39-40 and 57, and Policies and Procedures under the Climate Strategy and Disaster Resiliency section of Allstate's Sustainability Report. For information regarding how Allstate manages climate risks and opportunities in our investment portfolio and our operational emission reduction initiatives, please see Allstate's CDP Climate Change 2023 response, C2.2, C2.2a, C-FS2.2b, C-FS2.2c, C-FS2.2d, C-FS2.2e, C-FS3.2a, C-FS3.2b, C4.3, C4.3a, C4.3b, C4.3c, C4.5, C4.5a.
b) Describe the organization's processes for managing climate-related risks.	On an ongoing basis, Allstate identifies, assesses, mitigates, reports and monitors material risks, including climate change, through our integrated ERRM program. This enables holistic management of key risks and incorporates risk and return management into our business model. The ERRM program includes our risk appetite statement, Risk and Return Principles, key risk and return categories, governance, modeling, analytics, and transparent management dialogue. Allstate manages property risks through pricing, underwriting and reinsurance. This includes: • purchasing multi-year reinsurance protection as well as aggregate coverage, • limiting new business for personal lines auto and property insurance in areas most exposed to hurricanes, • implementing tropical cyclone and/or wind/hail deductibles or exclusions where appropriate, and • partnering with federal and state governments for over 25 years to create programs to provide protection for insureds most geographically exposed to climate change. The catastrophe reinsurance program is part of our catastrophe management strategy, which is intended to provide our shareholders with an acceptable return on the risks assumed in our

personal lines business, reduce earnings variability, and provide protection to our customers. Our current catastrophe reinsurance program supports our risk tolerance framework, which utilizes a modeled 1-in-100 annual aggregate limit for catastrophe losses from hurricanes, earthquakes and wildfires of $2.50 billion, net of reinsurance. Allstate's catastrophe reinsurance program materially reduces our exposure to wind, earthquake, and wildfire losses. We employ a multi-year approach to placing reinsurance coverage to lessen the amount of reinsurance being placed in the market in any one year. See our Investor Relations website for our Reinsurance Update.

On the Investments side, a rigorous investment risk management framework helps manage both physical and transition risks. Physical risks for direct real estate are managed through modeling, underwriting and insurance. Investment portfolio exposure to industries with high carbon emissions and transition risks is managed through credit research process, investment limits to ensure diversification, and sufficient liquidity to adjust holdings through time.

For a full description of Allstate's process for managing climate-related risks, please see Allstate's 2023 Proxy Statement, pgs. 35, 39-40 and 57, and CDP Climate Change 2023 response, C2.1, C2.2, C-FS2.2d, C-FS2.2e.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Risks and return opportunities are evaluated across six key categories: strategic, insurance, financial, investments, operational, and culture. Climate change impacts all these categories.

For a full description of risks and opportunities identified and our risk management process, please see Allstate's CDP Climate Change 2023 response, C2.1, C2.2, C2.3, C2.3a, C2.4, C2.4a.

For additional information regarding our climate management process, please see Allstate's 2023 Proxy Statement, pgs. 35, 39-40 and 57, and Policies and Procedures under the Climate Strategy and Disaster Resiliency section of Allstate's Sustainability Report.

Metrics and Targets

a) Disclose the metrics used by the organization to assess climate-related

Please see Allstate's 2022 Form 10-K, which discloses annual catastrophe losses, effect of catastrophe losses on combined ratio in total and by line of business, catastrophe losses and

risks and opportunities in line with its strategy and risk management process.	reserve re-estimates by line of business, and catastrophe loss by size and type of event. See pgs. 41, 42-47 and 55-58 of the Annual Report on Form 10-K. For information regarding the metrics for our operational climate impact, please see information under Policies and Procedures in the Operational Footprint section of Allstate's Sustainability Report.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	For our emissions data, please see Allstate's CDP Climate Change 2023 response, C6.1, C6.2, C6.3, C6.5, C6.10, C7.7, C7.7a, C7.9a, C7.9b, C8.1, C8.2, C8.2a, C.8.2g. Our emissions data is also available in the Operational Footprint section of Allstate's Sustainability Report. Risks exist; however, management of these risks is fully integrated into our business model. For more on our related risks, please see Allstate's CDP Climate Change 2023 response, C2.3, C2.3a.
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	In December 2022, Allstate announced a commitment to achieve net zero emissions for relevant direct, indirect and value-chain greenhouse gas (GHG) emissions by 2030, other than its investment portfolio and underwriting emissions. By the end of 2025, Allstate will establish a goal for financed emissions. Allstate will continue to evaluate emerging methodologies for emissions associated with underwriting activities that align with Allstate's business practices and strategy. Allstate intends to further align its disclosures with the recommendations of the TCFD in the future. For our emission target and progress, please see Allstate's CDP Climate Change 2023 response, C4.1, C.4.1c, C4.2, C4.2c, and the Climate Strategy and Disaster Resiliency section of Allstate's Sustainability Report.