



## **Allstate's Climate Policy**

Managing climate risk is foundational to Allstate's financial and operational success. To fulfill Allstate's commitment to its stakeholders, we must employ a reasonable, realistic, and science-based approach to address the challenges and seize the opportunities presented by the shifting climate and evolving society. This climate policy covers relevant business practices relating to decarbonization and biodiversity in the company's insurance underwriting process and investments portfolio.

### **1. Preparation and Resilience**

Allstate's customers are experiencing more frequent and severe losses from weather events and natural catastrophes due to climate change. Allstate advocates for its customers and works to strengthen their resilience to climate-related events through prevention, preparedness, and risk reduction. As the frequency and severity of weather events and natural catastrophes has grown, Allstate has strengthened its response to reduce the risk to its customers, business, shareholders, and society.

### **2. Risks and Opportunities**

Allstate's business depends on the effective modelling, pricing, and management of climate-related risks. To protect its business, Allstate identifies, monitors, measures, and actively manages the material risks presented by climate change, including severe weather and natural catastrophes. The company also recognizes that society's transition to a lower-carbon economy presents opportunities to create value. Allstate seeks to participate in the opportunities that arise, both to grow its business and to generate attractive returns for its shareholders.

### **3. Allstate's Emission Reduction Target**

Allstate has a goal to achieve net zero emissions for its Scope 1 and Scope 2 greenhouse gas emissions by 2030. Allstate's plans to reduce emissions are good-faith efforts based on current relevant data and methodology, which could be changed or refined. Allstate works to continuously improve its approach to identifying, measuring, and addressing emissions.

### **4. Governance**

Allstate's Board of Directors and senior management have chief oversight over climate-related matters and receive periodic reports about the company's actions and progress. The board's Risk and Return Committee oversees the effectiveness of the company's risk management framework, governance

structure, and decision-making relating to climate risk. The board's Nominating, Governance and Social Responsibility Committee also oversees significant sustainability topics. In addition, the company's Sustainability Steering Committee, a cross functional management committee, supports the company's ongoing sustainability efforts including managing climate risks. Refer to Allstate's TCFD report, available at [www.allstatesustainability.com/reporting](http://www.allstatesustainability.com/reporting), for more information on climate governance at Allstate.

## **5. Transparency**

Allstate is committed to complying with regulations and mandatory standards related to environmental issues, including compliance with reporting requirements. Allstate is transparent and shares information about its strategies to address climate risk and participates in opportunities arising from the transition to a lower-carbon economy. The company's climate-related disclosures can be found at [www.allstatesustainability.com/reporting](http://www.allstatesustainability.com/reporting).

## **6. Stakeholder Engagement**

Allstate engages with its suppliers to support them on their unique paths towards measuring and managing climate-related risks. Allstate also offers training and other educational resources to suppliers, employees, and other stakeholders to help them better understand and manage climate-related risks in our value chain.

## **7. Biodiversity**

Severe weather events and climate changes have negative impacts on biological diversity, or "biodiversity". More frequent and severe wildfires and associated smoke are affecting human health, water resources, and wildlife. Snowstorms, flooding, and heat waves are affecting water, energy, and the transportation infrastructure. Biodiversity is important and necessary, and the loss of biodiversity has significant negative impacts. Allstate includes biodiversity considerations within its risk management and natural capital investment processes as part of its commitment to the global transition to a less carbon intensive economy.

## **8. Responsible Investments**

Allstate wants to help the world transition to a lower-carbon economy by considering investments in companies that will provide capital for their transition. As part of its impact sub-portfolio, Allstate invests in companies, funds, and assets that support climate change mitigation and adaptation and generate attractive, risk-adjusted returns. Investments that support climate change mitigation strive to reduce the negative impacts of climate change through reducing carbon emissions and other greenhouse gases. Investments that support climate adaptation help harden infrastructure to make communities and businesses more resilient to the impacts of climate change. Allstate believes these investments also provide opportunities for value creation within the investment portfolio and improve returns to shareholders.

Allstate expects its investment professionals to refrain from making investments that may result in significant sustainability-related risks including, but not limited to, investments prohibited by the Investment Guidelines.

## **9. Decarbonization: Commercial Insurance Underwriting and Reinsurance**

Allstate is primarily a personal lines insurer offering property and casualty insurance. Commercial insurance\* offerings are not financially material to the business and Allstate does not currently engage in selling reinsurance. For more information pertaining to Allstate's business activities, please view the company's annual Form 10-K.

\* Allstate no longer offers insurance to companies whose primary revenue activities are attributable to coal and unconventional oil and gas. Coal and unconventional oil and gas includes coal mining, coal-fired plants, tar sands, shale oil and gas, arctic oil and gas, offshore oil and gas, and liquefied natural gas. All existing policies related to coal and unconventional oil and gas will terminate prior to year-end 2025.