Allstate's Climate Policy

Climate change is one of the most critical challenges of our time, and corporations have an important role to play. 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. For over 25 years, Allstate has advocated for its customers and worked 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, stockholders, 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 less carbon-intensive 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 stockholders.

3. Allstate's Net Zero Commitment

Allstate has a goal to achieve net zero emissions for its Scope 1 and Scope 2 greenhouse gas emissions by 2030. By the end of 2025, Allstate will establish a goal for relevant Scope 3 emissions. Allstate will continue to evaluate emerging methodologies for emissions associated with underwriting activities that align with Allstate's business practices and strategy.

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 Environmental, Social, Governance (ESG) topics. In addition, the company's ESG Steering Committee, a cross functional management committee, supports the company's ongoing commitment to environmental, health and safety, corporate responsibility, human capital management, corporate governance, sustainability, and related public policy matters.

5. Transparency

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-based economy. The company's disclosures, which are updated annually, include CDP (formerly the Carbon Disclosure Project), the Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), UN Sustainable Development Goals, the Global Reporting Initiative (GRI) framework, and Allstate's annual Sustainability Report.

6. Decarbonization: Commercial Insurance Underwriting

The bulk of Allstate's insurance business is comprised of personal lines insurance, with a small portion in commercial lines. Those businesses typically do not involve coal and unconventional oil and gas.

> **Coal Mining:** Allstate does not insure companies that derive more than 30% of their annual revenue from thermal coal mining.
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> **Coal-Fired Plants:** Allstate does not insure companies that generate more than 30% of their annual energy production from coal.
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> **Tar Sands:** Allstate does not insure companies that derive more than 30% of their annual revenue from the extraction of oil from tar sands.
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> **Shale Oil and Gas:** Allstate does not insure companies that derive more than 30% of their annual revenue from the extraction of oil and gas from shale.
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> **Arctic Oil and Gas:** Allstate does not insure companies that derive more than 30% of their annual revenue from oil and gas exploration, drilling, and production within the Arctic Circle.
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> **Offshore Oil and Gas:** Allstate does not insure companies that derive more than 30% of their annual revenue from deep-water (greater than 1,000 ft.) or ultra-deep-water (greater than 5,000 ft) oil and gas exploration, drilling and production.
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> **Liquefied Natural Gas (LNG) derived by non-conventional extractions:** Allstate does not insure companies that derive more than 30% or more of their annual revenue from LNG resources derived from one of the unconventional oil and gas categories listed above.

7. Supplier Engagement

Allstate engages with its suppliers to support them on their unique paths towards decarbonization.

8. Biodiversity

Severe weather events and climate changes have negative impacts on 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.

9. Responsible Investments

Allstate wants to help the world transition to a lower-carbon emissions footprint 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 that seek to improve the natural world. Investments that support climate change mitigation strive to reduce the negative impact of climate change by reducing carbon emissions and other greenhouse gases. Investments that support climate adaptation aid climate-impacted industries in adapting to a changing world and increasing supply chain resiliency. 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 ESG-related risks including, but not limited to, investments prohibited by the Investment Guidelines. The company does not invest in companies whose primary business is civilian firearms, or majority ownership interest in or control of companies that (either directly or through a subsidiary) operate a coal or other mine or provide services to those mines.