



**2014** CORPORATE  
RESPONSIBILITY  
REPORT

[CORPORATERESPONSIBILITY.ALLSTATE.COM](http://CORPORATERESPONSIBILITY.ALLSTATE.COM)



## LETTER FROM THE CEO

Allstate is working to create the 22nd century corporation. One that is a Force for Good. Customers, shareholders and employees will be well served.



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

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

These commitments come together in our corporate responsibility efforts.


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

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

- We have taken innovative approaches to reducing teen driving fatalities and reducing inner-city violence.
- Over the past decade, our many new approaches to helping victims of domestic violence have been recognized for their meaningful impact.
- To date, our programs have helped more than 1.5 million young drivers and 580,000 survivors of domestic violence.
- We are partnering with Free The Children to support and reward youth for volunteering all across America.
- Some 67 percent of agency owners and employees are involved in community service.
- In 2014, The Allstate Foundation, Allstate Corporation, employees and agency owners gave \$34 million to support local communities. Over the past decade, Allstate's total giving reached nearly \$300 million.

Our commitment to be a leading corporate citizen includes Allstate's business practices as well. Our strong focus on a multicultural workplace and supplier network was recognized by Diversity Inc., which named Allstate to its Top 50 Companies for Diversity list for the fourth consecutive year. In addition, Allstate was recently recognized by Ethisphere Institute, the global leader in defining and advancing the standards of ethical business practices, as a 2015 World's Most Ethical Company. We also continued to lead in the fight against insurance fraud, leveraging our big data capabilities to detect criminal activity and to help avoid passing on these costs to consumers. Finally, in the past year we surpassed our long-term goal to reduce energy use in our owned facilities by 20 percent—six years ahead of schedule.

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



Tom Wilson  
Chairman and Chief Executive Officer

# LETTER FROM THE SENIOR VP OF CORPORATE RESPONSIBILITY

Corporate responsibility is embedded across our company, and we're always looking for opportunities to be a Force for Good.



At Allstate, we believe everyone deserves a Good Life. This philosophy guides our every action as a prominent business, employer, neighbor and community partner.

Our 2014 Corporate Responsibility Report details how Allstate—and Allstaters—strive to be a force for good. You'll find stories about how we, together with our neighbors and partners, tackle some of society's toughest issues and inspire the next generation of leaders. At the heart of our efforts are the Allstate agency owners and employees who continually strive to make communities stronger, lives safer and futures brighter.

We organize our corporate responsibility initiatives into four core focus areas: responsible business practices, environmental stewardship, social impact and stakeholder engagement. Highlights from 2014 include:

## BUSINESS PRACTICES

Corporate responsibility is embedded across our company, and we're always looking for opportunities to be a force for good. We're 75,000+ unique individuals who come together as one team to win the trust and respect of our customers and make a difference in the communities we serve.

One example is our Diversity Emerging Managers program, which enables us to identify and invest in the next generation of top-performing women and minority investment managers. Together with our partner, Grosvenor Capital Management, we identified a number of highly qualified women- and minority-owned firms for consideration in the program. Allstate allocated \$100 million to these firms in 2013 and invested half of it last year. The remainder will be invested in 2015.

We also encourage our suppliers to join our efforts in the areas of sustainability and diversity. This year we added sustainability requirements into key supplier contracts and

incorporated sustainability criteria into relevant supplier scorecards. In 2015, we plan to build on our progress by developing a sustainability road map for key suppliers. It will include educational and training resources on sustainability practices for our most strategic suppliers in every supply chain category.

## ENVIRONMENT

In 2014, we released our company's first statement on climate change, one of the most important global issues of this generation. Within our own organization, we achieved our long-term goal of a 20 percent reduction in energy use in our owned facilities from the baseline established in 2007. Given the great strides we've made over the past seven years, we'll review this goal in 2015 and consider new long-term energy-use targets.

## SOCIAL IMPACT

Over the past 10 years, Allstate has been proud to play a leadership role in addressing domestic violence—which affects more than one in four women in their lifetime. Our program has focused on increasing survivors' financial knowledge and capabilities to help them escape the control of an abuser and move forward with their lives. I'm happy to report we surpassed our long-term goal to support the financial empowerment of 500,000 domestic violence survivors by 2015, with our actual reach now exceeding 580,000 survivors.

We have also nearly achieved our long-term target to help reduce teen driving fatalities by 50 percent by 2015. We've done so by influencing the way teenagers think and act behind the wheel through education and awareness programs, parental resources, and research to help educate the public about safe driving practices for teens.

Our focus on youth empowerment is growing. We believe young people want to rise up to the challenges of a complex world and meet their full potential. We engage them as problem solvers—and help them find solutions for key societal issues. To that end, in 2014 we launched an exciting new partnership with Free The Children. Through

our sponsorship of the organization's We Day events and year-long school programs, we're building strong values for community involvement, volunteerism and citizenship among our next generation of leaders.

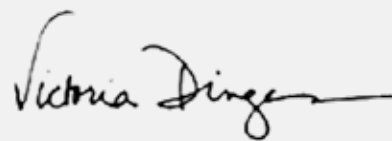
## STAKEHOLDERS

How can we continually do more? We ask our employees, agency owners, customers and other stakeholders this question, and we incorporate their input into our business operations. And it's working. This year, stakeholders gave us our highest reputation score ever. Agency owners reported increased overall satisfaction with Allstate, while employees' engagement and satisfaction levels were at their highest levels since we began measuring them.

We also look for input from external stakeholders—people in government, academia, research institutes and the nonprofit sector—to find ways to improve our sustainability efforts. This year we asked Ceres, one of the world's leading sustainability organizations, to bring together experts to review our corporate responsibility program and suggest improvements. We'll begin to implement their ideas in 2015 and beyond.

## TELL US WHAT YOU THINK

We'd also like to engage with you. Please explore our new report and share the stories you find interesting with your friends and coworkers through social media. Let us know if you have any feedback or ideas about how we can improve our corporate responsibility practices. We're also interested in hearing about how you like our new report format, which organizes our philosophy and ongoing commitment to corporate responsibility in the Approach section, and the timely stories and results in the Progress section. Most of all, we look forward to working with you to be a force for good in our world.



Victoria Dinges  
Senior Vice President, Corporate Responsibility

## HOW WE ENGAGE

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



At Allstate, we engage with a diverse group of stakeholders, from the customers we serve and the people who work for us to a wider audience of nongovernmental organizations (NGOs), investors, opinion leaders and policymakers.

### INTRODUCTION

Three stakeholder groups are at the core of our business: customers, employees and agency owners. This section of the report describes our overall approach to engaging with these core audiences within the context of Allstate's corporate responsibility initiatives.

We make a conscious choice to lead by serving our stakeholders. Our position in multiple customer segments, insurance products, geographies and investments enables us to fulfill our short- and long-term commitments to our shareholders, customers, agency owners, employees and communities.

By taking this approach, we give customers the power to protect their loved ones from risk and prepare for the future.

We provide agency owners and financial specialists with opportunities to build trusted relationships with customers. We provide our employees with knowledge and training to help them work with purpose and perform at their peak. And we continually adapt this support based on active engagement with all of our stakeholders.

### CONSTANTLY SEEKING FEEDBACK, ADAPTING TO CHANGING NEEDS

We care enough not to guess about what our customers and other stakeholders need and what they expect from us. We ask and we engage. 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 things we learned in 2014:

- Customers told us that the No. 1 driver of their satisfaction with Allstate was a trusted relationship with their agency owner. As a result, we focused on increasing customers' contact with and support received 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 customers best when the employees are healthy and feel good about their careers and financial security. 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 providing comprehensive education and technological resources, like eAgent, a cloud-based relationship management system that makes it easy to access customer data and provide solutions anywhere there's an Internet connection.

## FRESH IDEAS FROM OUTSIDE OUR COMPANY

We continue to engage NGO representatives, investors, opinion leaders and policymakers, as well as Allstate employees and agency owners, in our stakeholder panel to evaluate our progress and identify new challenges in sustainability.

In April of this year, we organized a stakeholder-engagement panel discussion with Ceres, a leading nonprofit organization advocating for sustainability leadership. Representatives from nonprofit organizations, consumer groups, investors, sustainability experts and select peer corporations participated in that discussion. We asked them all to candidly assess our corporate responsibility program's strengths and opportunities for improvement. The conversation surfaced important recommendations in several areas:



**Climate Change:** The session kicked off with an in-depth discussion centered around Allstate's climate change statement, with very positive reactions to its 2014 release and significance. Stakeholders asked Allstate to demonstrate greater leadership in raising awareness about climate change, while drawing a more direct connection between climate change mitigation and benefits to our business. They recommended that we articulate more clearly how climate change affects our risk management strategy and more fully integrate its impacts into our enterprise risk management approach.

**Social Impact:** Stakeholders recommended that Allstate more closely integrate our community engagement with the larger causes we support. An example was provided whereby a connection could be made between domestic violence and Allstate's social impact work in financial empowerment, with a greater emphasis on supporting women in the workforce.

**Materiality:** Stakeholders requested more information about what Allstate is doing to safeguard data privacy, and recommended we address this topic in more detail as a material issue.

Overall, this feedback was immensely helpful, especially as we consider enhancements to crucial aspects of our reporting strategy, such as the development of our approach to managing climate risk and broadening our diversity programs.

## INSIGHT INTO OUR CORPORATE REPUTATION

For the past five years, we've worked with Reputation Institute, a leading research and advisory firm focused on corporate reputation, to measure our reputation among specific stakeholder groups using our proprietary metric, the Allstate Reputation Scorecard. Allstate's reputation research, verified by this third-party source, gives voice to more than 8,000 consumers, customers, employees, agency owners and financial specialists, investors, policymakers and opinion leaders each year. It helps us track the health and effectiveness of our relationships with stakeholders, provides an ongoing understanding of what's expected of us and measures the impact of reputation on our business results.

In 2014, we continued to earn solid scores from our stakeholders, with an overall score of 74, which is in the "strong" range. This was two points ahead of the previous year's score and is the highest score to date.

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:** <50

Our improved reputation reflects more favorable perceptions of the company's performance in several areas. We were also pleased to note that:

- Most customers are satisfied with their policies, and 94 percent feel that Allstate at least somewhat delivers on its Customer Value Proposition.



- Firsthand exposure to agency owners through local events and volunteerism positively influences customers' perceptions of Allstate's community involvement. However, we have work to do in this area. About 69 percent of our customers are not sure whether Allstate is involved in their community.

Understanding what's important to each of our stakeholders enables us to focus our efforts and tailor our products, services and communications more effectively.

## GUIDANCE FROM AGENCY OWNERS AND SENIOR LEADERS

The National Advisory Board and the Agency Executive Council both provide a forum for company leaders, agency owners and financial specialists to address business issues and work together to develop solutions to improve the agency business opportunity and best deliver the customer value proposition. The National Advisory Board brings together company leaders and a cross section of Allstate agency owners and financial specialists from around the country to address national business issues and develop solutions. The Agency Executive Council gathers approximately 20 of Allstate's most successful agency owners and financial specialists to discuss business decisions and strategies for improved customer service and business growth.



These two organizations provide valuable perspective, and help develop actionable solutions for company and agency success by:

- Voicing opinions from agency owners and financial specialists across the country on key issues
- Suggesting and exploring ideas, and providing agency owners' points 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 and financial specialists

We use a similar structure to support agency owner and financial specialist engagement within each of Allstate's 13 regional offices and Allstate New Jersey in the U.S., and within Allstate Canada. Regional advisory boards typically include agency owners and financial specialists 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.



# CUSTOMERS

Engaging with customers is at the heart of our business. We continually work with customers to understand what they want and need, to make sure that their interactions with us are fast, fair and easy.



## FINANCIAL SOLUTIONS THROUGH A TRUSTED ADVISOR

Insurance and financial products are complex. 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 customers and their local agencies is at the heart of our business, and in 2014 we gathered extensive data from customers to help us find ways to reinforce and support this relationship.

## MEETING EVER-EVOLVING HOUSEHOLD NEEDS

A teenager buys her first car. Newlyweds move into their first apartment. A young couple has their first child. Another buys a starter home. A family starts 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 financial specialists—and Allstate—are regular parts of customers' lives. For instance, agency owners can now make the [Good Hands® Repair Network](#) available to customers—even when customers don't have a claim. When a customer's roof sags, his or her agency owner can help find a contractor. When a customer is in need of assistance with maintenance or prevention work on either an automobile or home, his or her agency owner can help find a quality service provider.

## LOCAL KNOWLEDGE ABOUT RISKS

Allstate agency owners and financial specialists are local. 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 face completely different risks. Agency owners also receive detailed information about the various claims filed in their area and, as a result, understand the specific risks their customers face. Allstate agency owners can share

that knowledge so customers can better protect their most valuable assets.

## RESPONSIBLE MARKETING COMMUNICATIONS

We strive to make our marketing policies and materials 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.

## 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 each customer with the best service and products for his or her needs, we may collect personal information such as his or her 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, a customer's policy coverage, premiums and payment history. Finally, we may collect information from outside sources, such as a customer's driving record or claims history.

Allstate seeks to create a culture of cybersecurity throughout our company. Cybersecurity controls are a shared responsibility of employees, agency owners and staff, affiliates and suppliers. To protect our customers from current and emerging threats, we regularly reevaluate our cyber protection capabilities, making sure they are working now and evolving to handle new threats. Allstate's cybersecurity plan focuses on protecting company and customer data and the technology on which it resides. Our multilayered protective measures include network firewalls and intrusion detection, as well as access control, malware detection

and encryption. Allstate enforces rigorous protection at the individual user level to ensure that the technology used by employees and third-party service providers is as secure as possible.

## OUR PRIVACY ASSURANCE

Though the nature of our business requires that we gather personal information from customers, we keep this data private and confidential.

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

In addition to the practices described above, we use a variety of physical, technical and administrative security measures that help to safeguard customers' information. For Social Security numbers, this includes restricting access to employees, agents and others who use customer Social Security numbers only as permitted by law, such as to comply with the law, to provide customers with products and services or to handle their claims. Our privacy practices continue to apply to this information even when individuals cease to be Allstate customers.

For more information about our privacy policies, please see our Privacy Policy Statement.

For more information about how we are meeting customers' emerging needs, see the Product Innovation section of this report.

# EMPLOYEES

We engage with our employees to make sure that they are well and financially secure; to ensure they have opportunities to reach their full career potentials; and to ensure they are valued for who they are and what they bring to our organization.



Allstate employees work with customers during some of the most stressful times of customers' lives — after a natural disaster or auto accident, or when they're seeking advice on how to protect their families from loss. We know employees have to be at their best to meet customers' needs, so we've created an environment where employees can work with a purpose, think big and enjoy what they do.

We provide 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 their communities. We empower Allstate employees so that they can be a force for good in their work, their personal lives and their communities. For more information about "Good Work. Good Life. Good Hands.™" programs for Allstate employees, see our Business Practices section.

## AGENCY OWNERS

Our agency owners, financial specialists and agency staff are the trusted advisors people turn to for guidance on how to protect their homes, vehicles and other personal property.



### INTRODUCTION

Allstate agency owners are the individuals our customers seek out when disaster strikes. And they are entrepreneurs who play 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, agency owners 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 agencies. They 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 relationships with Allstate. In 2014, our survey found that overall satisfaction increased from 2013 levels by three points among exclusive agencies, to 75 percent, and held steady among exclusive financial specialists at 70 percent.

For more information about the role that agency owners played in our business and in our communities in 2014, see "Additional Information" in the Business Practices and Social Impact sections of this report.

## REPORT CONTENT

Report content is determined both by the Global Reporting Initiative (GRI) framework and through our analysis of our material issues, stakeholder priorities and other driving factors.



Allstate is committed to reporting each year on our sustainability performance. In this, our 13th Corporate Responsibility report, we share our achievements as well as areas where we see opportunities for improvement.

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.

# MATERIALITY

In 2015, we convened an external stakeholder engagement panel discussion with the help of Ceres, a leading nonprofit organization advocating for sustainability leadership.



We will be conducting a new materiality analysis in calendar year 2015, which will enable us to refresh our assessment of the sustainability issues that are important to our stakeholders and our company. A few of the issues we will be considering include:

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

With increasing urgency, climate change remains one of the most important issues both to our stakeholders and to our business security. Allstate pursues a wide range of climate change initiatives, from carbon mitigation strategies and supply chain engagement to risk management and disaster preparedness efforts. In 2014, Allstate took that commitment one step further with the release of our first climate change statement, which is included in this year's report.

## LEVERAGING EXTERNAL EXPERTISE: CERES STAKEHOLDER ENGAGEMENT MEETING

In 2015, we convened an external-stakeholder-engagement panel discussion with the help of Ceres, a leading nonprofit organization advocating for sustainability leadership. That conversation raised important observations about and ideas for our reporting moving forward, and the takeaways are included in the Stakeholders section of this report.

# REPORTING FRAMEWORK

This is our sixth year using the GRI reporting framework, and second using the materiality-based G4 guidelines.



## INTRODUCTION

The GRI guidelines are a set of global guidelines that standardize sustainability report content and facilitate 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 Corporate Responsibility report was published in August 2015 and covers our sustainability performance for the 2014 fiscal year, January 1, 2014 to December 31, 2014.

Data in this report do 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 U.S., Canada, India and the U.K.

**Energy:** Reporting covers Allstate and subsidiary-owned facilities and operations in the U.S., Canada, India and the U.K.

**People:** Reporting covers the employees of Allstate. Exclusive agencies and their employees, independent agencies and partners are not covered except when specifically noted in this report.

**Products and Investments:** Reporting covers all of our products, financial services and investments during calendar year 2014.



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; Allstate Investments; Product Operations; Risk Management; Tax; Real Estate and Administration; Sourcing and Procurement Solutions; Finance; Law and Regulation; Corporate Accounting; and our Corporate Responsibility team. No significant changes were made in measurement from previous reporting years.

Please send correspondence, comments and questions regarding this report to: [SocialResponsibilityFeedback@allstate.com](mailto:SocialResponsibilityFeedback@allstate.com)

# ORGANIZATIONAL PROFILE

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



## INTRODUCTION

We are 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, became a publicly traded company in 1993 and became fully independent in 1995 when it was spun off from Sears. 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.

Allstate is more than an insurance company. We’re a growing network of small businesses and a team of trusted advisors in communities across the country that are providing total household solutions and delivering a best-in-class customer experience. Allstate’s 75,000 employees and agency owners care. We strive to make communities stronger, lives safer and futures brighter.

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 \$35.2 billion in revenues in 2014, a 2.1 percent increase from \$34.5 billion in 2013. We’re also growing our agencies, our consumer offerings and our positive influence on society.

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

## A COMPANY THAT CARES

We are a 75,000 strong force for good composed of employees, agency owners and staff. Of Allstate's employees, 56 percent are women and 33 percent are minorities. Our 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 expect from us — we ask, and we engage.

Seven years ago, Allstate began its transformation to become a more customer-focused company. We introduced Our Shared Vision to capture the vision, values and operating priorities we knew we needed to make us a more competitive force in the market. Our Shared Vision was aspirational and provided a strong foundation to inspire widespread change throughout our company.

More recently, we created Our Shared Purpose — our guide to what it means to be an Allstater — to tell our story.

At the heart of Our Shared Purpose are six new Leadership Principles that define the behaviors we all need to demonstrate to be successful. They are built on the belief that every Allstater is a leader.

## OUR SHARED 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:** Deliver substantially more value than the competition by reinventing protection and retirement to improve customers' lives.

**Corporate Goal:** Create long-term value by serving our stakeholders, taking appropriate risks and leveraging our capabilities and strategic assets.

We make bold commitments to improve people's lives by leading the charge on teen safe driving, preparing customers for disasters, empowering domestic violence survivors and helping young people develop to their full potential.

### Our Values:

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

### Our Priorities:

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

### Our Operating Principles:

- Put the customer at the center of all our actions.
- Use consumer insights, data, technology and people to create disruptive innovation to better serve customers and generate growth.
- Execute well-considered decisions with precision and speed.
- Focus relentlessly on those few things that provide the greatest impact.
- Be a learning organization that leverages successes, learns from failures and continuously improves.

- Provide employees, agency owners and financial specialists with fulfilling opportunities, personal growth and performance-based rewards.
- Take an enterprise view of our people and processes, and work as a single team to advance Allstate rather than our individual interests.

### Leadership Principles:

We empower every employee to lead and drive change.

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

To find out about Allstate's reach at the state level, view our state information and workforce data.

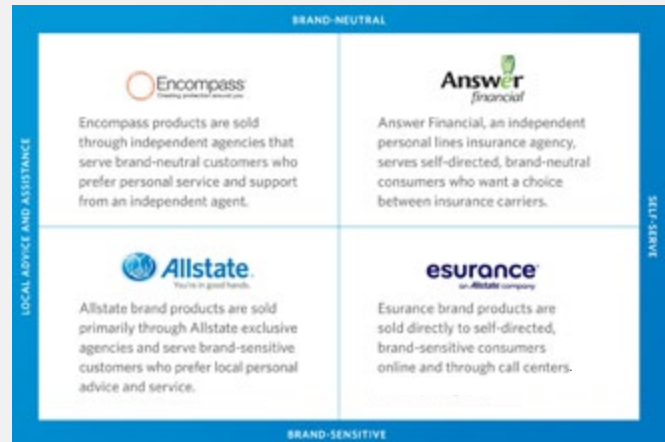
### FINANCIAL STRENGTH AND PERFORMANCE

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+ (second-highest of 16 categories) as of year-end 2014. Allstate held \$27.5 billion in capital resources at year-end 2014, 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 2014 was \$2.7 billion, or \$6.27 per diluted common share. During 2014, we also continued to invest in initiatives that help make communities safer and stronger, including \$34 million given by The Allstate Foundation, Allstate, its employees and agency owners toward those efforts.

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

### The Allstate Corporation's Customer-focused Strategy



### ALLSTATE'S 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 our 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).

# GLOBAL ENTITIES

Beyond our core operations in the United States, Allstate also provides a full line of property and casualty insurance products and services in Canada and has supporting technology operations in Northern Ireland and India.



## 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.

### Corporate Responsibility Focus

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

### Employees

1,200+

### Headquarters

Ontario, Canada

### Net Income

\$114 million

## ESURANCE®

Esurance provides direct-to-consumer insurance products and services online, over the phone and through select agents, including sister company Answer Financial. With car insurance available in 43 states at year-end 2014, the company also continued rolling out renters, homeowners and motorcycle coverage in select states.

### Corporate Responsibility Focus

- Diversity and Inclusion Advisory Council
- Pride partnerships and sponsorships
- Recycled Rides for families in need
- Hybrid claims vehicles and paperless customer experience
- Esurance Matching Gift Program
- Employee volunteer programs and resource groups

**Employees**

3,400+

**Locations**

San Francisco, California

**Written Premium**

US \$1.5 billion

**About Esurance**[www.esurance.com/company/about-us](http://www.esurance.com/company/about-us)**ALLSTATE NORTHERN IRELAND LIMITED**

Established in 1998, Allstate Northern Ireland Limited specializes in delivering high-quality, low-cost technology and business solutions to its parent company, The Allstate Corporation, and its subsidiaries.

**Corporate Responsibility Focus**

- Employee wellness
- STEM education funding and support
- Teen safe driving
- Recycling and waste reduction
- Water conservation

For more information about Allstate Northern Ireland Limited's corporate responsibility initiatives, read our [Corporate Responsibility report](#).

**Employees**

2,200+

**Locations**

Belfast, Londonderry and Strabane

**Net Income**

-\$4 million

**ALLSTATE SOLUTIONS PRIVATE LIMITED**

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 Strategic Ventures' (ATSV's) international strategy.

**Corporate Responsibility Focus**

- Employee volunteering
- Community involvement

**Employees**

841

**Locations**

Bangalore (headquarters) and Pune

**Net Income**

\$4 million

# CORPORATE GOVERNANCE

Strong corporate governance is a critical component of 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. At year-end 2014, our Board was composed of 12 members, including Thomas J. Wilson, who now serves as Chairman of the Board and Chief Executive Officer (CEO) of Allstate. Mr. Wilson has served as Chairman of Allstate since May 2008 and as Chief Executive Officer since January 2007. Mr. Wilson served as President of Allstate from January 2005 to January 2015.

The Board is responsible for selecting the Chairman of the Board and the 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 leadership functions to changing circumstances.

A lead independent director presides at all Board meetings at which 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, the lead director 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.

Management succession is discussed in Compensation and Succession, Nominating and Governance, and Board meetings with the CEO and in executive sessions. Management succession is discussed three times annually by the Compensation and Succession Committee. The Board also has regular firsthand exposure to senior leadership and high-potential officers through working and informal meetings throughout the year. The senior executives are selected by the CEO and are 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 that of 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 nonemployee 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 executives to keep them apprised of sustainability issues and initiatives.

Our executive officers and other executive vice presidents meet two times per year 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 executives on the team's efforts and assessments.

More details regarding oversight can be found on the Risk Management page of this report.



# RISK MANAGEMENT

Allstate manages enterprise risk under an integrated Enterprise Risk and Return Management (ERRM) framework.



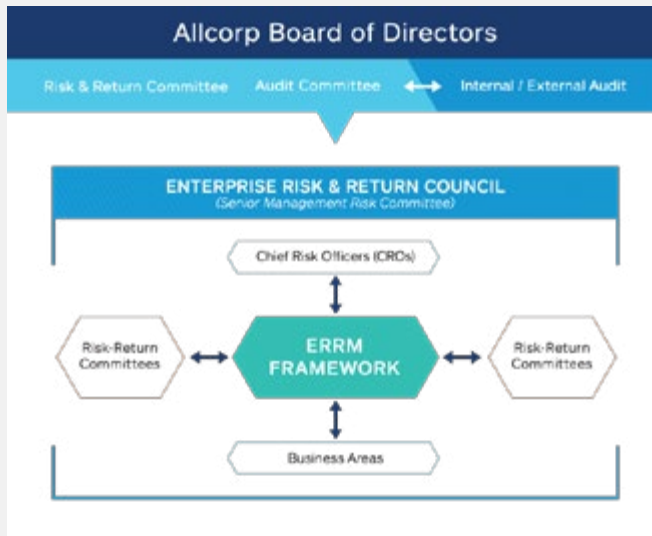
## AN INSTITUTIONAL COMMITMENT TO UNDERSTANDING RISK

Allstate manages enterprise risk under an integrated ERRM framework with risk-return principles, governance, modeling and analytics and, importantly, transparent management dialogue. This framework provides a comprehensive view of risks and opportunities and is used by senior leaders and business managers to provide risk and return insight and drive strategic and business decisions.

We manage risk and return according to a series of principles. These principles state that, first and foremost, Allstate's priority is to protect solvency, comply with laws and act with integrity. Building upon this foundation, we strive to build strategic value and optimize risks and returns.

Our ERRM governance includes an executive management committee structure, Board oversight and chief risk officers (CROs).

Our Enterprise Risk and Return Council (ERRC) is Allstate's senior risk management committee that directs ERRM by establishing risk-return targets, determining economic capital levels and directing integrated strategies and actions from an enterprise perspective. The ERRC consists of Allstate's chief executive officer, president, business unit presidents, enterprise and business unit CROs and chief financial officers, general counsel and 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; Allstate’s 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 the audit committee provides oversight and guidance on Allstate’s controls around key risks, and reviews the major financial risk exposures and the steps to monitor and control those risks.

CROs are appointed for the enterprise and for Allstate Protection, Allstate Financial, Allstate Investments and Allstate’s technology organization. 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. The shared ERRM framework establishes a basis

for transparency and dialogue across the organization and for continuous learning by embedding the risk and return management culture of identifying, measuring, managing, monitoring and reporting risks.

Read more about our risk management systems and the risk factors identified in 2014 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 while also providing 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 valuable information to our customers. For instance, after winter storms in the Midwest and on the Eastern Seaboard in 2014, 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 kind of maintenance home and vehicle owners should regularly 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 2014, we began expanding this program to cover home repairs. Customers can also use our directory even when they don’t have a claim, but simply need a repair referral.

## **ARTICULATING OUR APPROACH TO MANAGING 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 nongovernmental organization (NGO) partners, Allstate updated a comprehensive climate change statement that outlines the company's approach to managing climate change, our progress in mitigating our climate change impact and our goals for the future. The full statement is available [here](#).

# ETHICS AND INTEGRITY

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.



## IN MY GOOD HANDS: THE ALLSTATE CODE OF ETHICS

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](http://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 how the standards apply to their job responsibilities.

Our Code of Ethics provides guidance on company expectations and discusses Allstate's purpose. It includes photos and images of actual Allstate employees, agents and customers; leadership quotes; and business-based questions and answers.

Each year, all employees are required to acknowledge their understanding of and commitment to compliance with our Code of Ethics and company policies. In addition, to reinforce our values and principles, all employees are required to complete an online course that covers topics addressed in the Code of Ethics.

## RECOGNITION

In 2015, Allstate was named as a 2015 World's Most Ethical Company® by Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices. The "World's Most Ethical Companies" designation recognizes those organizations that have had a significant impact on the way business is conducted by fostering a culture of ethics and transparency at every level of the company. To qualify, companies are scored in five categories, including: ethics and compliance; corporate citizenship and responsibility; culture of ethics; governance and leadership; and innovation and reputation. Allstate was one of only 132 companies worldwide to receive the designation.

## 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 nonemployees 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.

# CLIMATE CHANGE

Climate change has a direct impact on our business, since it can increase the volatility, frequency and unpredictability of natural catastrophes like severe storms, droughts and other extreme weather events.



Climate change also can have a human cost, causing suffering for our customers, employees and the communities where we live and work. In 2013–2014, we developed a new climate change statement defining our management approach to one of society’s most pressing global challenges. Our sustainability leadership team, along with other company leaders, engaged in an extensive and careful review of this statement, which can be read below.

## APPROACH TO MANAGING CLIMATE RISK

### I. Introduction

As an insurer, employer, investor, property owner and responsible corporate citizen, Allstate is committed to dedicating resources to help mitigate and manage the risks associated with climate change. This document outlines this commitment and includes Allstate’s progress towards mitigating its climate change–related impact, and its goals to further reduce that impact.

The following climate change statement was developed by Allstate’s cross-functional Sustainability Leadership Committee, composed of various internal stakeholders including leaders from the following departments: Sourcing and Procurement, Corporate Relations, Law and Regulation, Corporate Administration and Real Estate, Product Operations, Enterprise Risk and Return, Protection Finance, Investments, and Claims.

### II. Background

Climate change refers to shifts in global average temperature, precipitation, and wind patterns. According to the Intergovernmental Panel on Climate Change,<sup>1</sup> “climate change refers to a change in the state of the climate that can be identified (e.g. by using statistical tests) by changes in the mean and/or variability of its properties, and that persists for an extended period, typically decades or longer.”

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

Rather than debate the causes or underlying reasons for climate change, Allstate focuses on the fact that the severity and frequency of weather events and natural catastrophes across the globe have increased. These events include, but are not limited to, droughts, flooding, hurricanes, forest fires, wild fires, and rising sea levels.

Greater weather volatility, more extreme weather, and more frequent natural catastrophes associated with climate change significantly affect Allstate's operations, its customers, and its financial performance.

### III. Products & Services

Allstate has limited ability to affect climate change through its products and services. However, the company does offer products geared toward the environmental concerns of its customers:

- In 2012, we launched the [Homeowners Policy Green Improvement Reimbursement Endorsement](#), a product that allows a customer who purchased this endorsement to replace covered damaged or destroyed appliances or equipment with more energy-efficient items and be reimbursed the additional cost incurred to replace them. The additional reimbursement applies to certain categories of Energy Star® products rated as energy-efficient by the Environmental Protection Agency—appliances and equipment such as washers and refrigerators; computers and electronics; heating and cooling equipment, such as air conditioners and fans; and certain plumbing and building products. These products generally save electricity or water, reducing a home's environmental impact while lowering homeowners' utility bills. Because of their energy-efficient rating, Energy Star products may help consumers reduce their greenhouse gas emissions associated with the use of home appliances. The Homeowners Policy Green Improvement Reimbursement Endorsement will be offered in most states by 2014.
- In 2011, Allstate introduced [Drivewise®](#), a usage-based insurance product that rewards safe driving performance while helping customers better understand their driving behaviors.

Additionally, Allstate offers products and services which encourage customers to prepare themselves for the impacts of climate change, including sea-level rise and more frequent and severe weather events:

- Allstate encourages customers to take action to reduce losses caused by events that could be influenced by climate change. In the homeowners' line, Allstate offers underwriting incentives designed to encourage improved resistance to hurricane damage. In many areas, Allstate offers lower rates for homes constructed under more modern and stringent building codes and for homes retrofitted with improvements designed to better withstand hurricane force winds.
- In areas facing significant natural catastrophe risk, such as from hurricanes, wildfire, and earthquakes, many homeowners have difficulty finding available and affordable insurance. Allstate's wholly-owned subsidiary, North Light Specialty Insurance Company, offers personal lines property coverage in many of these areas, thereby helping customers that may not otherwise be able to obtain private market insurance to adequately prepare themselves for natural catastrophes. North Light combines quality insurance from a well-known and established insurance group with the efficiency and high-quality service of Allstate's claims service centers.
- Flood risk is an important dimension of the nation's exposure to natural catastrophes. Allstate voluntarily participates in the National Flood Insurance Program's Write Your Own program, which allows Allstate and other participating carriers to write and service federal flood insurance policies. We currently service more than 500,000 policies, thereby helping customers protect their property from flood risk.

#### **IV. Mitigation and Disclosure Efforts for Allstate's Operations**

Allstate is conscious of the environmental footprint of its own operations and continuously strives to decrease its impact. Efforts include reducing company-wide paper use and helping customers do the same, as well as promoting recycling and conservation efforts at all Allstate facilities.

To mitigate any possible contribution its activities may cause to climate change, in 2010 Allstate pledged that by 2020 it would reduce its energy use by 20% compared to its 2007 baseline within the Owned Building portfolio. As of 2013, the Company has reduced its energy use by more than 19% compared to its 2007 baseline. These reductions were achieved by consolidating office spaces; recapturing heat energy as a byproduct of Allstate's data center operations; and optimizing the use of energy efficient equipment and systems, including HVAC equipment and controls, reduced lighting power density designs, and daylight harvesting in Allstate's offices. Allstate will continue energy-use reduction initiatives to achieve its 2020 goal.

Coincident with those energy use reductions, Allstate reduced its greenhouse gas emissions by more than 26% between 2007 and 2013.

Many of our environmental sustainability efforts focus on Allstate's buildings and grounds, including our Home Office in Northbrook, Illinois, which encompasses approximately 2.3 million square feet of building space.

Allstate is a national member of the U.S. Green Building Council (USGBC) and participates in its Leadership in Energy and Environmental Design (LEED) program. We have five LEED® Accredited Professionals on staff. To enhance the sustainability and energy efficiency of our real estate, we focused in 2011 on ensuring that many major office renovations and most new construction projects are LEED certified by the U.S. Green Building Council.

Each year, we disclose our companywide carbon footprint to stakeholders, including Allstate's GHG emissions and our strategy to manage them, via the CDP (formerly Carbon Disclosure Project) voluntary questionnaire. We also disclose our climate risk strategy and mitigation actions, which includes our carbon emissions reduction efforts, through vehicles like the National Association of Insurance Commissioners Climate Risk Survey.

#### **V. Governance and Managing Climate Change 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. Allstate's risk management strategies adapt to changes in business and market environments and seek to optimize returns.

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.

ERRM governance includes an executive management committee structure, Board oversight and chief risk officers. The Enterprise Risk & Return Council (ERRC) is Allstate's senior risk management committee. It directs ERRM by establishing risk-return targets, determining economic capital levels and directing integrated strategies and actions from an enterprise perspective. It consists of Allstate's chief executive officer, business unit presidents, enterprise and business unit chief risk officers and chief financial officers, general counsel, and treasurer. Allstate's Board of Directors, Risk and Return Committee, and Audit Committee provide ERRM oversight by reviewing enterprise principles, guidelines and limits for Allstate's significant risks, and by monitoring strategies and actions management has taken to control these risks.



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

Weather and natural catastrophe loss volatility and other climate impacts are factored into our ERRC-approved risk limits and growth strategies, which are reviewed with the Board. Weather volatility is also reflected in our pricing. Pricing of property products is typically intended to establish returns that we deem acceptable over a long-term period. We pursue rate increases where indicated, taking into consideration potential customer disruption, the impact on our ability to market our auto lines, regulatory limitations, and our competitive position and profitability, using a methodology that appropriately addresses the changing costs of losses from catastrophes such as severe weather and the net cost of reinsurance.

Allstate's Sustainability Leadership Committee, composed of officers and senior staff from across the company, meets twice annually to guide environmental efforts from an enterprise-wide perspective, build alignment, create momentum for Allstate's heightened sustainability efforts, and identify opportunities associated with environmental responsibility and climate change.

The cross-functional Sustainability Leadership Committee ensures that risks and opportunities confronting company assets are considered when evaluating climate change-related risks at the enterprise level. The Sustainability Leadership Committee completes an annual review of Allstate's operations, stakeholder expectations, and competitive actions in this space to identify internal opportunities related to climate change. The Committee considers potential opportunities related to employee engagement, current and future regulation, improved

operational efficiencies, and customer and consumer expectations. Allstate's Senior Vice President of Corporate Responsibility, who leads the Sustainability Leadership Committee, reports to the senior management team on the efforts and assessments of the committee.

## VI. Sustainable Investments

Climate change has the capacity to affect Allstate's investment portfolio. For example, the valuation of commercial real estate properties or municipalities in which we invest, via municipal bonds, could be affected by climate change.

Allstate uses some of its investments to support 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 \$310 million in renewable energy projects.

## VII. Public Advocacy for Climate Change Resilience

Climate change will likely exacerbate the frequency and severity of natural catastrophes.<sup>2</sup>

We recognize the important role we play in helping customers and communities prepare for and protect themselves from the risks associated with climate change. To that end, for many years, we have actively supported a range of collaborations aimed at building communities that are more resilient to climate change.

Allstate believes that our nation needs to better prepare and protect communities, strengthen the country's financial infrastructure to deal with major events, promote better loss prevention and mitigation through stronger building codes and sensible land use policies, and develop programs to strengthen the ability of first responders to help communities recover from catastrophe.

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

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

Finally, Allstate engages consumers and customers on the topic of disaster preparedness through vehicles like the [Allstate Blog](#) and [allstate.com \(http://www.allstate.com/tools-and-resources/be-aware-and-prepare.aspx\)](http://www.allstate.com/tools-and-resources/be-aware-and-prepare.aspx), and the distribution of disaster preparation and awareness brochures to customers by Allstate's agency owners.

# ENERGY AND EMISSIONS

Managing our energy use allows us to run our facilities more efficiently while also lessening the potential impact of our activities on the environment.



## INTRODUCTION

This year, we made important progress in managing energy use and emissions, including:

- **Achieving energy-use reductions:** We met our long-term goal of a 20 percent reduction in energy use from the baseline established in 2007. Given the great strides we have made over the past six years, we are reviewing this goal in 2015 and considering new long-term energy-use targets.
- **Continuing to increase the efficiency of our data centers:** In 2014, we added more energy-efficient components to two key elements of our Hudson, Ohio, data center's systems: three new variable speed chillers, which keep the servers cool, and an uninterruptable power system (UPS), which provides power in

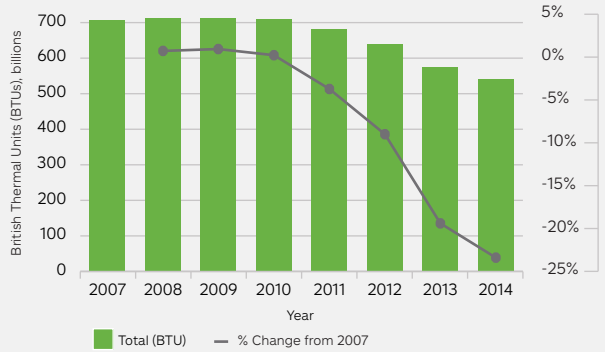
emergencies. As a result of these improvements, as well as more efficient use of technology and real estate, the Hudson facility reduced its power usage by 22 percent, from nearly 30 million kilowatt hours in 2010 to 23 million in 2014.

- **Engaging employees:** Energy efficiency comes from thousands of small decisions made by employees — whether to turn on the office lights for a weekend work session versus working productively from home, or even unplugging printers and monitors at work when they're not in use. We are currently exploring ways to more effectively educate and communicate with employees about energy use, including enlisting the Allstate Ambassador program to help us engage employees in all of our offices and facilities.

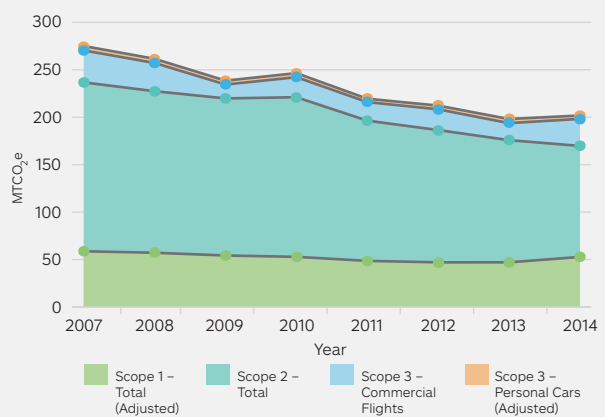
Measuring energy use accurately is our first step toward managing it effectively. Information about our power use currently comes from a variety of vendors in a multitude of formats, making it difficult to aggregate information and compare efficiencies at various locations.

Over the next several years, we will standardize our energy-use measurement processes so we can establish a baseline across facilities, analyze usage and identify areas for future improvement. We are also incorporating building automation technology into our facilities as we upgrade systems, which will enable us to have a clearer picture of power use for heating, cooling, lighting and business operations.

### Energy Reduction



### Greenhouse Gas Emissions



### Emissions Reduction



# GREEN BUILDINGS

By making our buildings greener, we discover new ways to reduce our operational costs and the potential impact our activities may have on the environment.



## INTRODUCTION

When we build new facilities, we seek, wherever possible, to embed sustainability considerations into the design and construction processes, from incorporating recycled and renewable resource materials to using low-flow plumbing fixtures and ENERGY STAR®-rated appliances.

The highlights of our green building programs in 2013–2014 included:

- **LEED® Green Building Certification:** Allstate currently has three buildings in our portfolio that are LEED-certified.
  - The Rochelle Data Center in Illinois achieved LEED Gold certification in February 2010 from the U.S. Green Building Council® (USGBC).
  - The Chubbuck, Idaho, call center is LEED-certified to the Silver level for Core & Shell as of February 2012 and LEED-certified for Commercial Interiors certification as of January 2013.

- F-Building, at Allstate’s home office, achieved LEED’s Certification level following the renovation of three of its floors.
- Additionally, upon its completion in 2015, we will apply for LEED certification for a 45,000-square-foot leased call center in Draper, Utah.

## GREEN BUILDING HIGHLIGHTS 2014

- **Renewable Energy Credits:** Ten percent of the energy used at our home office campus in Northbrook, Illinois, was purchased using renewable energy credits (RECs); buying these credits supports the growth and development of renewable power sources. We will make the same 10 percent commitment in 2015.
- **Lighting Efficiency:** In 2014, we reduced our lighting costs at Allstate’s headquarters by replacing old three-lamp fixtures with more energy-efficient two-lamp fixtures.

- **Electric-Car Charging Stations:** To accommodate and encourage the use of environmentally friendly electric cars, we have 11 electric charging stations—three each at Willow Road and South Plaza in Northbrook; three in Ogden, Utah; and two in Jacksonville, Florida. In 2015, we are adding two more stations to our Hudson, Ohio data center.
- **Managing Growth:** Consolidation has been a big part of our sustainable real estate strategy in previous years. However, with the economic upturn and Allstate's growth across business lines, we have started to hire more people, proudly growing our organization and expanding our footprint in a strategic way. In addition, in 2014, we integrated Esurance's 400,000 square feet of leased space into Allstate's real estate portfolio for the first time since the 2011 acquisition. Our strategy going forward will be to seek greater efficiencies in the leased and owned facilities we operate, while supporting our businesses with the space they need to serve our customers and communities.



### BUILDING SUSTAINABILITY INTO OUR LEASED PORTFOLIO

In 2014, we began work on a new leased call center in Draper, Utah, where we occupy 45,000 square feet of space. The building was already LEED-certified for its shell, so it has been relatively easy and cost-efficient to meet LEED specifications as we complete the interior. We will apply for the building's interior space to become LEED-certified in 2015. In addition, the building allows us to consolidate a new agent call center with a claims operation and legal office formerly housed in Salt Lake City, reducing our overall footprint and achieving efficiencies with shared break rooms, bathrooms and other facilities.

## WATER AND WASTE

We are committed to recycling and conservation programs to minimize the potential impact that our activities may have on the environment.



### INTRODUCTION

As a service business, Allstate is not an extensive user of water, nor do we generate significant amounts of waste. However, we are committed to recycling and conservation programs to minimize the potential impact that our activities may have on the environment. In 2014, our home office recycled 9,190 pounds of PET (or polyethylene terephthalate) plastic bottles, 4,775 pounds of aluminum cans and more than 6.8 million pounds of paper. In 2015, we are implementing an extensive, enterprise-wide recycling program with our enterprise shred vendor so we can better track and manage our recycling efforts.

### WATER STATIONS

Plastic water bottles are a major source of solid waste. At least 2 million tons of these disposable containers currently clog America's landfills.<sup>1</sup> In addition, manufacturing and transporting bottled water consumes significant amounts of fossil fuel, increasing the level of greenhouse gas (GHG) emissions in the atmosphere. At Allstate, our employees and guests can reduce their consumption of bottled water by using the filtered-water stations located throughout our facilities.

In 2014, our filtered-water stations dispensed nearly 23 million ounces of water — enough to fill 17 swimming pools. More important, that same amount of water would fill 1,360,028 typical water bottles. If we laid these bottles end-to-end, the chain would stretch more than 170 miles.

<sup>1</sup> The Water Project. [http://thewaterproject.org/bottled\\_water\\_wasteful](http://thewaterproject.org/bottled_water_wasteful)

We began 2014 with 168 water stations and added four new ones during the year in our home office buildings. We also installed 28 new water stations in our Hudson, Ohio, and Jacksonville, Florida, facilities.

### GOING PAPERLESS

We make it easy for Allstate customers to go green through a series of options for electronically receiving bills, policy statements and communications. In 2014, we expanded three initiatives — eSignature, ePolicy and eBill — to cut our frequency of mailings by 3.2 percent from 2013 levels, equivalent to 22.2 million fewer sheets of paper or 200 fewer metric tons of paper waste.

More customers signed up for these services in 2014 as well: Use of our online customer self-service hub, “My Account,” rose from 36 percent to 44 percent of customers; eBill usage increased from 22 percent to 28 percent; and eSignature adoption nearly doubled from 6 percent to just under 12 percent.

Not all paper can be eliminated, so we’re also working to make sure we recycle as much of it as possible. Our secure shred program reduces environmental impact while also protecting customers’ confidential information. Through the program, we ask employees and agency owners to put all paper waste into special recycling bins. The content is first shredded, then recycled. We are currently working to establish goals and reporting measures to track the success of the secure shred program and should have data on it in next year’s report.

### UPGRADING ALLSTATE’S RECYCLING PROGRAM

Allstate employees already recycle at many office locations, but in 2015 we are developing a comprehensive program to recycle aluminum cans, as well as glass and plastic bottles, at many of our locations. An integrated, enterprise-wide program will allow us to track results, identify opportunities



for improved participation and engage Allstaters in improving the environment. We are currently interviewing potential partners, and working on communications and education to engage employees in this effort.

### REDUCING EMPLOYEE CAFETERIA WASTE

Nearly 35 million tons of food waste went into American landfills in 2012, the most recent year of reporting by the EPA.<sup>2</sup> In our hometown of Chicago, organic materials (which are mostly food) make up nearly a third (29 percent) of the waste collected by the Department of Streets and Sanitation.<sup>3</sup> Food waste is the single largest source of solid waste in the country, and, as it decomposes, it generates significant quantities of methane, a potent GHG.

While Allstate’s cafeterias are extremely small contributors to the worldwide food-waste problem, we are piloting a program to reduce our impact in 2015. At our home office campus, we will be using a pulper/dehydrator to grind and remove water from kitchen waste, cutting the volume of kitchen waste by 95 percent in the process. The 5 percent that remains will be a fine, textured material that can be used as fill in landscaping.

<sup>2</sup> Municipal Solid Waste Generation, Recycling, and Disposal in the United States: Facts and Figures for 2012, EPA, 2012. [http://www.epa.gov/osw/nonhaz/municipal/pubs/2012\\_msw\\_fs.pdf](http://www.epa.gov/osw/nonhaz/municipal/pubs/2012_msw_fs.pdf)

<sup>3</sup> Compost Pick Up/Organics Recycling: Preliminary Resource Paper, Chicago Recycling Coalition, 2011. [http://www.chicagorecycling.org/Composting\\_Paper\\_WEB\\_04032011.pdf](http://www.chicagorecycling.org/Composting_Paper_WEB_04032011.pdf)



## THE ALLSTATE FOUNDATION

For more than six decades, The Allstate Foundation has created research-driven, proven programs for millions of individuals and families to help them overcome personal challenges and uncertainties — and live safely and productively.



We seek heightened impact by working with well-respected nonprofit and community-based partners, and we strive to strengthen the nonprofit sector through innovative programs like our new Greater Good Nonprofit Leadership Development Program, which you can read about [here](#).

For the past decade, the Foundation has focused on two signature programs to achieve maximum impact:

- Our Domestic Violence Program helps survivors overcome financial abuse. We empower survivors to lead safer, financially independent lives. Through public awareness programs, we overcome the social stigmas that often prevent survivors from gaining the help they need to break free from violence.
- Our Teen Safe Driving Program helps change the way teenagers think and act behind the wheel through teen-to-teen education and awareness programs, resources to help parents better manage their teen drivers and

research to help educate the public about safe driving practices for teens.

In 2014, we added a third area of focus to our Foundation's work: Youth Empowerment.



## DOMESTIC VIOLENCE

Allstate empowers domestic violence survivors to lead safer, financially independent lives.



### INTRODUCTION

Domestic violence occurs more than 145 times each hour in the U.S. On average, three women die every day as a result of it. It affects one in four women in her lifetime—more women than are affected by breast cancer, lung cancer and ovarian cancer combined.

Critically, the abuse is not just physical. Financial abuse occurs in 98 percent of all domestic violence cases. Financial abuse occurs when an abuser restricts a survivor's access to cash, credit, employment and other everyday essentials. If a survivor's credit has been ruined by an abuser, she can't get an apartment. If she's been repeatedly fired because her spouse harasses her at work, she can't get a job. Women are forced, because of financial dependency, back into abusive relationships. Financial abuse is the No. 1 reason why victims of domestic violence can't leave their relationships. With no money, these victims have no options and no way out.

Allstate is one of the few companies that recognize the power of financial abuse to hold an individual hostage in a violent relationship. And we're one of even fewer companies offering ways to help women break free from domestic violence and financial abuse. At The Allstate Foundation, we set a goal to provide financial empowerment to 500,000 domestic violence survivors by 2015 as a way to break the cycle of abuse in our nation. Proudly, in 2014, we surpassed that goal.

### FINANCIAL EMPOWERMENT

Unlike many organizations that focus simply on raising awareness of domestic violence, The Allstate Foundation offers a proven solution to women in crisis: increased financial knowledge and capabilities.

Through a partnership between The Allstate Foundation and the National Network to End Domestic Violence (NNEDV), more women are learning how to gain control of their own purse strings so they can escape the control of an abuser and move forward with their lives. Since 2005,



nearly 600,000 survivors have taken steps to financial independence and a life free from violence, due to The Allstate Foundation and NNEDV.

Together, The Allstate Foundation and NNEDV developed the Moving Ahead Through Financial Management curriculum, a five-part program designed for the unique financial and safety needs of survivors. The curriculum is available for free at [ClickToEmpower.org](http://ClickToEmpower.org). In addition, last year the Foundation awarded \$1 million to state domestic violence coalitions to help local organizations teach the curriculum to survivors.

In 2014, Rutgers University's School of Social Work tested and validated our financial empowerment curriculum. Over a 14-month period, Rutgers compared the results of women who participated in our curriculum and those who did not. The study found that women who participated in the financial curriculum significantly improved their financial literacy, attitudes, intentions and behaviors, and reported less financial strain than the women who did not receive the training. On every single financial variable, the women who received the training did significantly better over time than the women who did not.

To help promote best practices in economic justice for survivors, in 2014 the Foundation and NNEDV hosted the 10th annual Financial Empowerment Symposium to train domestic violence counselors (commonly called "advocates") to teach our curriculum and learn about new ways to build financial capabilities for survivors. Over the last 10 years, more than 8,000 advocates from 1,800 organizations in all 50 states

have gone through our "train-the-trainer" program, learning how to educate domestic violence survivors on financial strategies and fundamentally changing the way survivors are served in our nation.

### ALLSTATE FOUNDATION PURPLE PURSE

In addition to promoting financial empowerment, The Allstate Foundation continues to raise awareness of domestic violence and financial abuse. We founded Allstate Foundation Purple Purse in 2011 to make it more "fashionable" to talk about domestic violence and the financial control, sabotage and exploitation that traps women in abusive relationships.

In 2014, Allstate Foundation Purple Purse became a fashion statement with an amped-up message of hope and action. Popular actress and activist Kerry Washington served as the program ambassador and spokesperson. Her efforts generated more than 1 billion media impressions for our issue in a wide variety of publications ranging from celebrity magazines to thought-leader journals. Her 30-second [public service announcement video](#) explained the challenges faced by survivors and the hope we can all offer to them.

Washington designed a limited-edition purple purse to generate interest in our issue. In addition, we developed and distributed a Purple Purse charm to hang from a handbag, gym bag or computer cover. Each charm featured a compelling true story of a woman who used financial empowerment to break free from violence. The charms let survivors know there's hope, tell abusers their actions are



unacceptable and bring us all a little closer to a world free of violence.

For the first time, we used Allstate Foundation Purple Purse to raise critically needed public funding for domestic violence organizations. Our Purple Purse Challenge, hosted on CrowdRise, an online fundraising platform, helped 136 of our community partners raise nearly \$2.5 million for survivor services, fueled by fundraising incentives offered by The Allstate Foundation. Participating organizations like the YWCA of Evanston/Northshore (Illinois), Jenesse Center in Los Angeles and Harbor House of Central Florida learned new ways to use the power of their social media networks to recruit new supporters.

We leveraged Allstate's extensive media relationships to extend our program. A provocative full-page print Purple Purse public service announcement brought our messages to new audiences through diverse national and local publications.

# YOUTH EMPOWERMENT

At Allstate, we believe being a force for good starts young.



## INTRODUCTION

We're helping to inspire the next generation of leaders to rise up, serve causes greater than themselves and make the world a better place. We all benefit when young people are empowered to solve problems in their schools, their communities and throughout the world. Allstate has long supported programs like Junior Achievement, the YMCA and YWCA, and Boys and Girls Clubs of America. This year, in a new initiative, Allstate is taking on the challenge of empowering young people with the strength, confidence and skills to stand up for themselves and realize their full potential.

In 2014, Allstate conducted extensive research with consumers to understand what social issues were most important to them and their communities. Empowering today's youth to step up as leaders by giving them the tools to improve their world emerged as a top priority. Allstate will meet this challenge primarily through a national partnership with Free The Children.

Free The Children empowers young people to create change. Through its We Act programming, it gives youth the tools to build character, achieve more at school and become better citizens through volunteer activities. The organization works through schools and youth groups, encouraging middle and high school students to take on a service project to solve a problem in their school or community and to raise money and awareness for a global problem. Through its We Day events, the organization celebrates those young people through daylong motivational events, at which 16,000 to 17,000 young leaders gather for [recognition and inspiration](#).

In 2014, as Free The Children's partner, Allstate and The Allstate Foundation took an active role in U.S.-based We Days, expanding these programs to locations in California, Seattle and Minneapolis. In 2015, we will be adding a Chicago program to the lineup. In addition, Allstate agency owners and employees are becoming involved in ongoing We Act initiatives, supporting young people year-round in volunteer activities. By giving Allstate employees and agency owners

the tools to create their own empowerment events and programs, we are expanding the reach of this exciting new opportunity to be a force for good.

### **SUSTAINABILITY MEETS FASHION WITH *ME TO WE STYLE***

Free The Children gives kids the tools to change the world for the better through modest, tangible steps. This year, Allstate supported Free The Children's *Me to We Style* initiative by purchasing T-shirts for We Days in the U.S.

The T-shirts, which are made with eco-friendly fabrics in factories that treat workers fairly, help protect the environment and give people in underserved countries a way to support their families. For every *Me to We* T-shirt that is purchased, a tree is planted in one of the Free The Children's international communities.

In 2014, Allstate purchased 56,575 T-shirts for free distribution at U.S.-based We Day celebrations. We plan to purchase an additional 47,035 T-shirts in 2015. That two-year commitment will finance the planting of more than 100,000 trees in Kenya. The seedlings are grown at Free The Children's Bogani Tree Nursery in the Massai Mara in Kenya, and are later planted at farms, homesteads and schools in rural Kenya.



## TEEN SAFE DRIVING

We help change the way teenagers think and act behind the wheel through education and awareness programs, parental resources and research to help educate the public about safe driving practices for teens.



### INTRODUCTION

Car crashes are the No. 1 killer of teens in America, resulting in more teen deaths each year than any other single cause. We have been making teen driving safer since 1952, when The Allstate Foundation awarded one of its first grants to a nonprofit organization dedicated to helping keep teens safer on the road.

More recently, The Allstate Foundation set a goal of helping reduce teen traffic fatalities by 50 percent by 2015. Last year's data, which covers through the end of 2013, shows crash fatalities have decreased almost 48 percent, nearly reaching our milestone.

To stay safer on the roads, teens need to know about three of the deadliest behaviors in cars: driving too fast, not wearing a seatbelt and having too many friends in their car. But they also need to feel that safe driving is socially acceptable among their peers. Allstate Foundation's Teen Safe Driving program uses a variety of communication platforms to reach

teens and parents, including social media, direct-to-teen outreach, publicity, research studies and more.

- #GetThereSafe helped inform more than 81 million teens about safe driving practices by capitalizing on how teens speak to each other on social media through the use of hashtags. In 2014, teens uploaded photos of themselves or their destinations and inserted a safe-driving hashtag like #slowdown, #seatbelt and #nodistractions via the free #GetThereSafe app and were entered into a sweepstakes prize drawing. The winner, Alysha Gassman, got to meet teen pop idol Austin Mahone, the celebrity spokesman for the program. (See #GetThereSafe below.)
- We also explored the issues and attitudes that Spanish-speaking families have about teen driving in a new survey called, *Vamos!* Our survey found that twice as many Hispanic teenagers as non-Hispanic teens delay getting their licenses until the age of 18. As a result, they miss the chance to learn to drive under the guidance and watchful eye of a supervising parent. That means they miss out

on the benefit of adult knowledge and experience about safety. The Allstate Foundation made a variety of teen safe driving materials available in Spanish to help families promote safer teen driving.

- The Allstate Foundation continued to partner with the National Safety Council on promoting Teen Safe Driving Coalitions in 10 states with the largest number of teen crash fatalities. The Coalitions help safety leaders promote safe driving in their own communities. Results have been very promising. The most recent fatality data from the National Highway Traffic Safety Administration demonstrated that over the past five years, deaths in Coalition states have declined 52 percent, compared to 43 percent in non-Coalition states.

### #GETTHERESAFE WINNER MEETS POP IDOL

Alysha Gassman, a senior at Gowanda High School near Buffalo, New York, was just trying to keep her friends safe when she sent a tweet asking them to #GetThereSafe. But her message about avoiding distraction, using seatbelts and not going too fast had an unexpected effect. Alysha won the grand prize in The Allstate Foundation's #GetThereSafe Challenge — which meant that pop superstar Austin Mahone came to meet her and visit her school. Mahone's visit on September 26 was the highlight of a summerlong campaign that kicked off in May 2014 with Global Youth Traffic Safety Month and continued throughout the summer, the deadliest season for young drivers on the road.

"The Allstate Foundation's #GetThereSafe Challenge was a fun way to use my social media power for good — sharing with my friends how I get to places safely and asking them to do the same," said Gassman. "To me, I feel that I won two prizes — meeting Austin Mahone and keeping my friends safe."





# COMMUNITY INVOLVEMENT

Employees, agency owners and financial specialists 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.



## INTRODUCTION

At Allstate, we are a part of the communities in which we live and work. Our deep engagement in diverse communities is a result of this philosophy. We cultivate an environment that creates community advocates: employees, agency owners and other champions who become inspired by compelling opportunities to give back. The ingenuity and creativity of our employees and agency owners powerfully connect us to local organizations that create social change at a grassroots level. We support their efforts, making community involvement an integral part of our culture through workplace giving and volunteering programs.

## GIVING

In 2014, 50 percent of Allstate employees, agency owners and financial specialists participated in the Allstate Giving Campaign, contributing \$6.2 million, including Allstate's match. The Giving Campaign matches 15 cents for every

dollar donated by Allstaters to local and national nonprofits. The company adds an additional five cents to United Way, and covers all administrative costs associated with the campaign.

## VOLUNTEERING

Employees at Allstate give back to community projects and organizations through the Allstate Helping Hands Corporate Volunteer Program. Across the U.S., as well as in Canada, Northern Ireland and India, 111 Helping Hands employee-based committees plan and manage participation in volunteer opportunities. In 2014, Allstaters donated 200,000 volunteer service hours to locally

Allstate, The Allstate Foundation and its employees and agency owners gave a total of \$34 million in 2014 to local community organizations.



based organizations through Allstate Helping Hands. The Allstate Foundation matches Allstater's volunteerism with grants to organizations where employees and agency owners volunteer, further increasing the impact of our community volunteerism.

**A FORCE FOR GOOD IN NASHVILLE:  
AN INTERVIEW WITH A HELPING HANDS  
COMMITTEE CHAIR**

Bill Key is part of the Strategic Deployment Team in Allstate's Southern regional office in Nashville, Tennessee, helping to bring new agency owners on board and assisting with technology. He's also the Helping Hands Committee (HHC) Chair for his region, where he coordinates volunteer activities for agency owners and employees. Here's how he's organizing Central Tennessee's Allstater's to be a powerful Force for Good.

**How did you get involved in Allstate's Helping Hands Program?**

Our marketing department organized a couple of events in 2009, and that really got me interested in volunteering. It really grew from there. I began seeking out other opportunities and started organizing projects the following year.

**What organizations do you or your HHC work with most closely?**

In the regional office, a lot of our focus is on Big Brothers Big Sisters of Middle Tennessee and Second Harvest Food Bank of Middle Tennessee. Personally, I also help a lot with Special Olympics Tennessee and the Nashville Predators Foundation.

**What were some of last year's highlights for your HHC?**

We had a successful Week of Service, with projects for Make-A-Wish Middle Tennessee, Second Harvest Food Bank Middle Tennessee, Ronald McDonald House Charities of Nashville, St. Jude Children's Research Hospital, and Blue Star Families. Around the holidays, regional employees donated over \$700, which we used to "adopt" five children as part of the Salvation Army Angel Tree program.

**Why do you think Allstate employees should get involved in volunteer work? How does the HHC allow Allstater's to be a Force for Good?**

I feel it's really important to give back to the community, and it's easy for employees to get engaged — especially when Allstate facilitates volunteering with events like Bring Out the Good Month. The HHC organizes on- and off-site volunteer opportunities where employees can work individually or on teams to be a Force for Good in the community. When people see volunteers in their blue Allstate shirts working on projects, this lets them know that Allstate and its employees care and give back to the community.



**WEEK OF SERVICE**

In 2014, employees, agency owners and financial specialists joined together for the third year in a row in an enterprise-wide Allstate Week of Service. This year’s Week of Service was the most successful ever, with:

- 5,000 Allstate volunteers participating, a 33% increase over 2013
- More than 400 hands-on, community-based projects
- 16,500 volunteer hours, an increase of 30% from 2013 levels
- A total donation of \$370,000 in volunteer time, plus \$106,000 in grants to local charitable organizations

**BRING OUT THE GOOD MONTH**

In 2015, we introduced Allstate’s first-ever Bring Out the Good Month, which expands the Allstate Week of Service to a full month of giving back and combines it with another community involvement initiative, the Allstate Giving Campaign. During this companywide event in April, thousands of Allstaters supported causes they care about, personally and with their Allstate team, by volunteering and donating their resources.

**STRENGTHENING NONPROFIT BOARDS**

Serving on nonprofit boards is a great experience for our executives, enabling them to give back while enhancing their leadership skills and making valuable contacts, as well as



strengthening nonprofits’ capacities to serve individuals and communities. The Allstate Officer Nonprofit Board Program connects officers with nonprofits that support Allstate’s strategic corporate responsibility focus and need their specific skills and experiences. Today, we have 83 officers involved in the program, including 52 currently active and 31 in the process of being placed. Together, these officers serve 67 different organizations. The program is growing strongly, increasing participation by 15 percent a year.

**EMPLOYEE RESOURCE GROUPS GIVE BACK**

Our employee resource groups (ERGs) have been actively involved in youth empowerment and other community efforts. Here, basketball legend Magic Johnson addresses a group of inner-city kids at an event sponsored by the African American Working Network at Allstate’s corporate offices in Northbrook, Illinois. For more on our ERGs, see the Inclusive Diversity section of this report.

**A NEW FOCUS ON AGENCY OWNERS**

Allstate’s approximately 10,000 exclusive agency owners and approximately 1,170 exclusive financial specialists are small business owners who are extraordinarily committed to the communities where they live and work. Many support local organizations through financial contributions, volunteering and even leadership by serving as board members. In 2014, over one-third (36 percent) of agency owners and financial specialists participated in community events, up from 8 percent in 2010. Allstate is currently refocusing its social





impact programs—including teen safe driving, Purple Purse and the new Youth Empowerment initiative—to provide agency owners and financial specialists with the tools and resources to customize these efforts to their local communities. Our goal is to involve 40 percent of agency owners and financial specialists in community events by 2015.

## NATURAL CATASTROPHE PREPAREDNESS

Natural catastrophes test us all, from our customers, to Allstate employees and agency owners, to the communities in which we live and work. Helping our customers prepare for—and recover from—natural disasters is our moment of truth as a business. We help people mitigate losses through these programs:

- **Information and Advice:** Allstate’s Be Aware and Prepare [website](#) provides easy-to-use, hands-on advice on a wide range of safety topics. Allstate agency owners also appear on radio and television to promote safety and disaster preparedness strategies.
- **Disaster Preparedness Kits:** The Allstate Foundation is a founding supporter of Good & Ready, a collaborative disaster-preparedness initiative sponsored by Points of Light. In 2014, The Allstate Foundation and Points of Light helped 10,000 families and individuals in 14 cities to start their own disaster preparedness kits.

- **Advocacy and Research:** Allstate works with community and industry groups to better understand and address natural catastrophe threats. For instance, our customers benefit from insights we gain into household risks—like ice damage to roofs during last year’s brutal Midwest winter—through our partnership with the Insurance Institute for Business & Home Safety (IBHS).

## A LONG-TERM COMMITMENT TO SANDY RECOVERY

Sandy’s impact on the Eastern Seaboard has lingered for years, but so has Allstate’s commitment to helping families rebuild and recover. On April 30, 2015, The Allstate Foundation and Allstate New Jersey received the Coastal Habitat for Humanity’s Golden Hammer Award in recognition of outstanding corporate citizenship and partnership after the devastating Sandy storm.

Manasquan, a resort community on the Jersey Shore, suffered heavy damage during the storm, with roughly 20 percent of its housing stock affected. Repairs took some time, and a year after the storm, some residents were still homeless. In the spring of 2014, Allstate New Jersey worked with the Allstate Foundation and the Coastal Habitat for Humanity to come up with a plan to make a meaningful difference to families.

Allstate created “Allstate Wednesdays,” bringing together more than 100 agents and employees to work side-by-side with Manasquan families to repair storm damages. Launched in May 2014, the program continued over five months and ultimately restored two buildings completely and made substantial repairs on eight additional homes. Although the program ended in August with a “Good Hands, New Friends, Stronger Communities” celebration event, teams from Claims worked through September, using the project as a team builder. Overall, Allstate agency owners and employees clocked 1,000 volunteer hours on this project.

## ADVOCACY

Allstate provides products and services that make life better for our customers, strengthen their financial security and keep them safe from harm.



Our public policy mission is no different: We use our advocacy to strengthen the business and be a Force for Good for the customers and communities we serve.

### ENSURING A HEALTHY REGULATORY SYSTEM

We believe that a more efficient and effective regulatory system with more uniformity and consistency is in the best interests of our company and our customers because it would allow us to innovate and more quickly introduce into the marketplace products that will help them. At the state level, we support removing barriers to innovation and the delivery of more efficient customer service. At the federal level, we're focused on reducing dual regulation.

### PROMOTING FISCAL RESPONSIBILITY

The customers and communities we serve have a major stake in government fiscal responsibility. Everything from their taxes and schools to their retirement savings, healthcare, transportation and food safety is impacted by inaction on critical issues like pension reform and entitlement

spending. Our primary goal is to encourage state and federal governments to be fiscally responsible.

### FOSTERING MARKET INNOVATION

Technology is changing our customers' lives. It is also changing the way we do business and allowing us to offer products and pricing that are more customized. Our focus is on offering our customers unique and innovative products and services to meet their ever-changing needs. Allstate seeks to create a favorable regulatory environment in which we can realize this objective.

### FIGHTING FOR CONSUMERS

Allstate advocates for legal changes that protect the best interests of insurance consumers. This includes legislation that addresses no-fault reform, civil justice reform, certified aftermarket parts and fraudulent contractors. We are committed to fighting fraud, abuse and overutilization, all of which drive up the cost of insurance.



### PROMOTING SAFETY AND SECURITY

We continue to advocate for public policy solutions that promote consumer safety and security. We remain committed to strengthening each state's graduated driver licensing (GDL) system, which improves teen safe driving and reduces teen deaths and injuries. We're also focused on reducing distracted driving, protecting victims of domestic violence, preventing and mitigating property loss, safeguarding our customers' and consumers' privacy, and improving cyber- and data security.

### ADVOCATING FOR SMALL BUSINESS

We are a network of nearly 12,000 small businesses, and their concerns are our concerns. We work to establish favorable legislative and regulatory solutions that benefit small businesses and engage agency owners in efforts to strengthen their communities and serve customers. By freeing agency owners and other small businesspeople from unnecessary government interference, we can unleash their full potential to build the economy and be a Force for Good.

### EMPOWERING OUR PEOPLE TO BE INVOLVED

Through a robust grassroots advocacy effort, we encourage our agency owners and employees to be active, vocal participants in the political process. Our Take Your Stand grassroots engagement program offers our people the ability to connect with their elected leaders on key issues important to the customers and communities we serve. We

do this through interactive communication, local connection opportunities with public officials and in-person advocacy programs like our annual Allstate Congressional Fly-In.

### 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.

### SOCIAL ADVOCACY

#### Greater Good: Allstate Nonprofit Leaders Program

Nonprofit organizations are partners in many of our social impact programs, and they face unprecedented challenges that require strong management skills. In 2014, The Allstate Foundation and Northwestern University's Kellogg Center for NonProfit Management piloted a program called Greater Good to train the next generation of nonprofit leaders. In 2014, 16 nonprofit executives from a wide range of organizations in Chicago and across the country joined the program. The kickoff event took place at a three-day development and training session at Northwestern's Chicago campus, and the work continued throughout the year.



Greater Good participants had access to leadership coaches and development opportunities specifically tailored to their needs. Northwestern University brought in faculty to share expertise in management, communication, technology and fundraising.

“The Allstate Foundation is one of only a handful of corporate funders providing intensive development opportunities for nonprofit leaders. Greater Good aligns perfectly with the center’s mission to create opportunity and greater capacity for nonprofits. From supporting domestic violence survivors to education on money management, it’s exciting to see such a diverse pool of leaders joining this new program.”  
— Liz Livingston Howard, Director of Nonprofit Executive Education at the Center for Nonprofit Management

In 2015, Allstate will continue to support the program, with a planned class of 25 new nonprofit leaders.

**Get IN Chicago’s Work on Urban Violence**

Homicide has claimed the lives of more young African-American men than anything else — more than accidents, suicide or disease.<sup>1</sup> In 2013, Allstate entered into a partnership with Get IN Chicago, an organization in our hometown dedicated to developing a coordinated plan to improve safety in neighborhoods across the city.

Allstate’s initial \$5 million donation helped Get IN Chicago implement high-impact, research-based strategies to prevent violence, intervene with those at greatest risk and help make Chicago’s communities safer. In addition, Allstate CEO Tom Wilson serves as a co-chair of a campaign to raise \$50 million from other local companies for Get IN Chicago, and we donated significant staff time and expertise to develop a framework for the organization.

In 2015, Get IN Chicago is working with the University of Chicago Crime Lab and the MacArthur Foundation to offer up to \$1 million for the best idea or ideas to combat youth violence through an innovative design competition. Organizers are looking for imaginative, research-based



approaches to improve outcomes and reduce violence among young Chicagoans at risk.

**RAY LYNCH WINNER CHRISTINA SHAW SETS A STANDARD FOR SERVICE**

In the five years that she has been an Allstate agency owner in Bellmore, New York, Christina Shaw has continually supported her community — with dollars, time, education and even some muscle. The 2014 Ray Lynch Community Service Award winner has helped everyone from people needing bone marrow transplants, to wounded veterans, to children in need, to college-bound high schoolers through her volunteer efforts.

“Christina supports her community in every way possible,” Agency Operations Vice President Linda Collora wrote in her nomination form. “As a local business owner, she goes above and beyond the call of duty and is truly a face in this community, making a point to interact with, publicize and positively impact the greater good of the community and customers that live within it.”

Christina won the Ray Lynch Community Service Award in 2014, and immediately directed the \$5,000 grant that comes with the honor to one of her causes: The Susan Satriano Memorial Charitable Foundation Trust. The trust awards \$1,000 scholarships to students whose parents have succumbed to, or are fighting, cancer.

<sup>1</sup> CDC, “Deaths, percent of total deaths, and death rates for the 15 leading causes of death in 10-year age groups, by Hispanic origin, race for non-Hispanic population and sex: United States, 2011” [http://www.cdc.gov/nchs/data/dvs/LCWK5\\_2011.pdf](http://www.cdc.gov/nchs/data/dvs/LCWK5_2011.pdf)

Christina also awards her own \$500 scholarship to seniors from her high school alma mater that write essays about what it means to be a small business owner, and she and her staff give Thanksgiving baskets and Christmas gifts to children and families in need. After Sandy swept through Nassau County, Christina teamed up with The Allstate Foundation and helped plant trees, paint fences and assemble equipment for a Little Hands Playground.

Put it all together, and it's quite an ongoing legacy of service—one that's been nurtured by Allstate's companywide culture of service. "I think all of my volunteerism really started because Allstate gives you the ability to donate funds [through Agency Hands in the Community grants]," she said. "And then I figured if I'm giving them Allstate money, I should give them some of my time, too. The people I've connected with, I just want to help."

### **BRYAN FALLON: A CAMP FOR DIABETIC CHILDREN**

More than 20 years ago, while still in college and taking flight lessons to obtain his pilot's license, Bryan Fallon, an Allstate agency owner from Crestwood, Kentucky, learned that he had Type 1 diabetes. Inspired to help others who had the disease, he got a job as a camp counselor at Camp Hendon, a summer camp run by the American Diabetes Association. During his first summer working there, Fallon had a life-changing event when he saved the life of a camper who was having a low-blood sugar attack at 3:00 a.m. out in the woods. After this experience, Fallon returned each summer to work and help children learn to manage living with diabetes.

Fallon has remained committed to Camp Hendon throughout his career as an Allstate agency owner. In 2010, when the ADA decided to close Camp Hendon and combine it with another facility in southern Ohio, Fallon led an effort to save the camp. He helped to rename the facility the Kentucky Diabetes Camp for Children, establish it as an independent 501(c)(3) organization and build a board and fundraising operation to support it. Fallon now serves as the camp's president, overseeing its management and operation. But he still takes time to welcome the new campers each summer, giving

back to an organization that turned his own disease into an opportunity to work for the greater good.

### **KRYSTAL KNOLL: PREPARING TEENS FOR WORKPLACE SUCCESS**

Krystal Knoll, agency owner from Holland, Michigan, is using her skills as a small business owner to help teenagers get ready for career success.

Knoll volunteers at Wavecrest Career Academy, which provides learning opportunities for student in grades nine through 12 who struggle in traditional high school settings. She helps the teens write their resumes and conducts mock interviews. At the end of the school year, each student presents his or her career objectives, resume and a list of people with whom he or she interviewed. Knoll was a part of the panel presentation that critiqued the presentations and provided feedback, helping these students imagine achieving professional success in the future.

"Career services are my passion, mainly because it was hard for me growing up and I didn't get that help. I want to give them training for the real world so they are destined to succeed," says Knoll.



# PRODUCT INNOVATION

Innovation is a critical element of our effort to provide a complete customer experience that emphasizes service, connectedness, safety, preparedness and security.



## INTRODUCTION

By leading innovation and focusing on our customers, we're reinventing protection and retirement.

At Allstate, innovation starts with the customer. By listening carefully to what our customers are saying, through both online surveys and conversations between customers and agency owners, we gain insight into what people want and need. Our insights allow us to develop new products, new ways of communicating and new ways of improving service. We are on the leading edge of product and service innovation in our industry and beyond as we build the next generation of "connected consumer" offerings for customers.

## COVERAGE FOR ALL LIFE STAGES

No matter where our customers live, what stage of life they are in, what car they drive or what type of structure they call home, Allstate offers products and services to protect and prepare them.

Whether our customers are young people moving into their first apartments, growing families buying homes or older couples downsizing their living spaces, we offer customized insurance protection to meet their individual needs. By building a relationship with a trusted advisor, our customers can work with their agency owner and financial specialist to change their coverage as their needs evolve, protecting what's important to them in every phase of life.

## BETTER WAYS TO PROTECT CUSTOMERS' HOMES

We understand our customers' homes are often their most valuable assets and, more than that, the foundation of their lives and emotional well-being. Allstate offers customers coverage they can count on to protect their homes, delivered through an agency owner who knows and understands their needs.

Allstate customers can tailor their home insurance coverage through our innovative House & Home™ program, expanded in 2014 to 34 states. The House & Home product gives consumers the flexibility to purchase higher and lower coverage options at competitive rates. That means that if a young couple buying their first house needs less coverage to protect that starter home, they can obtain the most appropriate coverage for their needs — no more, no less. And if an established household needs additional coverage to protect a newly finished basement, the customer can opt for an expanded policy.

House & Home also includes an optional Green Endorsement feature, which allows policyholders to replace damaged items — such as appliances, flooring and key structural items — with more environmentally friendly ones.

Finally, we're testing ways to help customers protect their homes before misfortune strikes. Through our Home Checkup program, an Allstate inspector completes an in-home review personalized to a customer's home-care goals and then collaborates with the homeowner to create a customized report, complete with photos and maintenance considerations.

Allstate wants to help homeowners identify changes they can make in their homes today, helping them prevent big problems tomorrow. This preventative approach means our customers are protected today, and can potentially lessen their risk of damage or loss in the future.



## SIMPLIFYING THE CLAIMS PROCESS

Customers who file claims are often under tremendous stress, in many cases having just suffered significant damage or injury. Our goal is to make filing a claim as fast, fair and easy as possible, and in 2014, we tested ways to streamline that procedure for auto liability claims.

We began with a comprehensive review of our auto liability claims process that we call End 2 End. We identified each interaction between customers and Allstate employees and evaluated them through the lens of both customers and employees. In doing so, we created a new claim experience by limiting the number of claim professionals that each customer had to contact to resolve his or her claim.

Through the End 2 End process redesign work, we found that we were able to reduce the number of different claim professionals the average customer dealt with from 4.5 to 2.1 on average. We did this by creating a claim owner that assumed an expanded claim-handling role. The claim owner became responsible for all aspects of the claim settlement, including:

- Reaching an agreement on liability with the at-fault insurance carrier and for expediting the customer deductible upon agreement
- Informing insureds and claimants when supplemental damage to their vehicles is identified and explaining the impact to repair time and rental car extension



- Incorporating the explanation of medical payment or personal injury protection coverage and process as part of the initial loss fact-gathering contact rather than having a medical specialist perform the explanation

Customers have reported an increase in satisfaction, and employees, who are now empowered to serve those customers in a broad, holistic manner, are developing additional claim-handling skills. We will be implementing these process changes in the second and third quarters of 2015, and a similar effort with property claims will begin in 2015 as well.

Employees who work with customers every day have important insights into how to better serve them. To capture these insights, Allstate implemented a continuous improvement initiative to identify opportunities for an enhanced claims process. To date, 1,800 employees across our claims organization have participated in coaching sessions, team meetings and brainstorming gatherings.

**Technology also makes processing claims simpler and easier:**

- Allstate’s **QuickFoto** application now allows roughly 600 customers a day to file auto claims by snapping a photo with their smartphones. Using the app, customers can take pictures, submit a claim and receive payment, typically within a few days.

- In 2014, all Allstate claims adjusters were assigned iPads to enable them to use **FaceTime** video-calling capabilities, as well as wireless printers, to allow them to facilitate more immediate on-site settlements. Customers who live in remote rural areas, or who are isolated by a disaster’s damage to roads, bridges and other infrastructure caused by natural disasters, can now communicate directly with adjusters, using videos to document their claims for rapid settlement. We even used the technology to help an American soldier on tour in Afghanistan settle a claim back home (see sidebar).
- **Fast Mobile e-Payment**, launched in 2014, sets a new industry standard for fast, easy claims payment. Fast Mobile requires only an email address or mobile phone number in order to process a digital payment, eliminating the wait time and paper waste that can occur with “snail mail” and lost checks. The new solution is faster than all existing payment methods, including an electronic funds transfer. It is now available across the U.S. and works with any bank for all Allstate auto and property insurance claims that have a single payee.

**BRINGING AN ACTIVE-DUTY SOLDIER INTO THE CLAIMS CONVERSATION**

In March 2014, a violent storm rained golf ball-sized hailstones down on Killeen, Texas, causing extensive damage to cars and homes throughout the region. Allstate claims adjuster Mia Lawrenz began working immediately on the claims in her area. Though many customers had significant issues, Mia was especially struck by the situation that one family faced: The husband was on active duty in Afghanistan when the storm hit, damaging his home’s roof.

“The couple were both very appreciative of the time I took to cover the claim process from beginning to end. After the [FaceTime session] had ended, Jennifer expressed her gratitude for taking the time to go over it a second time.”  
—Mia Lawrenz, Allstate Claims Adjuster

When the soldier's spouse seemed uncomfortable navigating the claims process alone, Mia arranged a FaceTime meeting to connect her with her husband and allow them to view the damage and make decisions about repairs as a couple. During their FaceTime session, Mia covered information about the claim and provided the couple with tips and tools on the best way to handle the next steps. The couple was able to ask questions together and get immediate answers. By the end of the call, they had a clear plan in place to repair the damages.

### IMPROVING ACCESS TO INFORMATION

Using data in innovative ways can provide increased protection for our customers. Here are some of the ways our customers benefited from improved information flow in 2014.

- **Connected Home:** Customers in Nevada and Utah now receive discounts on their home policies if they install a Connected Home monitoring device that provides information about intruder alarms, smoke detection, carbon monoxide leaks, lighting, temperature level and appliance usage. Although we are still developing this technology, we are actively exploring partnerships with other Connected Home suppliers to extend this protection to more customers.
- **The Allstate Digital Locker®:** The Allstate Digital Locker® application allows customers to keep an online inventory of all of their personal property, accessible instantly via phone or Internet connection, to expedite the claims process in the event of a fire, natural disaster or other event.
- **Drivewise:** We expanded Drivewise, the innovative program that rewards customers for safe, responsible driving behavior. Through a mobile app or plug-in device, customers are informed of their risky driving behaviors such as making sudden stops, driving at high speeds and driving late at night, and can earn cash back on their insurance for driving safely. We are proud to be the first major U.S. insurance company with a mobile app to reward safe driving. At year-end 2014, Drivewise was available in 46 states, up 16 from 2013.

<sup>1</sup> "Hail," Insurance Information Institute, <http://www.iii.org/fact-statistic/hail>

### RESPONDING TO FLOODING IN NEW YORK STATE

A connected workforce can share information quickly, meaning Allstate can serve our customers more effectively when disaster strikes. That was the case in August 2014 when one of our Allstate offices began receiving calls about damage to cars after historic flash floods in Long Island and New York City. Because of internal process improvements across the company, that office was able to immediately notify the appropriate local Allstate office in New York, whose team could initiate immediate action to see that customer claims were speedily resolved.



### HAIL DAMAGE DETECTION

Severe storms over the past several years have driven a dramatic increase in automobile hail-damage claims. In 2013, the last year for which data was available, the Insurance Information Institute found that hail caused some \$1.2 billion in property damage, more than any other natural disaster except tornadoes.<sup>1</sup>

Being able to accurately and expeditiously help customers who have suffered hail damage to their vehicle is critical after a customer experiences a loss. Allstate tested hail detection technology via high-resolution scanners in 2014. A Mobile Assessment Center (MAC), composed of multiple cameras and sensors, was developed in 2015. These centers count

the dents and determine the severity of damage, creating an accurate repair invoice in less than five minutes. The MAC will be used in 2015, allowing us to serve customers faster shortly after a storm event.

## EMERGING TRENDS

The technology landscape is rapidly changing with the emergence of new technologies, the sophisticated use of data and consumer demand. Customers expect that companies understand their unique needs and are able to service those needs in a hassle-free and seamless experience. Through strategic planning along with partnerships with academia, industry groups and research consortiums, we invest in developing new capabilities in the areas of people, process, information and technology to create innovative solutions to improve the claim experience for our customers and through that, continue to create competitive advantage in loss costs and expense management. Our current areas of focus include:

- **Customer Preference:** We are looking for ways to interact with customers in the way they choose, employing integrated communication capabilities to enable customers and employees to move from a channel of personal interaction to digital interaction seamlessly throughout the claim experience.
- **Data and Analytics:** Our team continually develops new ways to model, predict and inform our processes and outcomes. We use critical data and data patterns to understand customer needs as well as augmented intelligence to develop data-driven decisions around repair cost.
- **Virtual Interactions:** Customers, agents, partners and claim professionals interact dynamically using a combination of voice, video, photo, data, annotation and documentation sharing. This allows us to serve customers, handle claims and knowledge share among claim professionals seamlessly. We are currently exploring ways to use drones and drone technologies in our business.
- **Digital and Mobile:** We look for new ways for customers, agents and employees to engage, access expanded services and have control over their claim experience, as well as new tools for our employees to improve the efficiency of their day-to-day workflow.

# PROTECTING AGAINST FRAUD

We are committed to identifying claims with a strong likelihood of fraudulent activity.



## INTRODUCTION

The Coalition Against Insurance Fraud estimates that fraud costs insurance companies at least \$80 billion a year, a sum that is passed along to consumers in higher premiums.<sup>2</sup>

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

## LEVERAGING BIG DATA

Sophisticated models, developed by our Special Investigation Unit (SIU), help us spot fraud in the marketplace. That fraud can be simple, involving only one or two criminals, or complex and interconnected, with dozens of people working in tightly coordinated rings to collect on fraudulent insurance claims.

We continually update these models to ensure our investigators have access to the best possible data at any given time. After a recent overhaul, for instance, we shortened the time it took to refresh our databases with new information from 96 hours to just under five hours. That allows our investigators to catch criminals quickly, before they've had a chance to rack up big claims.

## PROSECUTING CRIMINALS

The combination of cutting-edge data analysis and experienced field investigators has had a powerful impact in combatting fraud. In 2014, we submitted 30 civil actions against fraud perpetrators, seeking damages of more than \$56 million.

<sup>2</sup> Coalition Against Insurance Fraud, website: <http://www.insurancefraud.org/the-impact-of-insurance-fraud.htm#VTIN6SFViko>

### BIG DATA AS A FORCE FOR GOOD

Big data is a force for good in preventing insurance fraud, but can it also keep you from getting a stomachache? Maybe. For the past two years, Allstate's Quantitative Research & Analytics (QR&A) data analysis team has been helping the city of Chicago develop data models to predict and optimize where to inspect for food poisoning in the 15,000 restaurants that serve its millions of residents and visitors every year. By using data models provided by Allstate, the City of Chicago was able to find critical violations earlier than it could otherwise, enabling it to protect Chicago citizens from food-related illness more effectively.

# INVESTMENT AND ASSET MANAGEMENT

Allstate Investments manages a total portfolio of approximately \$80 billion in assets on behalf of Allstate businesses and pension plans.



## INTRODUCTION

These assets are invested to support Allstate's claims-paying abilities in home and auto insurance and to provide financial security to policyholders through our life insurance and annuity products. While our portfolio is primarily invested to generate competitive returns while keeping risk to appropriate levels, we are proud to also incorporate social responsibility into our overall approach.

To manage these investments, our seasoned 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.

We manage these investments to produce solid returns and meet business objectives that may also advance social goals like environmental protection, home ownership, community development and creating opportunities for diverse talent.

Of the total portfolio, roughly \$900 million is invested in socially responsible investments. As of 2014, these investments include \$52 million of fixed income; equity and other assets; a low-income-housing tax credit (LIHTC) portfolio of \$560 million; and a renewable energy portfolio of \$236 million. The portfolio also includes approximately \$50 million of commitments out of a total \$100 million allocation to invest in a new Diversity Emerging Managers program.



## NURTURING DIVERSE TALENT IN ASSET MANAGEMENT

Women and minorities are underrepresented in many areas of the labor force, but perhaps nowhere so starkly as in the private equity and real estate private equity investment sectors. We designed Allstate's Diversity Emerging Managers program to identify the next generation of top-performing women and minority investment managers, and in 2014, the program made significant progress toward that goal.

Allstate's partner, Grosvenor Capital Management, identified a number of highly qualified women- and minority-owned firms for consideration in the program. Allstate ultimately committed \$50 million of the \$100 million allocated in 2013 to five minority- or women-owned firms, three of which focus on private equity and two of which invest in real estate.

These are multiyear commitments to the managers we have chosen, and we will be monitoring performance closely as funds are invested and returns realized. We expect to invest the remaining \$50 million in 2015.

In addition to the capital commitment, the firms will receive business development training from Grosvenor Capital Management to help the firm build expertise in management, finance, marketing and other areas that will allow them to grow and evolve their investment practices and framework to institutional-quality levels.

## BRINGING ON AN INVESTMENT PARTNER: ESTANCIA CAPITAL

The post-credit crunch years, from 2008 onward, have been tough ones for new private equity funds, with many institutional investors cutting back on allocations to all but the most time-tested managers. Estancia Capital's Michael Mendez says this was the climate in which his fund existed when he began raising money for it in 2010.

Because Mendez is Latino and his partners Asian, Estancia qualified for investment from Grosvenor Capital (then Credit Suisse), one of Allstate's partners in the Diversity and Emerging Managers program. Grosvenor offered to commit \$25 million if Estancia was able to raise an additional \$75 million. In January 2014, Allstate committed \$9 million to the fund, negotiating terms that were beneficial to all investors. Shortly after Allstate's investment, two other key partners invested as well. By the time Estancia's fund closed, it had \$180 million to invest.

According to Mendez, Allstate's involvement has been a game-changer: "Allstate's investment helped us get to the next level, giving our firm recurring revenue that allowed us to add two new senior members to our team."

"While we recognize that the private equity and private real estate sectors have low women and minority representation, we were encouraged that there were so many solid candidates for the program. We have established relationships with exceptional young firms that will provide long-term investment return potential, while establishing Allstate as an innovator and catalyst for social change. We are proud to open doors for these exceptional managers and give them the opportunity to demonstrate their potential." —Edgar Alvarado, Allstate's Group Head of Real Estate Equity

## IMPACT COMMUNITY CAPITAL

Allstate has been an investor in Impact Community Capital (ICC), which invests in low-income housing in California, since the program's inception in 1998. The program was founded to create socially responsible insurance company investments in California's low-income communities. Over its 16-year history, the organization has financed almost 28,000 affordable housing units nationally, including multifamily, senior and special needs units. It is currently committed to funding another 15,000 affordable units over the next two years.

Since 2000, Allstate has helped Impact Community Capital increase its ability to finance affordable housing by investing in securitized loans packaged by its Impact Community Impact Loan (Impact CIL) affiliate. Impact CIL purchases mortgage loans on newly constructed or rehabilitated affordable multifamily housing properties, most of which are eligible for Low Income Housing Tax Credits (LIHTC). When the mortgage pool reaches an optimal size, the loans are securitized. Under the Community Impact Loan Program, Impact CIL has provided more than \$600 million of financing on project loans containing more than 20,000 low-income housing units.

"Securitization enables us to recycle the capital Allstate and other investors have made available for the affordable multifamily mortgage loan program," said Impact President and CEO Dan Sheehy. "Through it, we can multiply the amount of affordable housing made available to low-income and moderate-income individuals and families."

# SUPPLY CHAIN

At Allstate, we recognize that the goods and services we buy, and whom we buy them from, help shape the world we live in.



## INTRODUCTION

As a result, we integrate diversity and sustainability criteria into all our purchasing decisions, using our procurement budget of more than \$5.8 billion a year to be a force for good. How? Suppliers who share our commitment to safeguarding the environment and supporting our communities become our valued partners. Emerging businesses that can create jobs and economic growth in disadvantaged neighborhoods receive training and business opportunities from us. And we learn continually from our suppliers, as they do from us, about better ways to achieve our goals.

## EMERGING CHALLENGES

Our supply chain programs are continually evolving to reflect emerging trends in diversity and sustainability.

- Millennials are the most diverse generation of Americans ever, and harnessing their talent and energy will require an increased focus on inclusiveness. This generation is also among the most entrepreneurial in recent memory.

Many of them will not be joining corporate America, but rather starting their own businesses, so we need to adapt our supply chain infrastructure to interact with start-ups and other nontraditional structures.

- Minority-owned businesses will continue to be catalysts for renewal in underserved neighborhoods. Helping these businesses grow and develop can have impact on whole communities.

## ENVIRONMENTAL IMPACTS

In 2014, we significantly increased our focus on supplier environmental sustainability, adding sustainability requirements into key supplier contracts and incorporating sustainability criteria into relevant supplier scorecards. We also continue to proactively encourage our suppliers to adopt sustainable business practices such as energy-, emissions- and paper-reduction efforts. As a result, a core group of our suppliers are asked to report such efforts to us each year. To learn more, visit our [Supplier Code of Conduct](#).

We also sought to understand where our strategic suppliers stood on a variety of sustainability criteria so that we could set benchmarks for future progress. In 2014, we asked roughly 150 of our most strategic suppliers to complete a sustainability survey for the first time.

From the survey, we gained insight into the environmental programs of several of our strategic partners, including sustainability leaders such as Accenture, AT&T and Marriott.

Our supplier survey found that among our key partners:

- 42% produce annual corporate responsibility reports
- 73% have environmental and sustainability policies
- 50% have formal sustainability goals and measurements
- 69% measure reduction in paper consumption
- 42% report greenhouse gas (GHG) emissions to the CDP
- 31% have completed a sustainability materiality assessment

We see from the survey that there is room for improvement, even among the most forward-looking suppliers. We hope over the next several years to also use the survey as a tool for sharing best practices and advocating for continued progress among our partners. Just as important, the survey signals to our suppliers that sustainability is important to Allstate and sets expectations for the future.

In 2015, we plan to build on our progress by developing a sustainability road map for key suppliers, which will include educational and training resources on sustainability practices for the most strategic suppliers in every supply chain category.

## SUPPLIER DIVERSITY

This year, Allstate's total spend with diverse businesses increased by \$30 million — to a total of \$439.6 million — in a period of strong growth for the company. Although we continued to emphasize supply chain diversity, the increase in purchasing spend slightly outpaced our spend with diverse suppliers. Our diverse spend slipped slightly to 8.2 percent in 2014 from 8.3 percent in 2013. However, within this context, spending with both veteran- and lesbian, gay, bisexual and transgender (LGBT)-owned suppliers increased. We remain committed to our long-term goal of 9 percent diverse spending.

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

- The National Gay and Lesbian Chamber of Commerce (NGLCC)
- The National Minority Supplier Development Council (NMSDC)
- U.S. Pan Asian American Chamber of Commerce Education Foundation (USPAACC)
- The Women's Business Enterprise National Council (WBENC)
- The Department of Veterans Affairs (VA) Center for Veterans Enterprise Vendor Information Pages (VIP) database

Allstate recognizes minority, women and veteran enterprises as those that are at least 51 percent owned and operated by minorities, veterans or women. Minority supplier include: LGBT, African-American, Hispanic-American, Native American, Asian- and Pacific Islander-American (Asian-Indian included)

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

- Minority/Women-Owned Business Enterprises (M/WBEs)
- Minority-Owned Business Enterprises (MBEs)
- Women-Owned Business Enterprises (WBEs)
- Disabled Business Enterprises (DIS)
- Disabled Veterans Business Enterprises (DVETs)
- Disadvantaged Business Enterprises (DBEs)
- Historically Black Colleges or Universities (HBCUs)
- Historically Underutilized Business Zone (HUB Zone)
- Small Business Administration 8(a) Program (SBA8(a))
- Small Disadvantaged Business Enterprises (SDBs)
- Veteran-Owned Business Enterprises (VETs)
- Small Business Enterprises (SBEs)
- Lesbian, Gay, Bisexual, Transgender-Owned Business Enterprises (LGBTQs)\*

\*Additionally, Allstate includes businesses certified by the National Gay and Lesbian Chamber of Commerce (NGLCC) as owned by a member of the LGBT 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 the:

- National Minority Supplier Development Council
- Women's Business Enterprise National Council (WBENC)
- 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

#### **Industry Recognition**

Our supply chain diversity efforts were recognized by two respected external organizations in 2014. Allstate was named to The Women's Business Enterprise National Council's 15th annual list of America's Top Corporations for Women's Business Enterprises. Allstate received WBENC's Bronze award for the year, which honors corporations for leading supplier diversity programs that are breaking down barriers and proactively integrating women's business enterprises into their supply chains. In addition, in early 2015, Allstate was nominated for its work in 2014 as a top corporation for LGBTQ by the NGLCC.

#### **TRAINING THE NEXT GENERATION OF DIVERSE SUPPLIERS**

Small businesses are a catalyst for economic growth, job creation and social stability in disadvantaged communities. At Allstate, we know this to be true — we are a national network of small businesses and seek to provide the best small business opportunities in America. Minority business owners often stay in their communities, supporting neighborhood organizations and hiring local employees. By recognizing and developing diverse entrepreneurial talent, Allstate helps support real, sustainable improvements in underserved areas. In fact, we view programs like our annual Supplier Diversity Exchange and our diverse-business mentoring as essential complements to programs like Get IN Chicago that address urban violence.

Allstate hosted its seventh annual Supplier Diversity Exchange on October 13, 2014. The theme of the event was "Pitch to Win." Fourteen diverse companies attended, pitching their businesses to a panel of Allstate decision-makers responsible for the purchasing of goods and services, as well as to Allstate strategic partners and suppliers. Several participating companies have already received business from Allstate suppliers since the event.

Mentoring can be critical in helping promising new businesses build the management, marketing and financial systems that can allow them to achieve their potential. In 2014, we selected 11 diverse business owners for mentoring,



up from 10 in previous years, offering them coaching, training, education, access to resources and networking opportunities. We also expanded the pool of eligible companies to include start-up companies, allowing us to include a very exciting new company called Servabo.

### SERVABO: MENTORING AN EMERGING BUSINESS TO REACH NEW HEIGHTS

Nishana Ismail and Tim Deppen were both engineering students at the University of Illinois when they learned that many female college students were afraid of being attacked as they walked home on campus late at night. These students had good reason to be wary: Roughly one in five college women become targets of attempted or completed sexual assault while enrolled, according to a 2007 study by the U.S. Department of Justice.<sup>3</sup>

In response, Ismail and Deppen invented Shadow, a small, Bluetooth-enabled personal safety device that can be worn in different configurations like key chains, wristbands and other personal accessories. By clicking a button, users can send a message and their location to selected contacts.

Servabo was one of 11 new companies identified last year by the Illinois Science & Technology Coalition's Corporate-Startup Challenge to compete for Allstate funding and partnership. The panel, which included Allstate CEO Tom Wilson and senior members of the executive team, loved the product and immediately saw how it could align with Allstate's mission to protect people, especially victims of domestic violence. But at the time of the competition, Servabo was still too new and lacked the manufacturing and operational infrastructure to become a supplier for Allstate. The company was instead selected for the Allstate Mentoring

Program. Allstate Roadside Services worked with Servabo's entrepreneurs to help them build the capabilities and infrastructure that would take them to the next level.

In 2015, Servabo was able to launch a crowdfunding campaign to provide financing for a large-scale launch of their product. The campaign generated a lot of interest and support, and we are currently working with international partners to bring Shadow to markets worldwide.

### JIMMY JAMM'S SWEET POTATO PIES: A NEW FACE ON MAIN STREET

In 2013's report, we introduced readers to Mrs. Wright's Popcorn, a much-loved supplier of gourmet popcorn on "Main Street" at Allstate's Northbrook campus. Allstate originally found Mrs. Wright's while looking for another supplier from the same neighborhood on Chicago's South Side. Jimmy Jamm's Sweet Potato Pies' owners, Harold and Jimmy Ferguson, declined at first to participate in the Main Street initiative and sent us over to Mrs. Wright's. But over the course of a year, the Fergusons heard a lot from Frances and Cedric Wright about their successful partnership with Allstate. Today, both suppliers sell their snacks on Main Street.

### LIBERTY & CHURCH: EXPANDING INTO CHICAGO AS A RESULT OF ALLSTATE PARTNERSHIP

Liberty & Church, an LGBT-owned digital and print communication design company, graduated from the Allstate Mentoring Program in 2012, and the lessons that Founder and Managing Partner Robert Raasch learned in the program have continued to pay off. The training that Allstate mentors provided on information technology, marketing, leadership development and human resource management has allowed Raasch and his business partner, Brian Porea, to grow their San Francisco-based business, add staff and attract new clients. In 2014, Liberty & Church opened a second office in Chicago, not far from Allstate's corporate office, which has become a major client.

<sup>3</sup> U.S. Department of Justice study: <http://www.aauw.org/resource/campus-sexual-assault-talking-points/>

# INCLUSIVE DIVERSITY

At Allstate, our inclusive diversity programs help us recognize the value of contributions from all of our stakeholders. We're proud of our workforce's diversity.



## INTRODUCTION

Individuals thrive and perform at their highest levels when the environment welcomes different perspectives, backgrounds and cultures. Studies have shown profound links between inclusive diversity and innovation, employee engagement and community involvement. At Allstate, leveraging the collective mixture of individual differences and similarities improves business outcomes for our workforce, the marketplace and our communities. We recognize the value of contributions from all of our employees, agency owners, financial specialists and stakeholders, regardless of their race, gender, age, sexual preference or other characteristics.

“We highly value inclusive diversity because when you bring people with different experiences together, you generate more creativity, broader perspectives to solve difficult problems, and better business results for our shareholders and customers,” said Mike Escobar, Vice President, Diversity and Organizational Effectiveness.

We take pride in the diversity of our workforce. Fifty-six percent of our employees are women and 33 percent are minorities. Among agency owners, 25 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 22 percent are minorities.

In 2014, Allstate was included in *DiversityInc's* Top 50 Companies for Diversity® list for the fourth year in a row. Companies in the *DiversityInc* survey are rated in four categories: Talent Pipeline, Equitable Talent Development, CEO/Leadership Commitment and Supplier Diversity. To be included on the Top 50 list, companies must score above average in all four areas and demonstrate strong consistency across the board in their diversity management initiatives. Allstate ranked 37 out of over 1,200 global companies, earning recognition for our strong leadership commitment, mentoring program and Employee Resource Groups (ERGs).

**SURVEY RESULTS  
DEMONSTRATE INCLUSIVENESS**

Our employees also continue to tell us they feel valued and included through our annual VOICE survey. Allstateresponded positively again this year when asked if they agreed with statements including: “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.”

This year, Allstate employees in Northern Ireland and India were included in the VOICE survey for the first time. We found some pockets of opportunity to increase diversity awareness in both locations, where women and minority workers felt less able to contribute ideas or make career progress. Standards and expectations around inclusive diversity vary across cultures and geographic locations. We hope to address these issues over time, while remaining sensitive to local customs.

**EMPLOYEE RESOURCE GROUPS**

Our Employee Resource Groups (ERGs) provide Allstateresponders with opportunities to connect with colleagues, grow personally and make a difference for our company and our communities. In 2014, these groups grew to include more than 6,500 members, doubling participation in just three

years. Participation has also spread beyond our home office campuses to regional locations throughout the U.S.; there are now 57 ERG chapters.

Today, more than 20 percent of Allstateresponders participate in one or more of the following ERGs:

- 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
- PWT, Parents Working Together
- YPO, Young Professionals Organization

As these groups have grown, their purpose has evolved beyond networking and career development. For example:

- Allstate Veterans Engagement Team and Supporters partnered with Agency Operations on the Military Veteran Licensed Service Professional (LSP) Insurance Training Program, helping train about 80 veterans to become LSPs in Allstate agencies.
- The Professional Latino Allstate Network (PLAN) partnered with our talent acquisition team to refer Latino professionals for openings. PLAN has a dedicated email address to which members can send referrals. The group also sponsors and coaches candidates through the process. PLAN had the most referrals of any ERG in 2014 and was rewarded with additional funding for its 2015 recruiting efforts.
- 3AN, Allstate’s Asian-American Network, provides language support and feedback on cultural relevancy to business units that create materials for Asian customers. A special group within 3AN volunteers for language review and focus group sessions to help develop Asian-targeted marketing programs and communications.





ERGs have also been actively involved in community outreach, volunteering a total of 14,000 hours in 2014. Many of the groups focus on youth empowerment. For instance, the Young Professionals Organization (YPO) mentors Allstate interns and works with POSSE Scholars, a group of talented, diverse students selected by the POSSE Foundation for four-year, full-tuition scholarships at its partner colleges. These individuals are expected to act as catalysts for change at the colleges they attend.

### LEADERSHIP TRAINING AND PIPELINE DEVELOPMENT

Diversity is built into all of our leadership training, as we work to develop the next generation of inclusive leaders. We continue to cultivate a diverse talent pipeline, particularly in business areas that have historically been less diverse. In 2014, our diverse hiring increased by 10.5 percent compared to 2013 levels, and promotions of diverse staff increased by 6.5 percent year-on-year. Allstate also increased retention of diverse employees, reducing turnover among these employees by 2.3 percent in 2014.

### IDEA BLITZES FOR INNOVATION

Creativity flourishes when everyone's ideas are considered equally, so we see a culture of inclusiveness as critical to Allstate's ability to innovate. In 2014, we began to harness the power of diverse thinking through regularly scheduled "idea blitzes." In these sessions, people from every area of our company, from a variety of backgrounds, joined together to brainstorm ways to solve business problems.

That effort has blossomed into a grassroots campaign to champion innovation, driven by an idea to provide a forum that will allow all employees to bring their ideas to the table. Our Senior Vice President of Innovation, Howard Hayes, oversees this new group and brings in senior officers as an advisory council. Although the initiative is still evolving, we hope it will unearth many valuable insights into ways to serve our customers more effectively and manage our business more sustainably.



### EMBRACING DIFFERENCE IN SEXUAL ORIENTATION

When David Boyd, Subrogation Claims Service Specialist, was looking for a new career in 2012, he expected to struggle finding a workplace in the South where he could be open about his sexuality. He said, however, that from his first interview, leadership at Allstate's offices in Birmingham, Alabama, and Atlanta have shown him only support.

Today, David keeps a picture of his husband on his desk, and reveled in his coworkers' excitement as the couple planned their wedding last April. He loves coming to work and sharing stories with a colleague who is Hindu, saying they learn through each other's experiences.

"I grew up [in Birmingham]; we're supposed to be backwoods and closed-minded," Boyd said. "But when I came to Allstate, I was blown away at the level of diversity through the whole building. I said, 'This is fantastic. This is the type of company I want to be with. I understand why people stay here 30, 40 years.'"

# EMPLOYEE ENGAGEMENT

Employees at Allstate give their all to supporting agency owners and financial specialists and driving our company's success.



## INTRODUCTION

We support our employees and, by extension, our customers by providing resources to support them in being physically energized, emotionally connected, mentally focused and financially strong. We also provide employees access to a multitude of career development options and resources allowing each individual to pursue their personal career objectives.

## SURVEY RESULTS

Employees are a Force for Good at Allstate as they share their insights into how the company can improve all aspects of our operations. We want to know what employees think about the company, what they think Allstate is doing well and where they would like to see improvement. One way that employees share those insights is through our annual VOICE survey, which measures employee opinions on 11 categories pertaining to the work experience at Allstate. In addition, Allstate conducts two "Good Work" surveys and two "Good

Life" surveys to obtain more in-depth insights about our work environment and employee well-being.

In 2014, the VOICE survey showed continued high levels of engagement among Allstate employees. Eighty percent of Allstaters participated in the survey in 2014, up 2 percent since 2013. Respondents gave Allstate a 75 percent or higher favorable rating on 10 out of 11 survey categories. (Rewards and Opportunity came in slightly below this level.)

Allstate also outperformed its competitive benchmark on 27 out of 29 survey items for which a benchmark was available; the Mayflower Group, a consortium of 42 companies that employ at least 7,500 employees and administer robust employee opinion surveys, sets these benchmarks. This was the first year Allstate's business units in India and Northern Ireland were included in the VOICE survey, allowing us to view global trends in engagement and satisfaction.

The survey demonstrated how strongly employees identify with the company's strong commitment to customers. Employees ranked their company highest for Customer Focus, with an 86 percent favorable rating. They also responded more positively to the statement "I have a clear understanding of my customers' needs" than to any other item in the survey, with a 95 percent favorable rating. This item was also a key driver of morale. Employees also felt very positively about Allstate's Inclusive Diversity, with an 85 percent favorable rating. Attitudes about top leadership, employee benefits, having the resources to do quality work and confidence in Allstate's strategy all showed significant improvements over 2013 results.

The survey also highlighted a strong connection between employee engagement and business results. Internal research shows that Allstate employees who score higher on the VOICE Engagement Index are less likely to voluntarily leave the company, are more likely to receive high performance ratings and achieve, on average, higher customer service ratings.

### ATTRACTING AND RETAINING EMPLOYEES

Over the past several years, the labor market has improved dramatically, driving increased competition for the best, most qualified workers. In the 2014 VOICE survey, about three-quarters of Allstate employees report an "intent to stay," a figure that is in line with that of our corporate competitors but down slightly from previous years.

Employees stay when they know that they have great opportunities inside the company. For the past several years, we've focused on growing our internal recruiting effort through the Enterprise Talent Market, which better enables current employees to apply for positions throughout the company. Since 2011, internal hiring has doubled from about 20 percent to 40 percent.

Employees with good prospects for salary increases and increasing responsibilities in their current positions are also more likely to stay with the company. In 2014, to provide better incentives for entry-level professionals and claims adjusters, we increased the number of salary bands from

four to seven. This will allow for more frequent promotions for talented new employees.

### REWARDING GREAT PERFORMANCE

Allstate had a terrific year in 2013 and to celebrate, we kicked off 2014 with an enterprise-wide event called Rally for Good.

Allstate also kicked off the Be a Force for Good program in 2014, a grassroots, peer-to-peer recognition of extraordinary customer-focused performance. This year, some 6,000 employees nominated their peers for the award. Winners, representing a quarter of Allstate workers, were eligible to receive prizes. More importantly, the contest showed how deeply the Force for Good idea is embedded in our company's culture.

### GOOD WORK. GOOD LIFE. GOOD HANDS.®

People do their best work for customers when they feel good themselves. That's why Allstate employees have access to a full array of market-competitive benefits to support their physical health, financial security and work-life balance.

For instance, we know people are more likely to make healthy choices like exercising, eating right and getting checkups when they are influenced by their peers to do so. We have a network of over 200 well-being champions throughout our organization. These employees are empowered to create a culture of well-being in over 100 Allstate offices.



We also recognize that people take better care of themselves when they have the tools to participate in their own health decisions. This year, 28,742 Allstaters took part in online health self-assessments, which can help employees identify their strengths and potential problem areas and help them initiate a productive conversation with their doctors. Over 3,200 employees took advantage of health coaching to work on any issue of their choice, such as reducing stress or changing food habits. Employees and spouses earned 54,860 wellness incentives.

Financial well-being is just as important as physical well-being in supporting employees' ability to do their best work. In 2014, we made a major overhaul to our retirement plan, offering all employees a fixed match of 80 cents for every dollar they contribute to their 401(k), up to 5 percent of one's salary, while shifting all employees to a cash balance pension plan. Prior to this change, some employees had a defined contribution pension benefit and some had a cash balance pension benefit. This change puts all employees on the same footing and brings Allstate's benefits in line with competitive norms. Employees have responded very positively: In the VOICE survey, satisfaction with retirement benefits rose significantly after the shift.

Allstate also continued to provide financial well-being seminars, a financial well-being self-assessment and telephone counseling for employees. In 2014, for the first time, we offered all employees basic life insurance coverage of up to \$100,000 at no cost and no underwriting qualifications.

### SUPPORTING AGENCY OWNERS AND FINANCIAL SPECIALISTS

Agency owners, financial specialists and agency staff are Allstate to our customers. 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 individuals our customers seek out when disaster strikes. And they are entrepreneurs who play an outsized role in their communities, dedicating their time,

money and knowledge to making life better in towns all across the U.S.

Because agency owners and financial specialists are so important to our customers, Allstate provides them with comprehensive support. Our goal is to make owning an Allstate agency the best small business opportunity in America, and we made significant headway in 2014.



In 2014, overall satisfaction among exclusive agency owners increased by 3 percent to 78 percent. Satisfaction among exclusive financial specialists stayed constant at 70 percent, while satisfaction among Allstate Independent Agencies saw a gain of four points to 90 percent.

### Upgrading Capabilities

In 2014, we continued our work to increase agency owners' capacity and efficiency through enhanced technology offerings. For example, eAgent, an online agency management system, gives agency owners and financial specialists a more holistic view of their businesses, as well as better insight on the household solutions customers may need. Today, more than 80 percent of Allstate agencies utilize this optional system.

Another area of focus was cybersecurity. In 2014, we launched a program called Agency Desktop Reinvention to upgrade the hardware and software at all agency locations. Allstate provides agency owners with all the resources and technology expertise needed to guide them through the process. It's a major push to further protect all of our customers' data and personal information.

## Facilitating Engagement

Agency owners and financial specialists are our public face in the communities where they live and work, and they often take active roles in local charitable organizations. In 2014, we began to restructure our social impact programs, including Teen Safe Driving and Purple Purse Domestic Violence Awareness, to give agency owners and financial specialists the opportunity to activate these programs in their communities. Agency owners and financial specialists will also take charge of local youth empowerment activities through our new partnership with Free the Children and We Day.

## Recognizing Excellence

In 2014, Allstate recognized exceptional achievement and engagement in communities among agency owners and financial specialists through the Ray Lynch Community Service Award.

## Enhancing Education

We are also enhancing the education we give new agency owners to enable them to become even more successful business owners from the start. In 2014, we tested a number of different approaches through pilot programs. In one pilot, new agency owner candidates worked closely with an experienced agency owner. In other pilots, new agency owner candidates spent time interacting with customers and prospective customers in Customer Care Centers. These new approaches are intended to help agency owners learn more quickly through real-world insights and best practices and increase the overall level of service they provide to customers.

## MANAGING STRESS WITH THRIVE WEEK

According to the 2013 Wellbeing Assessment, stress was the No. 3 health risk factor for Allstate employees (behind body weight and blood pressure), as it is for many adults across the country. In November 2014, Allstate Good Life partnered with the Good Work team and the ERGs to engage employees in various seminars and webinars about how to manage



stress. The Thrive Week program featured one speaker per day, addressing topics that included optimism, positivity, overcoming adversity, feeling overwhelmed and meditation.

Elizabeth Smart, whose kidnapping and sexual assault survival story gripped the nation, gave a stirring talk about overcoming adversity. Nearly two-thirds of Allstaters surveyed about the program said that Smart's presentation was the most impactful.

"Life throws us many 'curveballs,' but there is this wellspring of hope within us that we can nurture to escalate into a waterfall of action. Thank you, Allstate, for hosting Elizabeth! I'm proud to work for this company that values employee well-being in all aspects!" — Mary Varughese, Project Manager at Allstate

More than 4,000 Allstaters participated in Thrive Week, either in person or through Allstate TV, and over 86 percent said that the event had helped them manage stress in their own lives.

"I will strive to react to stress differently so it does not control me. My plan is to take a lunch break (rather than working through all of the time) and breaks for deep breathing and calming thoughts." — Susan Tipre, Senior Analyst, Allstate Financial

## RUNNING FOR HEALTH AT ALLSTATE HEADQUARTERS

On your mark, get set, go: In September 2014, more than 1,600 Allstaters toed the line at the Sprint & Stride 5K Walk/Run. The annual event, held on the grounds of Allstate's Northbrook, Illinois, campus, helps raise awareness and money to support Susan G. Komen for the Cure®. Allstate was the Susan G. Komen Chicagoland Pink Partner of the Year in 2014, raising funds and awareness, and encouraging screening for breast cancer. This year, Allstate will be the Triple Negative Breast Cancer Partner of the Year from the Triple Negative Breast Cancer Foundation, continuing our fight against this deadly disease.

## CONNECTING WITH CUSTOMERS THROUGH SHARED VALUES

Mark Sanders, an Allstate claims adjuster, is a combat veteran who volunteers with disabled and homeless veterans in Atlanta. He recently connected with a customer over their shared commitment to veterans' issues.

"Upon completion of my inspection, I noticed a picture of a World War II veteran framed on her wall, and we began to talk about my personal experiences as a combat veteran," Sanders remembered. "The picture was of her grandfather, and we shared stories about my experiences and his."

Sanders worked with the customer for some time, getting to know her and her family. After the claim was processed, the two remained on good terms. Several months later, the customer called him to ask if she could write a paper on him for a sociology class she was taking. He agreed and she interviewed him for her project.

"During our conversations, I mentioned my work with disabled and homeless veterans," Sanders remembered. "She decided to have her class and church write thank you letters that I could distribute to veterans." A few weeks later, a big box arrived at Sanders' home, stuffed with cards and letters and pictures thanking the vets for their service.

"From starting out with a denied claim to forming a connection with a special family, this experience showed me the impact that can be made in the lives of complete strangers in a very special way," said Sanders. "This is when what we do every day becomes larger than a paycheck."

## ALLSTATE AMBASSADORS ADVOCATE FOR GOOD

How do you motivate and engage a workforce that's spread over all 50 states and several countries? Through dedicated Allstate Ambassadors in 83 Allstate locations who work to reinforce key values such as:

- Protecting and promoting a positive image of Allstate
- Putting the customer and all stakeholders at the center of our daily work
- Understanding our products & services and proudly recommending them to family and friends
- Serving as a champion for new ideas and creative solutions for problems that impact our reputation
- Modeling behavior that supports making informed and ethical decisions, and encouraging colleagues to do the same

Begun in 2009, the Allstate Ambassador program now includes more than 7,800 committed employees who embody the best of Allstate. These individuals help our company spread a culture of volunteering; champion new initiatives and campaigns; drive innovation; recruit new employees; and refer colleagues, family and friends to Allstate.

"The Ambassador program is what sets Allstate apart from any company I've ever worked for," said Stephanie Almeida, an education consultant with Allstate's Northwest Region. "I feel like I can reach my full potential as an employee and a leader because I'm empowered to improve the company and communities. I have value and the company appreciates that."

# CORPORATE INVOLVEMENT IN PUBLIC POLICY

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

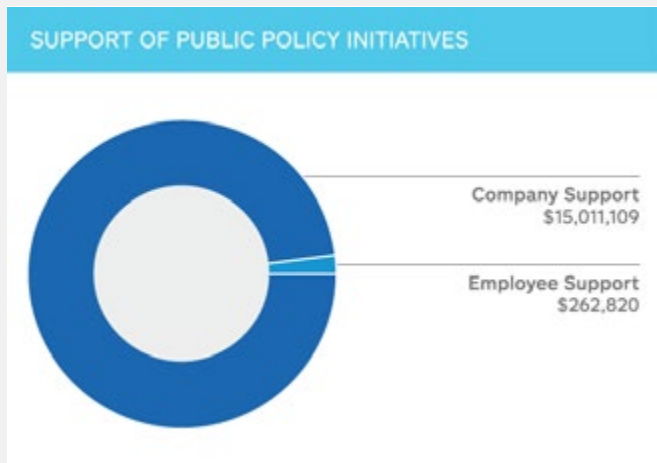


Extensive state-based regulation of insurance, the importance of a fair court system to our customers, and the priority we place on personal safety and property protection combine to compel Allstate to seek to shape sound public policy.

## 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. With regard to corporate contributions to candidates, our General Counsel and the Senior Vice President for Government and Industry Relations determine the candidates and committees to which our support is offered. These contributions are subject to further oversight by the company's Board of Directors.

Internal guidelines and procedures ensure that our public policy efforts remain consistent with the company's operating priorities while advancing positions that promote the long-term interests of our shareholders, employees, agencies, and customers. Subject-matter experts and government relations professionals in the company are responsible for working with organizations and associations that the company supports.



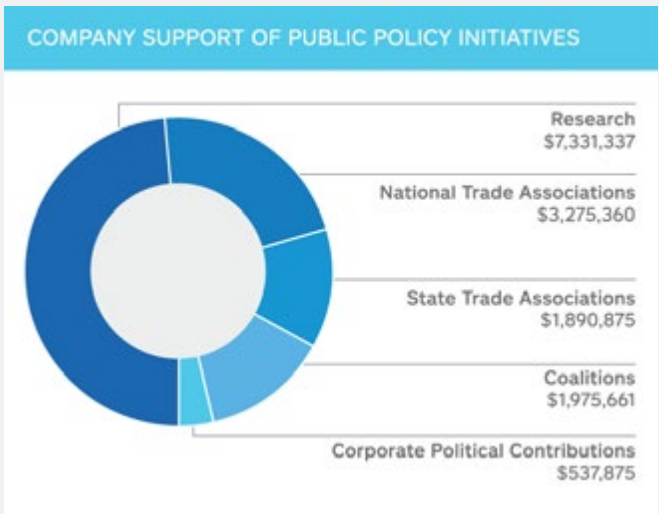
A team of dedicated public policy and legal professionals oversees and manages Allstate’s public policy engagement, and reports to senior management and the company’s Board of Directors.

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

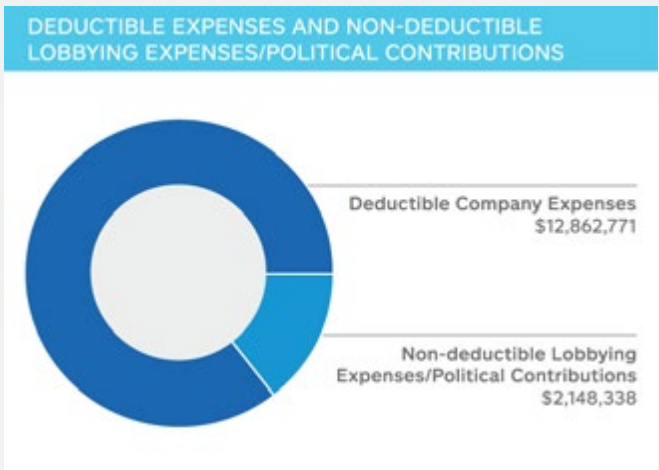
### OVERVIEW OF EXPENDITURES

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

In 2014, the company’s efforts in this arena utilized approximately \$15 million in corporate funds, which represents .04 percent of revenues. In addition, for the same period, our employee-funded political action committees contributed approximately \$262,820 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 candidates and political committees. Our resources are allocated among the following five categories: research, coalitions, national trade associations, state trade associations, and corporate political contributions. This report describes each of these categories and the amount we spent in each category in 2014. We devoted nearly 50 percent of these corporate resources to the support of research, and approximately 85 percent of total company support was directed to tax-deductible, non-lobbying endeavors.





## ORGANIZATIONS AND INITIATIVES WE SUPPORT

Allstate supports research groups, partners with advocacy organizations and contributes to groups that advocate meaningful change for insurance consumers.



### RESEARCH

Allstate supports research groups and other organizations that provide information that is used to shape public policy debate and inform consumers and businesses about key issues affecting insurance consumers. Our support is largely focused on improving safety on roads and in homes and combatting insurance fraud. In 2014, Allstate provided approximately \$7.3 million to research organizations such as the National Insurance Crime Bureau and the Insurance Institute for Highway Safety (see the list of major organizations that Allstate supported in 2014 below). The Insurance Institute for Business and Home Safety envisions a world where the durability of homes and commercial buildings is a core societal value—greatly reducing the human financial losses, as well as the community disruptions, that result from natural and man-made disasters.

### COALITIONS

Allstate partners with advocacy organizations and other coalitions throughout the country to promote various public policy positions. In 2014, Allstate provided nearly \$2 million to coalitions, with \$181,000 (18%) attributed to lobbying efforts.

Throughout our history, we have also endeavored to make roads safer. We were pioneers in the advocacy of mandatory seat belts and airbags in cars. Today, many of our employees and agencies devote significant time every day to promoting safer driving, working with community groups, parents, teen drivers, schools, and national organizations. Allstate provides significant human and financial resources to organizations that help 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 help save the lives of teen drivers.

## NATIONAL AND STATE TRADE ASSOCIATIONS

Allstate contributes to groups that advocate meaningful change for insurance consumers, nationally and in individual states. In 2014, Allstate provided almost \$3.3 million to national trade associations, with approximately \$1 million (31%) attributed to lobbying efforts, and just under \$2 million to state trade associations, with approximately \$386,000 (19%) attributed to lobbying efforts.

We are also working on building a better insurance regulatory system. The insurance industry currently operates under a different set of regulations in each of the 50 U.S. states and the District of Columbia. At the same time, the Federal Insurance Office and other federal agencies are becoming more actively involved in insurance regulatory matters. This patchwork system makes it difficult and expensive to develop innovative products for customers and for Allstate-exclusive agencies to operate as efficiently as possible. Allstate supports business organizations that assist our 11,900 agency owners and exclusive financial representatives who operate small businesses located on Main Streets across the U.S. 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 greater uniformity and consistency.

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

## THE MAJOR ORGANIZATIONS THAT ALLSTATE SUPPORTED IN 2014 INCLUDE:

### **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.

### **American Council of Life Insurers**

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

### **Association of National Advertisers**

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

### **Ceres**

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

### **Certified Automotive Parts Association**

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

### **Coalition Against Insurance Fraud**

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

### **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.

**Insurance Information Institute**

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

**Insurance Institute for Business & Home Safety**

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

**Insurance Institute for Highway Safety**

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

**Insurance Research Council**

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

**Life Insurance Council of New York**

Works to create and maintain a legislative, regulatory, and judicial environment that encourages its members to conduct and grow their life insurance businesses in New York State.

**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.

**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.

**Together Illinois**

Advocates for measures that will improve the business environment and financial position in Illinois.

**U.S. Chamber of Commerce**

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

## CONTRIBUTIONS TO CANDIDATES AND COMMITTEES

Allstate contributes to state candidates for public office, political parties, political committees, and other entities.



### CORPORATE CONTRIBUTIONS

Allstate contributed approximately \$538,000, representing 3.5 percent of its total public policy expenditures of nearly \$15 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.

### ALLPAC AND MIALLPAC CONTRIBUTIONS

The Allstate Insurance Company Political Action Committee (ALLPAC) is a voluntary, nonpartisan political action committee (PAC) comprising eligible individual employees. Its personal contributions support candidates for federal and state office who support the competitive marketplace and understand and bring attention to the issues of importance to our industry generally and the Allstate group of companies specifically. In 2014, ALLPAC had 310 members and contributed a total of \$264,882, with an average contribution of approximately \$878 per participant.

ALLPAC contributions to candidates are governed by a board of directors composed of company employees. Candidates receiving PAC contributions must demonstrate one or all of the following: a commitment to free enterprise and a competitive marketplace, sound judgment on issues of concern to our industry, a supportive voting record, and viability as a candidate. During 2014, ALLPAC contributed a total of \$245,320 to state and federal candidates for public office as well as political committees.

The Michigan Allstate Insurance Company Political Action Committee (MIALLPAC) is a Michigan-only PAC funded by eligible Allstate employees and abides by the same practices and procedures as ALLPAC. During 2014, MIALLPAC had 10 members who contributed a total of \$7,423, with an average contribution of \$742 per participant. MIALLPAC contributed a total of \$17,500 to state candidates and political committees in 2014.

### 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. Through the company's grassroots platform, Allstate agency owners and employees can communicate directly with elected federal and state officials on public policy matters that are important to Allstate and our customers. Participation in Take Your Stand activism and relationship identification is completely voluntary.

# KEY PERFORMANCE INDICATORS (KPIs)

Our key performance indicators (KPIs) reflect our sustainability and social impact priorities. This update shows areas in which we achieved strong results in 2014 and other areas we are striving to improve.

## ENVIRONMENT

### Context & Goals

We are working to improve the energy efficiency of Allstate’s operations, reduce electricity demand and explore renewable energy options.

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 business air travel by employees more carefully.

### Commitment

#### Energy Reduction

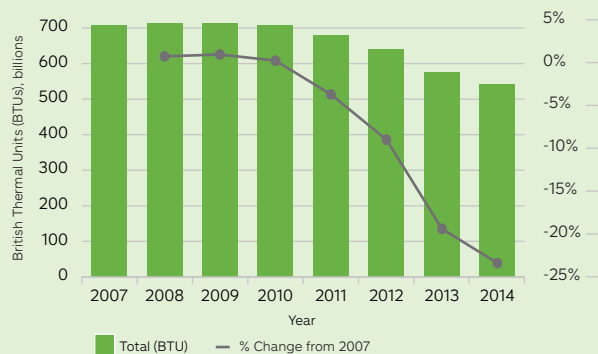
Reduce energy use by 20% by 2020 for Allstate-owned facilities (compared to our 2007 baseline)

### 2014 Progress

#### Achieved 2020 goal

2014 – 23.4% reduction in energy use from 2007 baseline (5.7% reduction from 2013)

We achieved our long-term goal six years early. We are establishing a new long-term energy-reduction goal and will publish it toward the end of 2015.



## Commitment

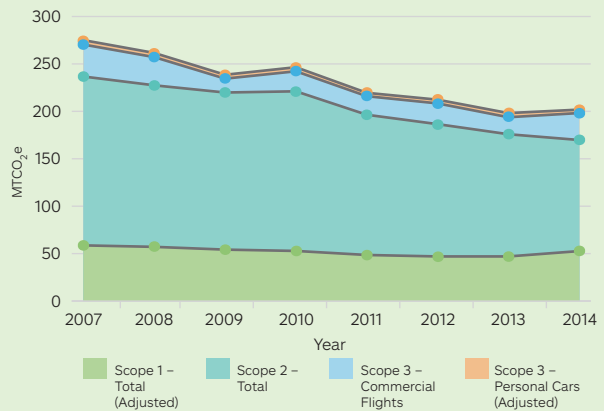
### Carbon Footprint

Maintain or reduce Allstate's carbon footprint on an annual basis (compared to our 2007 baseline)

## 2014 Progress

### Achieved

2014 – 28% reduction in our carbon footprint from 2007 baseline (0.03% reduction from 2013)



### Real Estate

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

### On track

In 2014, we began work on a new leased call center in Draper, Utah, where we occupy 45,000 square feet of space. The building was already LEED-certified for its shell, and we are meeting LEED specifications as we complete the interior. We will apply for the building's interior space to become LEED-certified in 2015.

## Commitment

### Paper Reduction — Employee Focus

Maintain or exceed prior-year employee paper reduction levels. We will establish a new long-term employee paper-reduction goal and will publish it toward the end of 2015.

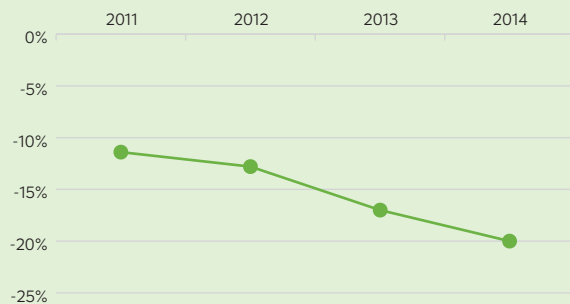
## 2014 Progress

### Achieved

Total sheets of paper used: 185 million

In 2014, we adopted a more accurate methodology to measure employee office paper use. Using printer-level tracking (as opposed to our previous paper procurement tracking), we now have a more accurate and real-time gauge of our paper use.

**YoY Employee Paper Reduction**



### Paper Reduction — Customer Focus

We will establish a new long-term customer paper reduction goal and publish it toward the end of 2015.

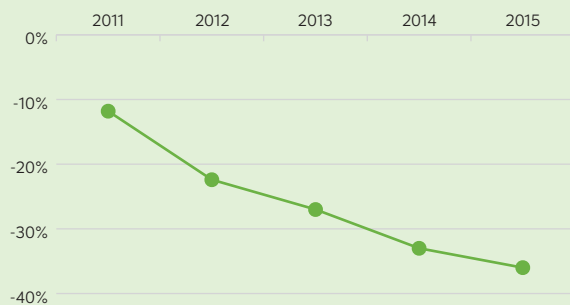
### Achieved

Transactional mail count: 778.9 million pieces

We surpassed our long-term goal to reduce 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.

In 2014, we established a new baseline that incorporates a wider range of customer mailings and correspondence in our total measurement.

**Customer Paper Reduction**





## SOCIAL IMPACT

### Context & Goals

By strategically applying our expertise, resources and institutional knowledge, Allstate is able to tackle some of society's toughest issues. Our goal is to use these core competencies for good, applying data-driven research to challenges such as domestic violence, safe teen driving and youth empowerment. This approach helps us reach the most people, in the most effective way, in order to make a meaningful difference in our neighborhoods and across the world.

We are making "smart" driving socially acceptable to teens using the power of peer-to-peer influence, adult guidance and increased public understanding of the issue to change the way teens think and act in the car. We're also empowering domestic violence survivors to increase their financial independence, which helps to end the cycle of violence to live and thrive free from abuse.

### Commitment

### 2014 Progress

#### Teen Safe Driving

Contribute to reducing teen driving fatalities by 50% and create the safest generation of teen drivers by 2015

#### On track to achieve 2015 target

The Allstate Foundation Teen Safe Driving program exceeded its social impact goals for 2013: Teen deaths on U.S. roads decreased by about 48% since 2005.

#### Financial Empowerment for Domestic Violence Survivors

Reach 500,000 survivors of domestic violence with Allstate Foundation-funded financial empowerment services by 2015

The Foundation will maintain its focus on economically empowering domestic violence survivors, and will seek to increase asset-building strategies for survivors in 2015 and beyond.

#### On track to achieve 2015 target

The Allstate Foundation surpassed its long-term goal: More than 580,000 survivors have received economic empowerment services since the program began in 2005.

From financial literacy to job training to asset-building projects, Foundation-funded programs are helping survivors move from safety to security.

## BUSINESS PRACTICES

### Context & Goals

Studies show profound links between inclusive diversity and innovation,<sup>1</sup> employee engagement and community involvement. Allstate seeks to increase diversity awareness across our business, with programs that help all of our employees and agency owners feel empowered to contribute ideas and make career progress, regardless of their race, gender, age, sexual preference or other characteristics.

Additionally, by encouraging a diverse supply chain, Allstate can support real, sustainable community improvement. Minority business owners often stay local, supporting neighborhood organizations and hiring local employees.

### Commitment

### 2014 Progress

#### Employee Diversity

Earn a spot on The DiversityInc Top 50 Companies for Diversity® list on an annual basis

#### Achieved

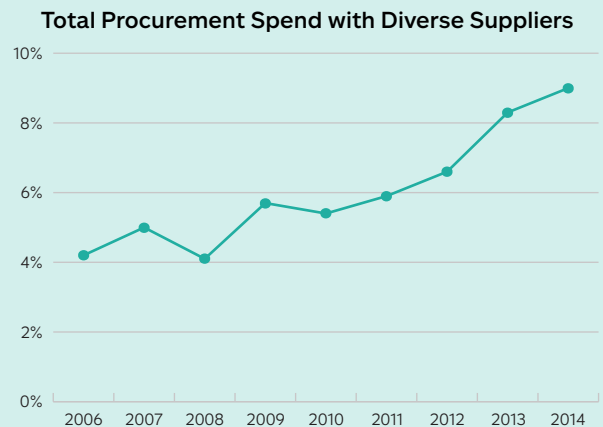
4th consecutive year on list

#### Supplier Diversity

Achieve 9% of Allstate's total procurement spend with businesses owned by minorities, women, veterans or members of the lesbian, gay, bisexual and transgender community by 2015

#### On track

2014: 8.2%



<sup>1</sup> "The Innovation Bottom Line" by David Kiron, Nina Kruschwitz, Knut Haanaes, Martin Reeves and Eugene Goh, MIT Sloan Review, February 2013. (Findings from the 2012 Sustainability & Innovation Global Executive Study and Research Report) <http://sloanreview.mit.edu/reports/sustainability-innovation/>

# GRI INDEX

This is our sixth year using the Global Reporting Initiative’s (GRI) reporting framework, and second using the “G4” guidelines. GRI is a set of global guidelines that standardizes sustainability reporting 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	Leadership Messages
2	Key impacts, risks, and opportunities	Company: Risk Management; Environment: Climate Change; Stakeholders: How We Engage
GRI #	ORGANIZATIONAL PROFILE	WHERE TO FIND IT
3	Organization name	Company: Organizational Profile
4	Primary brands, products, and services	Stakeholders: Customers; Company: Organizational Profile
5	Headquarters location	
6	Where the organization operates	Company: Organizational Profile
7	Nature of ownership and legal form	Company: Organizational Profile
8	Markets served	Overview: Allstate In Your State
9	Scale of the organization	Company: Organizational Profile; Overview: Allstate In Your State
10	Total number of employees by type	
12	Supply chain description	Business Practices: Supply Chain
13	Organizational changes during the reporting period	Reporting: Reporting Framework; Reporting: Overview
15	External charters, principles, or other initiatives	Stakeholders: Customers
16	Membership associations	Public Policy: Overview; Business Practices: Overview; Social Impact: Overview; Environment: Overview
GRI #	IDENTIFIED MATERIAL ASPECTS & BOUNDARIES	WHERE TO FIND IT
17	Entities included in financial statements	
18	Process for defining report boundaries and content	Reporting: Reporting Framework; Reporting: Overview
19	Material aspects included in the report	Reporting: Materiality; Reporting: Overview
20	Descriptions of material aspect boundaries within the organization	Reporting: Materiality; Reporting: Overview

22	Restatements	Reporting: Reporting Framework; Overview: Key Performance Indicators; Reporting: Overview
23	Changes from previous reports in terms of scope and/or boundaries	Reporting: Reporting Framework; Overview: Key Performance Indicators; Reporting: Overview
<b>GRI #</b>	<b>STAKEHOLDER ENGAGEMENT</b>	<b>WHERE TO FIND IT</b>
24	Stakeholder groups	Reporting: Report Content; Reporting: Overview; Stakeholders: Overview
25	How stakeholders were identified	Reporting: Report Content; Reporting: Overview; Stakeholders: Overview
26	Approach to stakeholder engagement	Reporting: Report Content; Reporting: Overview; Stakeholders: Overview
27	Topics raised during stakeholder engagements	Reporting: Report Content; Reporting: Overview; Stakeholders: Overview
<b>GRI #</b>	<b>REPORT PROFILE</b>	<b>WHERE TO FIND IT</b>
28	Reporting period	Reporting: Reporting Framework; Reporting: Overview
30	Reporting cycle	Reporting: Reporting Framework; Reporting: Overview
31	Report contact	Reporting: Reporting Framework; Reporting: Overview
32	"In accordance" option, GRI Index and report assurance	Reporting: Reporting Framework; Overview: GRI Index; Reporting: Overview
<b>GRI #</b>	<b>GOVERNANCE</b>	<b>WHERE TO FIND IT</b>
34	Governance structure of the organization	Company: Organizational Profile; Company: Corporate Governance; Public Policy: Overview
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	
46	Board role in reviewing risk management processes for sustainability topics	

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 and Asset Management
EC2	Climate change risks	Environment: Climate Change
EC3	Benefit plan coverage	Stakeholders: Employees
EC7	Infrastructure investments	Business Practices: Investment and Asset Management
EC8	Indirect economic impacts	Business Practices: Investment and 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
EN5	Energy intensity	
EN6	Energy reductions	Environment: Energy and Emissions
EN15	GHG emissions (Scope 1)	Environment: Energy and Emissions
EN16	GHG emissions (Scope 2)	Environment: Energy and Emissions
EN17	GHG emissions (Scope 3)	Environment: Energy and Emissions
EN18	GHG emissions intensity	
EN19	Reduction of GHG emissions	Environment: Energy and Emissions
EN31	Environmental investments	Business Practices: Investment and Asset Management

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	
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: Overview