

# KNOWLEDGE, *APPLIED*



2012 CORPORATE RESPONSIBILITY REPORT

# ABOUT THIS REPORT

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

At Allstate, we're committed to reporting each year about our sustainability performance. In this, our 11th Corporate Responsibility report, we share our achievements as well as areas where we see opportunities for improvement. In the course of this report, we also relate examples of how we apply our knowledge to improve our company, enhance our sustainability efforts and address stakeholder concerns.

**Report content** The content of this report is determined both by the Global Reporting Initiative (GRI) framework and through our understanding of stakeholder priorities and concerns. Our **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.

This report includes our 2012 **sustainability materiality assessment**. The assessment, which highlights areas of both opportunity and risk, reflects the issues that are of the highest concern to our stakeholders and that could significantly affect our ability to execute our business strategy. The assessment sharpens our reporting focus and helps guide our future plans. To build it into our business on an ongoing basis, each year we conduct a rapid review with a cross-functional business team responsible for incorporating any materiality assessment changes into the business and stakeholder landscapes. In 2012, external stakeholders requested more information on our climate change policy. We will update our existing policy in 2013.

**Our reporting framework** This is our fourth year using the GRI framework for reporting. GRI is a set of [global guidelines](#) that standardizes sustainability report content and facilitates comparisons among different organizations. The guidelines are continually refined and improved to give companies a more effective framework for organizing content.

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

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

**Report period, scope and boundaries** This report was published in August 2013 and covers our sustainability performance for the 2012 fiscal year, which ran from January 1, 2012 to December 31, 2012.

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

Reporting boundaries in other areas differ by content:

- **Climate Change:** Reporting covers Allstate and affiliate-owned and leased facilities and operations in the United States, Canada and the United Kingdom.
- **Energy:** Reporting covers Allstate and subsidiary-owned facilities and operations in the United States, Canada and the United Kingdom.
- **People:** Reporting covers the employees and temporary workers of Allstate. The employees of exclusive agencies, independent agencies and partners are not covered except when specifically noted in the report.
- **Products and Investments:** Reporting covers all of our products, financial services and investments during calendar year 2012.

Information for this report was collected by individual departments within Allstate that gather, store and manage the data in their business systems. Cameron Cole, an environmental consultant, has verified the data in our Greenhouse Gas inventory. All other data was not verified by a third party, but the data and statements made have been confirmed by internal Allstate teams, including representatives from Human Resources; Investments; Risk Management; Tax, Administration and Real Estate; Sourcing and Procurement Solutions; Finance, Law & Regulation; Accounting; and our Corporate Responsibility team. No significant changes were made in measurement from previous reporting years.

## MATERIALITY ANALYSIS OUTPUT



- ENVIRONMENT
- COMMUNITIES
- EMPLOYEES
- SUPPLY CHAIN
- GOVERNANCE
- PRODUCTS AND SERVICES

# KEY PERFORMANCE INDICATORS AND GOALS

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

OUR KEY PERFORMANCE INDICATORS reflect our sustainability and social impact priorities. This update shows where we achieved strong results in 2012 and where we are striving to improve.

GOAL	PROGRESS
<b>BUSINESS PRACTICES</b>	
<b>EMPLOYEE DIVERSITY</b>	
<p>Earn a spot on The DiversityInc Top 50 Companies for Diversity® list on an annual basis. DiversityInc's Top 50 measures four key areas: CEO Commitment, Human Capital, Corporate and Organizational Communications, and Supplier Diversity.</p> <p>Companies must score above average in all four areas to earn a spot on the list and demonstrate strong consistency across the board in their diversity management initiatives. Companies are measured within their industry classifications.</p>	<p><b>Achieved</b></p> <p><b>2012 - Achieved. Moved up to the 37th position—up six spots from 2011 ranking.</b></p> <p>2011 - Achieved. Ranked 43rd among DiversityInc's Top 50 Companies for Diversity.</p> <p>2010 - Did not achieve</p> <p>2009 - Did not achieve</p> <p>2008 - Named to DiversityInc's Top 25 Noteworthy Companies for Diversity</p> <p>2007 - Achieved</p> <p>2006 - Achieved</p>
<b>SUPPLIER DIVERSITY</b>	
<p>Achieve 9% of Allstate's total procurement spend with businesses owned by minorities, women, veterans and members of the lesbian, gay, bisexual and transgender community by 2015.</p>	<p><b>On Track to Achieve Long-Term Goal</b></p> <p><b>2012 - 6.6%</b></p> <p>2011 - 5.9%</p> <p>2010 - 5.4%</p> <p>2009 - 5.7%</p> <p>2008 - 4.1%</p> <p>2007 - 5.0%</p> <p>2006 - 4.2%</p>

GOAL

PROGRESS

ENVIRONMENT	
<b>ENERGY REDUCTION</b>	
<p>Reduce energy use by 20% by 2020 for Allstate-owned facilities (compared with our 2007 baseline).</p> <p>We are working to improve the energy efficiency of Allstate's operations, reduce electricity demand, and explore renewable-energy options.</p>	<p><b>On Track to Achieve Long-Term Goal</b></p> <p><b>2012 - 8.91% reduction from 2007 baseline (5.2% reduction from 2011)</b></p> <p>2011 - 3.91% reduction from 2007 baseline (4.12% reduction from 2010)</p> <p>2010 - 0.22% increase from 2007 baseline (0.71% reduction from 2009)</p> <p>2009 - 0.94% increase from 2007 baseline (0.22% increase from 2008)</p> <p>2008 - 0.72% increase from 2007 baseline</p> <p>2007 - Baseline set</p>
<b>CARBON FOOTPRINT</b>	
<p>Maintain or reduce Allstate's carbon footprint on an annual basis.</p> <p>We regularly publish details about our environmental performance in our annual response to the Carbon Disclosure Project (CDP) survey (using 2007 as baseline). We are reducing our carbon footprint primarily by improving the operational efficiency of company-owned buildings, using more fuel-efficient vehicles in our corporate fleet, and regulating air travel by employees more carefully.</p>	<p><b>Achieved</b></p> <p><b>2012 - Achieved (3.12% decrease from prior year; total 21.79% reduction since 2007)</b></p> <p>2011 - Achieved (10.39% decrease from prior year; total 19.27% reduction since 2007)</p> <p>2010 - Achieved (3.16% increase over prior year; total 9.91% reduction since 2007)</p> <p>2009 - Achieved (8.38% decrease from prior year; total 12.67% reduction since 2007)</p> <p>2008 - Achieved (4.68% decrease from prior year)</p> <p>2007 - Baseline set</p>
<b>REAL ESTATE</b>	
<p>Focus on the sustainability of our real estate by ensuring that many major office renovations and most new construction projects are Leadership in Energy and Environmental Design (LEED) certified by the U.S. Green Building Council.</p>	<p><b>Achieved</b></p> <p><b>2012 - Interior construction of Chubbuck-Pocatello call center achieved LEED Gold certification; F Tower building at Home Office achieved LEED certification for renovation of Floors 7-9.</b></p> <p>2011 - New Idaho call center in Chubbuck-Pocatello achieved LEED Silver certification.</p> <p>2010 - Pursued LEED certification of new Idaho call center in Chubbuck-Pocatello, Idaho, slated to open in 2011.</p>
<b>PAPER REDUCTION — EMPLOYEE FOCUS</b>	
<p>Maintain or exceed the paper-reduction levels established in 2010.</p> <p>We surpassed our 2009 goal to reduce overall internal employee-use office paper by 25% by 2010.</p>	<p><b>Achieved</b></p> <p><b>2012 - Achieved. 12.08% reduction from 2011 level.</b></p> <p>2011 - Achieved. 11.4% reduction from 2010 level.</p> <p>2010 - Achieved. 41% reduction in office paper used in our corporate headquarters and more than a 50% reduction in our field offices, compared with 2008 baseline.</p> <p>2009 - Well on pace to achieve 2010 target: 21% reduction</p> <p>2008 - Baseline set</p>

GOAL	PROGRESS
<b>PAPER REDUCTION — CUSTOMER FOCUS</b>	
<p>Reduce paper delivery to customers by 20% by 2013 (2009 baseline).</p> <p>In 2012, we surpassed our goal of reducing paper delivery to customers by 20% by 2013 through the use of convenient, cost-effective and environmentally friendly billing options such as EZPay, eBill and ePolicy.</p>	<p><b>Achieved</b></p> <p><b>2012 - Reduced customer paper use by 27% since 2009 baseline, saving more than 30 million pieces of paper.</b></p> <p>2011 - Achieved. Reduced paper sent to customers by 22.4%, saving approximately 24 million pieces of paper.</p> <p>2010 - Well on pace to achieve 2013 target: 11.8% reduction totaling approximately 14 million pieces of paper saved.</p> <p>2009 - Baseline set</p>

**SOCIAL IMPACT**

**TEEN SAFE DRIVING**

<p>Contribute to reducing teen driving fatalities by 50% and create the safest generation of teen drivers by 2015.</p> <p>We are making “smart” driving socially acceptable to teens using the power of peer-to-peer influence, guidance from key adults, and increased public understanding of the issue to change the way teens think and act in the car.</p>	<p><b>On Track to Meet Goal</b></p> <p><b>2012 - On track to achieve 2015 target.</b></p> <p>The Allstate Foundation (TAF) Teen Safe Driving program exceeded its social impact goals for 2012: more than 7.2 million teens were informed<sup>1</sup>, more than 1.3 million were involved<sup>2</sup>, and more than 62,000 were empowered to lead safe driving programs in local communities<sup>3</sup>. Teen deaths on U.S. roads have decreased by about 26% since 2008, when TAF established its long-term goals. Teen deaths on U.S. roads have decreased by about 43% since 2005, when TAF began its Teen Safe Driving program.</p>
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**FINANCIAL EMPOWERMENT FOR DOMESTIC VIOLENCE SURVIVORS**

<p>Reach 500,000 survivors of domestic violence with Allstate Foundation-funded financial empowerment services by 2015.</p> <p>Empower domestic violence survivors to increase their financial independence, which helps them to end the cycle of violence and to live and thrive free from abuse.</p>	<p><b>On Track to Meet Goal</b></p> <p><b>2012 - On pace to achieve 2015 target.</b></p> <p>In 2012, more than 103,000 survivors received financial empowerment services through The Allstate Foundation program; more than 215,000 have received these important services since the program began in 2005.</p> <p>From financial literacy to job training to asset-building projects, Foundation-funded programs are helping survivors move from safety to security.</p>
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<sup>1</sup> Informed—The number of teens reached through teen-to-teen activism programs, contests and projects; the number of visitors to [KeeptheDrive.com](http://KeeptheDrive.com); plus the number of teens reached through teen-specific media.

<sup>2</sup> Involved—The number of teens actively participating in program activities; plus the number of tools downloaded from [KeeptheDrive.com](http://KeeptheDrive.com).

<sup>3</sup> Empowered—The number of teens who led activism projects.

# LETTER FROM THE CEO

GRI INDICATORS 1.1 / 1.2 / 4.8

Allstate's responsibility to improve local communities is central to our purpose to protect people from life's uncertainties and prepare them for the future. It is fully integrated into our daily business activities and supported by more than \$29 million in donations to important causes and by thousands of volunteers. We do this because it is who we are, what we believe and what we expect from each other.

Our corporate responsibility successes in 2012 build on more than 80 years of leadership in giving back to communities where we live and work. We tackle difficult issues, ranging from the 4,000 teens who die needlessly in motor vehicle crashes each year to helping victims of domestic violence escape abuse. We value a diverse workplace that leverages differences to strengthen innovation and creativity. We take great pride in mitigating our impact on the environment by reducing our energy, water, waste and paper use. It is these actions, and many more, that demonstrate our desire to bring out the good in people's lives, across the country and across the globe.

Our commitment to corporate responsibility not only reflects the respect we have for our customers, it also energizes our employees and local Allstate agency owners. Community service opportunities reward our people with personal growth and the chance to lead by example. Allstate agency owners support and volunteer with thousands of nonprofits in virtually every local community. Allstate employees build houses, serve food, educate, and console people in need. Every day, Allstaters are making decisions, taking action and leading in ways that enable us to be a team of heroes to our customers and in our communities.

This year's report has many inspiring stories of Allstaters applying their knowledge, expertise and personal passion to make a difference. I am particularly proud of the involvement and sacrifices made by employees and agency owners and their staffs in times of crisis. For example, after the East Coast was hit by Superstorm Sandy, thousands of our employees and agency owners worked around the clock in difficult conditions to help customers find places to live and clothes to wear, connect with loved ones, and assess their damage.

To help accelerate recovery efforts, Allstate and The Allstate Foundation also created a \$1 million fund to support local nonprofits in areas affected by Sandy. Disasters, however, don't always happen in bulk. Allstate is there for individual disasters as well—home fires, car accidents and life's other unexpected challenges. Quite simply, Allstate is a company full of heroes!



I am filled with pride by what we accomplish with talented people and the resources of a large and successful company. Please take the time to visit our interactive website filled with stories that demonstrate how Allstate lives into its promise to society. As one of America's largest Main Street institutions, we are grateful for the trust placed in Allstate by those we serve. Together with our agency owners, employees and community partners across the country, Allstate will continue to build a better future.

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

**Tom Wilson**  
Chairman, President and Chief Executive Officer



# LETTER FROM THE CRO

GRI INDICATORS 1.2 / 3.5 / 4.8

**“Good Hands® People Apply Their Knowledge to Build a Better Future”** Allstate is committed to bringing out the good in people’s lives. That commitment is fundamental to our corporate vision and drives us as employees and agency owners.

Our story began more than 80 years ago, when corporate responsibility simply meant our values—caring for, investing in and protecting the communities where we live, work and serve. What started as an innate desire to be a responsible corporate citizen evolved into a passionate, ambitious and coordinated effort to create meaningful impact in communities across the country. We achieve this through strategic **stakeholder engagement, responsible business practices, environmental stewardship** and innovative **social impact** initiatives.

Our theme for this report, *Knowledge, Applied*, was inspired by our thousands of deeply committed and engaged employees and agency owners. Every day, they turn information, ideas and expertise into products and services that improve people’s lives. Using our knowledge for good is expressed in many stories throughout the report—from promoting resilient home construction, safer driving and financial literacy to rooting out insurance fraud and reducing our use of natural resources. In these ways, we support the sustainability of our business and those whose lives we have the privilege to touch.

**Community involvement and social impact** In 2012, The Allstate Foundation, Allstate, our employees and agency owners contributed more than \$29 million to communities. Together, we served more than 200,000 volunteer hours, fueled in part by the launch of our first companywide Week of Service in August 2012. During the week, more than 2,600 employees and agency owners completed 290 projects and logged 10,000 hours of service.

We also made steady progress on our long-term quests to improve the safety of teens on the road and empower domestic abuse survivors. For example, last year The Allstate Foundation reached 7.2 million teens through peer-to-peer activism programs, contests and projects, as well as teen-specific media, and involved more than 1.3 million people in programs that promote teen safe driving. Teen crash fatalities have decreased by nearly 40 percent since 2008, and we are on track to reduce teen driving fatalities by 50 percent and create the safest generation of teen drivers by 2015.

Last year, we also provided more than \$1 million in critically needed funding to state domestic violence coalitions through our Moving Ahead Through Financial Empowerment Grant Program, in



partnership with the National Network to End Domestic Violence. In addition, we raised more than \$250,000 in funding for YWCAs through our award-winning Purple Purse awareness program. To date, our work with domestic violence survivors has enabled more than 215,000 women and their children to get free and stay free from abuse.

**Business practices** We believe transparent governance and accountability build trust, strengthen relationships with stakeholders and simply make us a better company. Elevating the standards for business practices involves continual reassessment of the environment in which we operate, adjusting our goals and creating initiatives that are important to all stakeholders.

To that end, we focus on socially responsible investing, diversity and advocacy. A portion of our multibillion-dollar investment portfolio is targeted toward low-income communities. Since starting the effort several years ago through 2012, we have financed more than 61,000 units of affordable housing.

Our diversity initiatives cultivate inclusion among Allstate employees, agency owners and suppliers. It is a core Allstate value that energizes employees, improves innovation and drives growth.



In 2012, our efforts were recognized by the company being ranked 37th on DiversityInc's Top 50 Companies for Diversity list.

We use our leadership position to advocate key issues that affect our industry, the people we serve and the places they live—such as driver safety and programs that will better prepare America to recover from catastrophes. In 2012, we also placed a spotlight on the challenge of insurance fraud. In this report, you'll read how Allstate leads the fight with more than 500 insurance fraud specialists who apply their vast knowledge to identify suspicious activities, analyze questionable claims and prevent fraudulent payouts. It is important work, as fraud contributes to higher insurance premiums for everyone.

**Environmental stewardship** While Allstate's operations have a much lower impact on the environment than those of an industrial or manufacturing company, we are very conscious of our carbon footprint and continually strive to reduce it. Our environmental stewardship goals integrate sustainability measures across Allstate operations and include reducing paper and energy use, and controlling carbon emissions.

In 2012, we decreased our overall energy use by 5.2 percent. Since establishing our energy use baseline in 2007, we've achieved a cumulative energy reduction of nearly 9 percent, bringing us nearly half way to our goal of reducing energy use by 20 percent by 2020. Simple energy-reduction initiatives like modifying the schedule of parking lot lights and changing the cleaning schedule at our Home Office complex in Northbrook, IL, proved highly effective in 2012.

We also maintained strong momentum in the area of paper reduction. Our employees use less office paper in their daily work, and we continue to reduce the amount of paper we send to Allstate's customers—allowing us to have surpassed our internal and external paper-reduction goals for 2012. We responsibly disposed of much of the paper we did use, recycling nearly 4.25 million pounds through desk-side recycling as well as press-waste from our main printing facility.

**Stakeholders** The positive impact we deliver is only possible with the support and active engagement of our stakeholders. Understanding and responding to the expectations of customers, employees, agency owners and others is essential to our success.

Allstate serves nearly 16 million households across the U.S. and Canada. We use the knowledge we've gained over the years to help our customers recover from unexpected losses—and prevent losses from happening in the first place. From showing customers how to help prevent fires to helping them prepare for hurricanes

and tornadoes, we work as consumer advocates, not just as an insurance company.

That was especially true in 2012, when thousands of our customers along the U.S. East Coast were hit by Superstorm Sandy. During the height of our response, Allstate's National Catastrophe Team dedicated more than 4,000 claims personnel and two dozen mobile claim vehicles to assist policyholders with claim needs. Our comprehensive, orchestrated response to the storm enabled Allstate to fully process 98 percent of all Sandy-related claims within five months.

We know engaged employees help us deliver a better customer experience. Each year, we conduct a voluntary and confidential survey called VOICE that measures employee perceptions and satisfaction. According to our 2012 survey, 90 percent of Allstate employees considered themselves "proud" to work for Allstate, a 3 percent increase compared to 2011.

Likewise, our relationship with Allstate's more than 9,300 exclusive agency owners and exclusive financial specialists is vital to our company's success and to our ability to serve customers. In 2012, our annual Agency Relationship Survey found that overall satisfaction increased by 6 points among exclusive agencies and by 11 points among exclusive financial specialists. By regularly seeking feedback from and dialogue with agency owners and their staff, we more effectively address their concerns and better enable their success as small business owners.

These are just a few of the ways we make "corporate responsibility" a way of life at Allstate. I encourage you to read the stories in this report to learn more about how we're applying our knowledge for good. We also encourage you to share comments and suggestions by writing to [SocialResponsibilityFeedback@allstate.com](mailto:SocialResponsibilityFeedback@allstate.com).



**Victoria Dinges**

Vice President, Corporate Responsibility

# ORGANIZATIONAL PROFILE

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

The Allstate Corporation is the largest publicly held personal lines property and casualty insurer in America. We provide insurance products to approximately 16 million households. Allstate was founded in 1931 and became a publicly traded company in 1993. We are listed on the New York Stock Exchange under the trading symbol ALL and are widely known through the “You’re In Good Hands With Allstate®” slogan.

Allstate had \$126.9 billion in total assets at the end of 2012, compared with \$125.2 billion at the end of 2011.

We have approximately 70,000 professionals made up of employees, agency owners and staff. Of Allstate’s employees, 57 percent are women, and 32 percent are minorities.

Allstate had 11,200 exclusive agencies and financial representatives in the United States and Canada at year-end 2012. Allstate agencies provide excellent service and a broad array of products to customers who want local advice and a personal relationship.

For customers who prefer to handle their own insurance needs, we provide our Esurance and Encompass distribution channels, which enable them to do business with Allstate when, where and how they choose.

We also continue to reinvent protection and retirement for the consumer with a number of innovative products:

- In 2012, we rolled out Drivewise® to seven additional states. This telematics offering was introduced in 2011 and gives customers discounts based on their actual driving behaviors. The product is scheduled to be available in 20 states by June 2013.
- Good Hands® Roadside Assistance, a nationwide pay-as-you-use roadside service, had more than 850,000 members by the end of 2012.
- In 2012, we launched our new Claim Satisfaction Guarantee for auto insurance across the country following a successful four-state pilot.

- We made progress in broadening our relationships with customers through a 9.3 percent increase in life insurance policies written through Allstate agencies in 2012 versus the previous year.

## OUR SHARED VISION

Our Shared Vision provides the “why, how and what” behind everything we do at Allstate. It provides the road map for our continued success. Through this vision, we will truly put the customer at the center of everything we do. We will become an even more valuable company to our customers, associates, investors, our communities and society—a company with strong earnings potential and financial performance that sets the benchmark for our industry.

**Our Purpose** We are the Good Hands People®: We help people realize their hopes and dreams through products and services designed to protect them from life’s uncertainties and to prepare them for the future.

**Strategic Vision** To reinvent protection and retirement for the consumer.

### Our Values

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

## CORPORATE GOAL

We will grow the value of our company for our customers, our associates, our shareholders, our communities and society.

### Our Principles

- Put the customer at the center of all of our work and provide the products and services they need in ways they want them.
- Take an enterprise view of our people and processes and work as a single team to advance Allstate rather than our individual interests.

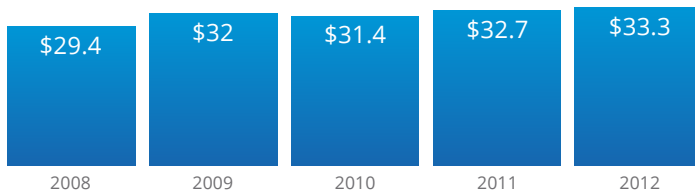
- Provide superior returns to shareholders by growing and leveraging risk and return trade-offs.
- Focus relentlessly on those few things that will provide the greatest impact.
- Execute well-considered decisions with precision and speed.
- Hire carefully, develop and inspire aggressively, manage respectfully, empower, reward and celebrate appropriately.
- Be a learning organization.

### Our Operating Priorities

- Consumer focus
- Operational excellence
- Enterprise risk and return
- Capital management

To find out more, view our [vital statistics](#), which provide detailed state-by-state information.

### REVENUES (\$ BILLIONS)



### FINANCIAL STRENGTH AND PERFORMANCE

Allstate is one of the strongest companies in our industry. Both Allstate Insurance Company and Allstate Life Insurance Company had an A.M. Best financial strength rating of A+ (superior) as of year-end 2012. Allstate held \$20.6 billion in capital and our well-diversified investment portfolio was \$97.3 billion at year-end 2012.

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

Allstate had a good finish to a strong year despite the costs incurred from Superstorm Sandy. Our strategy of providing differentiated

products to four consumer segments while improving returns is working. Net income for 2012 was \$2.31 billion, or \$4.68 per diluted share, compared with \$787 million, or \$1.50 per diluted share in 2011. Total revenues were \$33.32 billion in 2012 compared with \$32.65 billion in 2011. During 2012, we also continued to invest in initiatives that help make communities safer and stronger.

Visit our [Annual Report](#) for current information about our financial strength, assets, investment portfolio, net income and revenues.

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

### 2012 ANNUAL REVENUE BY BUSINESS LINE (\$ MILLIONS)

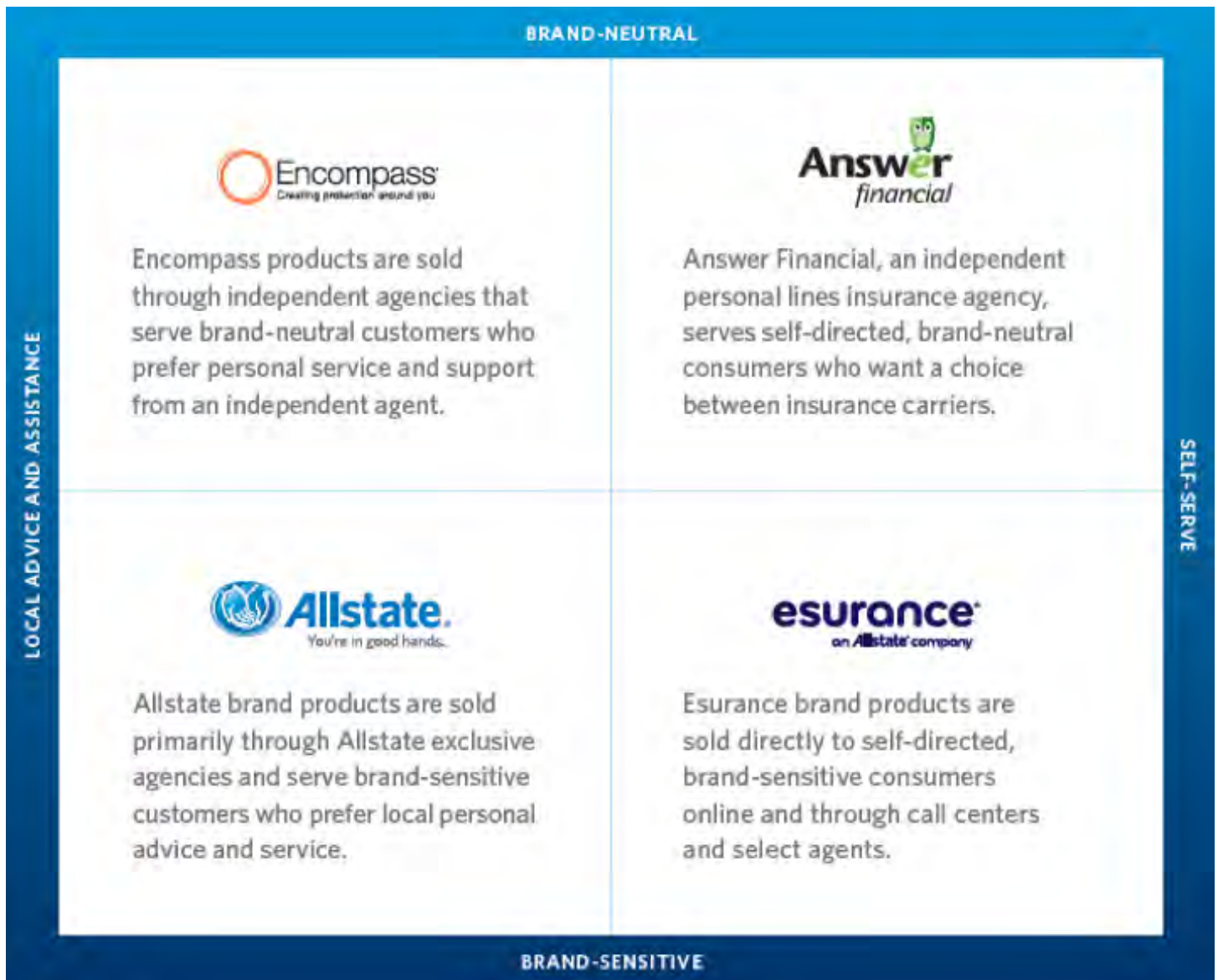
REVENUES	2012
PROPERTY-LIABILITY INSURANCE PREMIUMS	26,737
LIFE AND ANNUITY PREMIUMS	2,241
NET INVESTMENT INCOME	4,010
REALIZED CAPITAL GAINS AND LOSSES	327



## ALLSTATE'S CONSUMER-SEGMENTATION STRATEGY

When purchasing insurance or any other product or service, consumers have more choices than ever before—and they know it. But decision-making power is not in the customer's hands alone. A company can build tremendous customer loyalty over time by making it a top priority to understand and meet its customers' needs. As a result, Allstate continues to refine its product offerings,

marketing outreach and customer service based on careful research. Our company now serves four different consumer segments with distinct interaction preferences (advice and assistance versus self-directed) and brand preferences (brand-neutral versus brand-sensitive).



# ALLSTATE CANADA

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Allstate Insurance Company of Canada has provided peace of mind and property and casualty insurance to Canadians since 1953. Allstate Canada's more than 1,800 employees and agents deliver a full line of auto and home products in the provinces of Alberta, Ontario, Quebec, New Brunswick and Nova Scotia. Its net income in 2012 was USD\$141 million.

Allstate Canada also has a proud heritage of community involvement. The primary focus for Allstate Canada and the separately funded Allstate Foundation of Canada is contributing to building safe and healthy communities through funding and the volunteer efforts of employees. The Foundation has \$7.7 million in capital generating an average return of \$250,000 for distribution through grants.

## ALLSTATE CANADA'S FEATURED PARTNERSHIPS

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**Mothers Against Drunk Driving (MADD) Canada** Allstate Canada has supported the work of MADD Canada for nearly 25 years and is the Title Sponsor of *Project Red Ribbon*, the National Sponsor of MADD Canada's School Assembly Program and an Official Sponsor of MADD Canada and Campaign 911. Allstate is also a partner on MADD Canada's impaired-driving research and liability publications.

Recognizing that Canadian youth are greatly overrepresented in the statistics of deaths and injuries resulting from impaired-driving crashes, MADD Canada developed a highly acclaimed School Assembly Program in 1994.

To launch this program, MADD Canada contacted Allstate Canada about providing funding and support for this unique youth outreach program. Funding contributed by sponsors helps pay for all facets of the program, including script development, casting, film production, exhibition of the film via the School Assembly Tour and development of support materials related to the presentation.

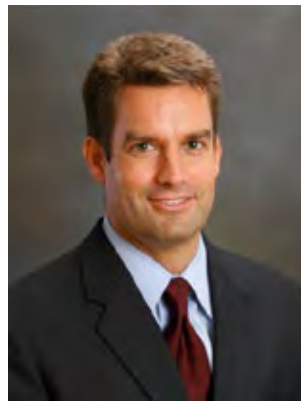
During 2011-2012, MADD Canada's video campaigns were presented in 1,188 schools, reaching approximately 1 million students.

**Allstate All-Canadians** In 2010, Allstate Canada, in partnership with the National Hockey League Players' Association (NHLPA), created the Allstate All-Canadians program, a mentorship program designed to guide the next generation of Canada's hockey youth.

**United Way** For more than 50 years, Allstate Canada employees have volunteered their time and donated dollars to help fulfill United Way's mission to improve lives and build community.

**Crime Stoppers** Allstate Canada agencies and staff support local Crime Stoppers' initiatives across the country to help in the fight against crime.

**Junior Achievement** Allstate Canada staff volunteer annually as Junior Achievement mentors to help young Canadians discover leadership, financial literacy, entrepreneurship and workforce readiness skills.



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*Our mission is to bring strength, experience and care to everything we do, including our community involvement. From MADD to United Way to our award-winning Action Against Distraction campaign, Allstate values its agents getting out in front of the social issues that matter in their communities and actively giving back. This activity speaks to our core values and, fundamentally, who we are as a company.*

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

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## Targeting distracted driving

In 2012, high school students across the country had the opportunity to witness distracted drivers firsthand through Allstate Canada's Action Against Distraction campaign. In seven cities from coast to coast, these teens spotted a total of 1,985 distracted drivers during rush hour, which served to start a national conversation about solutions to distracted driving.

Allstate Canada agents in 12 cities also did similar counts at busy intersections within their communities and found an additional 1,826 distracted drivers, for a total of 3,811 distracted drivers on Canadian roads during just one hour.

The campaign is part of Allstate Canada's effort to teach young drivers safe habits that will last a lifetime by making the risks and consequences of distracted driving understood by everyone as a first step in changing unsafe behaviours.



# ESURANCE

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Esurance provides insurance products and services direct to consumers online, and over the phone in 37 U.S. states. Based in San Francisco, the company has more than 2,500 employees in offices around the nation. Esurance empowers consumers to make smart decisions about their insurance with easy-to-use online tools and a mobile app that offers unique features, like repair monitoring and the ability to schedule claims inspections.

**Commitment to Corporate Responsibility** Since its inception as a Silicon Valley start-up in 1999, Esurance has pushed the industry forward and made corporate social responsibility a priority. The company offers consumers a near-paperless customer experience, maintains ongoing diversity and inclusion initiatives, and has a newly minted veterans program for associates and their families.

Esurance minimizes paper waste and saves countless trees by making insurance policies and documents available online. The company also has a claims fleet that's 100 percent hybrid, which reduces driving emissions of smog-forming pollutants by up to 90 percent, conserves fuel and cuts carbon dioxide emissions in half.

Within its own offices, Esurance continues its eco-friendly practices by using biodegradable cutlery in kitchens and motion sensors on lights to cut down on waste and conserve electricity, working to keep its physical footprint as small as possible.

In addition to its environmental commitment, Esurance also fosters mutual respect and inclusion both inside the office and out. The company's Diversity and Inclusion Advisory Council aims to provide a workplace environment where creativity and innovation are valued and each person is respected, supported and rewarded on the basis of individual achievement and contribution.

As an extension of its diversity and inclusion promise, Esurance developed the Esurance Veterans Engagement Team and Supporters (EVETS) in 2012. The program provides support for veterans (and family and friends of veterans) within the company. EVETS also creates career development opportunities for former military personnel, promotes awareness of veteran issues and concerns, and partners with community outreach programs that serve military members and their families.

The company's stance on diversity and equality is evident outside its offices as well. A longtime supporter of Pride initiatives across the country, Esurance was one of the first car insurance companies to offer the married rate to domestic partners who list on the same policy, even in states that don't recognize such unions.

Esurance also gives back to communities through numerous grant programs. In 2012, Esurance associates contributed more than \$85,000 to charitable organizations, which the company matched dollar-for-dollar through its Matching Gift program. Esurance also awards annual grants to organizations nominated by associates in each of its offices. Last year, the company donated a total of \$55,000 to 14 associate-nominated charities.

This spirit of donation extends to the company's treatment of its totaled vehicles. Since 2008, Esurance has donated 48 totaled vehicles to Recycled Rides, a program that restores vehicles from total-loss accidents and gives them to families and service organizations in need. This alliance not only helps deserving members of the community, but also eliminates the waste that the totaled cars would otherwise create.



## Supporting LGBT equality

In continued support of lesbian, gay, bisexual, and transgender (LGBT) equality, last year Esurance collaborated with The Trevor Project to help raise awareness about Trevor's "NTL" campaign—text shorthand for "need to talk live." The goal of NTL is to make it easy for teens to ask for or offer help when immediate support is needed. Facebook users supported this potentially life-saving initiative by posting their Facebook profile pictures to the NTL photo mosaic on Esurance's Facebook page. Esurance made a donation for every photo uploaded and reached its \$50,000 donation goal with nearly 6,000 photos and messages of support.

The Trevor Project relies on the generosity of national corporate partners like Esurance to help provide lifesaving, life-affirming services to more than 100,000 LGBTs and questioning youth annually. While the NTL message reached thousands of youth directly online and at LGBT Pride events, the resulting donation from Esurance helped The Trevor Project sustain and grow its critical crisis services. Since June 2012, when the campaign launched, The Trevor Project has trained hundreds of volunteers to expand TrevorChat, an instant messaging service connecting youth in crisis with a counselor. Thanks in part to the support of our Esurance partnership, TrevorChat is now available six days a week, and will be running all week long by July 2013. Support from Esurance and similarly community-minded and philanthropic companies enables The Trevor Project to provide all of its vital services—the Lifeline, TrevorSpace, TrevorChat, AskTrevor and now, TrevorText—to LGBT youth in need.



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*Community involvement and environmental stewardship have always been integral to our company philosophy. However, it's the energy and enthusiasm of our associates that truly drives our engagement with the community. Their passion helps us continually expand our outreach in a meaningful and impactful way.*

**—Gary Tolman, President and CEO, Esurance**

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# ALLSTATE NORTHERN IRELAND

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Allstate Northern Ireland (ANI) is the largest information technology (IT) company in Northern Ireland. It employs more than 2,000 people in Belfast, Londonderry and Strabane. Established in 1999, the company is Allstate's largest outsource provider and a major center for software development and technical support for Allstate's U.S. and Canadian operations. From its inception, ANI has built a culture of corporate responsibility with a commitment to community, the environment and people.

## ANI'S KEY CORPORATE RESPONSIBILITY INITIATIVES

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**X the TXT Northern Ireland** ANI took the title of Excellence in Corporate Social Responsibility at the *Belfast Telegraph* Northern Ireland Business Awards. ANI's entry was based on its "X the TXT—Don't Text & Drive" campaign, which has reached more than 100 schools in the past two years, as well as a wider audience through a multimedia competition on Cool FM. ANI works in partnership with the Police Service of Northern Ireland and the Department of the Environment on the campaign, with both organizations providing funding—a clear reflection of the program's quality. The event's judges were impressed by how ANI has contributed to the local economy. Said one judge: "Allstate's 'X the TXT—Don't Text & Drive' campaign sets the standard for good corporate social responsibility. It shows that when a business uses its unique skills in partnership with others, it can really make a difference in its community. There were other admirable campaigns, but Allstate embedded this campaign seamlessly and made a remarkable impact."

**Special Olympics Ulster's Annual Collection** In April 2012, ANI supported the Special Olympics Ulster Annual Collection Day by collecting funds to support the sports charity's work in the Ulster region as part of the wider Special Olympics Ireland Annual Collection Day.

**Investing in Employees' Health & Well-Being** Allstate Northern Ireland received the Investors in People Health & Well-Being Award, which recognizes the time and resources that Allstate invests in health and well-being strategies, initiatives and activities. Golf, badminton, soccer, yoga, surfing and cycling are just some of the sports clubs Allstate Northern Ireland employees can take advantage of as they pursue a healthy work-life balance.

## 2012 AWARDS

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*Belfast Telegraph* Business Awards: Excellence in Corporate Social Responsibility

### Community

*Belfast Telegraph* Business Awards: Outstanding Business of the Year  
Total fund-raising: \$75,000+

### People

Investors in People: Gold Award

*Irish News* Workplace & Employment Awards: Right Place to Work Award

*The Irish News* Workplace & Employment Awards: Work Life and Well-Being Award

### Environment

Translink Corporate Challenge

Big Tick Winner—Business in the Community Awards—Ways2Work Award, in recognition of ANI's commitment to driving real behavioral change by promoting sustainable travel as part of its corporate responsibility targets



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*At Allstate Northern Ireland (ANI) we want to make a difference in Our People, Our Community and Our Environment. Since we commenced business in 1999, ANI employee volunteers have raised money for local and international charities, donated countless hours to innovative volunteering programs, developed working policies to improve the health and well-being of our employees, helped build the IT economy in Northern Ireland, made strides in reducing our impact on the environment, and much more.*

*I take great pride in our efforts and achievements and pay tribute to the commitment of everyone at ANI who works on our wide range of community service initiatives to make a difference.*

**—Bro McFerran, Managing Director, Allstate Northern Ireland**

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# ALLSTATE SOLUTIONS PRIVATE LIMITED

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In 2012, Allstate established a new technology company, Allstate Solutions Private Limited (ASPL), located in the high-tech city of Bangalore, India as part of its international ATO strategy. ASPL, Allstate Northern Ireland and the U.S.-based Strategic Resources Management Team—have a common mission: to deliver exceptional technology services in a cost-competitive manner to Allstate through an engaged workforce dedicated to quality, innovation and inclusion.

ASPL employees in India provide an extended technology infrastructure that supports 24/7 workflow, improved innovation and increased efficiency. ASPL is committed to finding the best international talent to complement our U.S. and Northern Ireland teams, allowing us to bring in-house core IT competencies that are currently managed by offshore suppliers.

Work at the new company, which opened in December 2012, is focused on leading-edge technology initiatives such as enterprise testing and release, mobile, enterprise Java development, .NET development, mainframe development, infrastructure services and other specialized IT services. The company employs more than 200 people and is actively recruiting for open positions.

## Giving back with Allstate Good Hands®

Right from the start, highly qualified candidates in India were excited to join the Allstate family. Much of their enthusiasm was due to Allstate's reputation for embracing corporate social responsibility. Allstate's commitment to community service makes the company a desirable place to work and is attracting top talent.

Projects planned for the coming year include blood donation drives and a campaign to plant fruit trees in a local orphanage. As the ASPL office matures, employees will be encouraged to support important causes to enhance the community.



*We are confident that Allstate's culture will make ASPL a great place to work and an employer of choice in India. Just as we are known for our community service and corporate social responsibility in the U.S., Canada and Northern Ireland, we know our employees in India share this passion.*

—Chetan Garga, Managing Director, ASPL

# CORPORATE GOVERNANCE

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

Driving sustained value requires strong corporate governance. That's why we're working hard to ensure executive and Board-level transparency and accountability.

**Corporate Governance Structure** The Allstate Board of Directors has ultimate responsibility for the conduct of the company. In 2012, our Board was composed of 12 members, including Thomas J. Wilson, who serves as Chairman of the Board, President and Chief Executive Officer of Allstate. Mr. Wilson has served as Chairman of Allstate since May 2008 and as President and Chief Executive Officer since January 2007.

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

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

The CEO meets at least annually with the Compensation and Succession Committee and the Nominating and Governance Committee to discuss succession planning and management development for senior executives. The senior leadership team is selected by the CEO and is responsible for the day-to-day management of the business. The Board acts as advisor to senior leadership and oversees its performance.

Allstate's Board of Directors has adopted Director Independence Standards that are applied to determine that 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 to be considered in evaluating director candidates. The Nominating and Governance Committee recommends criteria for assessment of the performance of the Board of Directors.

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

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

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

In addition to the Corporate Responsibility team, our Sustainability Leadership Team, which is composed of officers and senior staff from all areas of the company, meets quarterly to review our 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.

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 Vice President of Corporate Responsibility, who leads the Team, reports to Senior Leadership on the Team's efforts and assessments. These results are then reported to the Board, when necessary.

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

# ETHICS AND INTEGRITY

GRI INDICATORS 4.6 / 4.8 / 4.9 / HR3

## In My Good Hands: The Allstate Code of Ethics

Always do the right thing in the right way for the right reason. That 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.

To support this effort, Allstate has developed a comprehensive Code of Ethics that 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 in how they apply to their job responsibilities.

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

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

## Recognition

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

## Reporting Concerns

All employees are encouraged and expected to report misconduct in the workplace. Concerns can be raised through supervisors or local Human Resources consultants. Allstate policy and the Code of Ethics prohibit any form of retaliation for reporting a workplace or ethical concern.

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



# INCLUSIVE DIVERSITY

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In an increasingly diverse marketplace with changing demographics, customer preferences and needs, a corporate culture that encompasses diverse backgrounds and points of view is a strategic business imperative. Inclusive diversity is a core value at Allstate and receives full support from all levels of the company.

Inclusive Diversity goes far beyond gender, ethnicity and religion. It encompasses every possible combination of people and places, backgrounds and values. Allstate serves approximately 16 million households, each one unique. Our approximately 70,000 employees, agency owners and staff—each with particular skills and strengths—serve thousands of communities, each with its own character and needs.

Inclusive diversity isn't a single goal or program:

- **For customers**, it means being understood for who they are, how they live and what they need.
- **For employees and agencies**, it means being fully valued and supported.
- **For leaders**, it means bringing out the best in qualified people from all backgrounds.
- **For communities**, it means partnering on issues important to all.

Valuing diversity keeps us more in tune and in touch with our diverse customer base. Employees are energized when their ideas and contributions are heard, and this improves productivity and sparks innovation. It leads to higher levels of employee engagement, better communities and greater growth for Allstate.

## INCLUSIVE DIVERSITY STRATEGY

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Our CEO sets the vision and drives accountability for our inclusive diversity strategy, and our Enterprise Diversity Leadership Council and Chief Diversity Officer set the strategy implemented by the entire organization. Our commitment to diversity and inclusion continues to be recognized by well-known media publications and associations that monitor diversity and workplace issues.

Read more about diversity in our workforce in the **Employees section**, diversity among our suppliers in our **Business Practices section**, and diversity among our agents in the **Agency Owners section** of this report.

**Workplace Diversity** Inclusive diversity is important in creating a high-performance culture at Allstate. Leveraging and engaging high-value employees with diverse backgrounds helps us develop and market high-value products that meet diverse needs—which in turn helps us attract and retain high-value customers from diverse markets.

In 2012, Allstate moved up to 37th on The DiversityInc Top 50 Companies for Diversity® list, which measures CEO commitment, human capital, corporate and organizational communications, and supplier diversity. (Allstate is ranked No. 36 in DiversityInc's 2013 list.) Companies must score above average in all four areas and demonstrate strong consistency across the board in their diversity-management initiatives to earn a spot on the list. Companies are measured within their industry classifications.

Key measures in 2012 that helped Allstate achieve this recognition include:

- Increased CEO support for Employee Resource Groups (ERG) (see below), including an annual meeting with ERG leaders
- Close collaboration between our Chief Diversity Officer and our CEO
- Strong representation of females on our Board of Directors
- Strong gender-diversity numbers among top management
- Increased philanthropic contributions supporting multicultural groups

Supporting inclusive diversity within our workforce also means promoting inclusion, work-life balance, dignity and respect, lifelong learning, a commitment to fully utilizing diverse talent, and leveraging differences to strengthen innovation and creativity.

We also provide diversity education, career advancement and development options, mentoring programs and support networks for all employees.

In 2012, we increased our efforts to build a more diverse talent pipeline with women and minorities with leader capabilities for leveraging inclusive diversity. We enhanced our diversity education course by placing a greater focus on cultural competence—or the ability to navigate differences to be able to better communicate and work with peers, customers and the communities that Allstate serves. Our benefits package, work-life program offerings and numerous onsite amenities create a work environment where taking care of yourself and your family is valued, encouraged and simple to do.

Among Allstate’s employees, 57 percent are women, and 32 percent are minorities. Forty-one percent of officers and managers are women and 24 percent are minorities. At the executive level, diversity ratios improved as well.

**Employee Resource Groups (ERGs)** Employees connect with each other and build relationships across Allstate through Employee Resource Groups, organizations of employees with common interests that are officially recognized by the company. Employee Resource Groups leverage the strength of our inclusive diversity to support our employees and our business, and help create an inclusive environment where people bring their whole selves to work. Employees have formed ERGs to connect with colleagues who have shared life experiences, background or career paths. Individual groups support members through mentoring, networking and providing a variety of social and career development activities. They also give back to communities and take part in a number of corporate initiatives such as the Thanks a Million Campaign and consumer research.

Current ERGs include:

- 3AN—Allstate Asian American Network
- AAN—Allstate Adoption Network
- AAWN—African American Working Network
- ANGLES—Allstate Network of Gay and Lesbian Employees and Supporters
- AVETS—Allstate Veteran Engagement Team & Supporters (created in 2012)
- AWIN—Allstate Women’s Information Network

- PLAN—Professional Latino Allstate Network
- PWT—Parents Working Together (created in 2012)
- YPO—Young Professionals Organization

In 2012, Allstate launched two new ERGs (AVETS and PWT), increasing ERGs from a total of seven to nine. ERG membership also increased nearly 30 percent over the prior year, and approximately 900 hours were volunteered by ERG members in the communities where our customers live.

We also significantly increased the level of collaboration and information sharing among groups. One major result was the development of a common mission statement, vision and strategic objectives that apply to all ERGs.

More information and a list of achievements for this year can be found in the [Employee Resource Groups 2012 Annual Report](#).

Read more about diversity among our suppliers in our **Business Practices section** and diversity among our agents in the **Agency Owners section** of this report.



## Allstate ERG Mission Statement

To provide an open forum where employees with a shared interest aspire, develop and collaborate to reach their highest potential, represent Allstate in our communities and serve as a key resource to the company for specific consumer, employee and agent insights.

# STAKEHOLDERS

GRI INDICATORS 4.14 / 4.15 / 4.16

The good work we do is possible only with the support and active engagement of our stakeholders. Understanding and responding to the expectations of employees, agency owners, investors, customers, policymakers and opinion leaders is essential to our success.

20,835

EMPLOYEES AND AGENCY OWNERS PARTICIPATED IN OUR WORKPLACE GIVING CAMPAIGN IN 2012

\$4.3M

AMOUNT RAISED DURING 2012 WORKPLACE GIVING CAMPAIGN



## THE IMPORTANCE OF LISTENING

Our business helps people protect what they have and prepare for the future. Listening to our customers enables us to help them

manage the risks they face. It also helps us deliver innovative products and services in the best possible way by giving us a better understanding of their needs and how they may be changing.

- **Listening to employees** enables us to tap into their unique talents and help them achieve their career goals. Understanding and proactively addressing both their needs and their skills helps improve Allstate's overall performance and enables us to meet our customers' evolving needs.
- **Listening to exclusive agency owners** helps us to better enable their success as small-business owners and best serve our customers. Because Allstate agency owners work in our communities every day, they also help us better understand where our social investments can have the greatest impact.
- **Listening to investors, consumers, policymakers and opinion leaders** helps broaden our perspective, sharpen our skills, and innovate in every phase of our operations.

## HOW WE INTERACT WITH STAKEHOLDERS

We interact with our stakeholders in both formal and informal ways, including forums, one-on-one meetings, phone calls and email. We also have several specific programs that engage various stakeholder groups:

**Stakeholder Engagement Panel** In 2012, we built on efforts that began in 2011 with the nonprofit organization [Ceres](#) to develop a stakeholder panel comprising NGO representatives, investors, opinion leaders, and top-level Allstate employees and agency owners. The group meets at least once each year to guide our sustainability strategy and evaluate progress with Allstate's leadership team.

**Reputation Scorecard** For the third year in a row, we used the Allstate Reputation Scorecard to measure overall reputation across all stakeholder groups to determine key drivers of reputation within each group, and to identify the key expectations of our stakeholders. Our combined reputation score among all stakeholders increased

by one point in 2012, from 68 to 69. This score is considered “high average”; a score of 70 or above is considered “good.”

The Reputation Scorecard measures stakeholder expectations and Allstate’s performance against 32 key attributes across seven broad dimensions of reputation: Products and Services, Innovation, Governance, Workplace, Citizenship, Leadership and Financial Performance. The survey uses both quantitative and qualitative methods to determine what is most important to specific stakeholder audiences, as well as key expectations across all stakeholders.

The initial Reputation Scorecard helped us determine that, collectively, our stakeholder groups expect Allstate to:

- Act ethically, fairly and responsibly
- Provide customers with a dependable, trouble-free relationship
- Provide clear and credible leadership and ensure financial stability
- Provide value at a competitive price
- Use its influence and local presence to support important causes

There is accountability at the highest levels of the company for meeting our stakeholders’ expectations. The insights gained from the Reputation Scorecard are also shared across the enterprise to better inform our business strategy, day-to-day decision-making and communications.

## NATIONAL AND REGIONAL ADVISORY BOARDS AND THE AGENCY EXECUTIVE COUNCIL

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

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

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

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

## NEXT STEPS

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We will continue to look to our stakeholders for important insights into a wide range of issues and topics. In particular, we are committed to hosting regular stakeholder panels to review Allstate’s current and future strategic plans, including our sustainability strategy. Members of the panel will be selected on the basis of the value of their engagement and will be reevaluated before and after each meeting.

We will also continue to explore new ways to incorporate results from our Reputation Scorecard into strategy development, communications, and the creation of innovative products and services. Giving stakeholders greater input strengthens our relationships, builds our reputation and creates new business opportunities.



# CUSTOMERS

GRI INDICATORS 2.2 / 3.5 / 4.12 / EN6 / EN26 / PR5 / PR6

Without our customers, there is no Allstate. That simple thought guides all of our customer efforts. We need look no further than our corporate purpose statement to remind ourselves why we do what we do:

*We help people realize their hopes and dreams through products and services designed to protect them from life's uncertainties and to prepare them for the future.*

We take our purpose a step further with our strategic vision to *reinvent protection and retirement for the consumer*. Reinvent is a powerful word, but it's something we've been doing since we started selling auto insurance out of the Sears catalog in 1931.

**Applying knowledge to help Allstate customers** We use the knowledge we've gained over the last 81 years to help Allstate customers recover from unexpected losses—and to prevent losses from happening in the first place. From showing customers how to help prevent fires—and how to stop them from spreading if they start—to helping them prepare for hurricanes and tornadoes, we work as consumer advocates, not just as an insurance company. Aiding these efforts are our memberships in organizations such as the Insurance Institute for Business and Home Safety and our involvement with [ProtectingAmerica.org](http://ProtectingAmerica.org), an organization devoted to preparing and protecting America from catastrophe. We also work closely with states on developing and instituting changes to building codes that result in safer homes with roofs that will better withstand wind and hail.

We are working to redesign sections of the [allstate.com](http://allstate.com) website to expand our strategy of making our knowledge more available to consumers to help them protect their homes and prevent losses. The site will incorporate activities as simple as changing washing machine hoses and choosing the best roofing materials. The new site will be available by the end of 2013.

## A BLOG WHICH HELPS PEOPLE PREPARE FOR THE UNPREDICTABILITY OF LIFE



Consumers and prospects alike can access a wide variety of valuable information at the Allstate Blog ([blog.allstate.com](http://blog.allstate.com)). The blog's focus is to help people prepare for life's unpredictability through information and education. The content includes practical advice about auto safety, home maintenance, personal finance, and more. Posts range from how to safely handle a tire blowout to 4 things to hoard for an emergency.

**Meeting specific customer needs** At Allstate, our goal is to keep insurance available and affordable for consumers while addressing their unique needs. From the types of vehicles they own, to the levels of coverage they want, to how they prefer to receive advice and assistance, every customer is different. We serve these distinct customer segments with differentiated offerings and enable them to do business with Allstate when, where and how they choose.

1. **Allstate** focuses on targeted marketing, product innovation, broad distribution and pricing to serve customers who value the brand and customer service. The marketing program focuses on the importance of a local agency, value, and products and services that meet customer needs. Allstate differentiates itself from competitors by offering a comprehensive range of innovative product options and features, and through product customization such as Allstate Your Choice Auto®, with options that include accident forgiveness, safe driving deductible rewards and a safe driving bonus.
2. **Esurance** is the smart choice for today's Web-savvy customer, offering fast, reliable and straightforward self-services, from shopping to claims. With mobile capabilities for quoting, claims and other services, Esurance makes it easy for customers to take care of their insurance needs on the go.

3. **Encompass** serves customers through local independent agents who provide advice, choice, tailored coverage and personal service, including the market-leading Encompass One<sup>SM</sup> Elite package policy. This policy includes guaranteed home replacement cost, a policy limit of 200 percent of home replacement cost for all property, unlimited coverage for water backup of sewers and drains, multi-car credit for single-car households with a company car, identity fraud, higher internal limits for many coverages, and worldwide coverage for personal property.
4. **Answer Financial** makes it easy for customers to quickly and easily compare features and rates from the multiple carriers Answer Financial represents, either online or by phone. It's a starting point and, often, the place where consumers purchase insurance. Customers typically reach Answer Financial through a referral from one of its many marketing partners.

## INNOVATIVE SERVICES FOR A CHANGING WORLD

Allstate is the only provider committed to serving customers with distinct brands and tailored value propositions through all delivery channels.

### Homeowners Policy Green Improvement Reimbursement

**Endorsement** In 2012, we launched a new product that provides incentives to customers to rebuild homes using sustainable materials. In the event of a covered loss, a customer who purchased this endorsement can 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<sup>®</sup> 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. We continue to offer this feature on a limited basis and intend to expand it to most states by 2014.

**Drive Wise<sup>®</sup>** Introduced in 2011, this usage-based insurance product rewards safe and low-mileage drivers while helping customers better understand their driving behaviors. Policyholders self-install a telematics device within their vehicles that transmits driving data to Allstate. The customer's driving behavior and total mileage are then used to determine the Drive Wise performance discount. Drive Wise includes a discount simply for enrolling in the program and plugging in the device. Further discounts can be earned at each renewal, based on driving performance. Rates will not go up based on driving scores.

In 2012, we rolled out Drive Wise to seven additional states, bringing telematics technology and potential discounts to participating drivers in a total of 10 states, with six more added by June 2013. As the program grows, we expect customers to see environmental benefits because safe driving behaviors also lead to reduced emissions through greater fuel efficiency.

**North Light Specialty Insurance Company** North Light Specialty Insurance Company offers personal lines property coverage on a non-admitted basis for unique, underserved customer segments or those residing in high-risk markets such as hurricane-, wildfire- or earthquake-prone regions. An Allstate-owned company, 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. In 2012, we expanded access to North Light to 23 new states, bringing the total number of active states to 30.

## CONTINUAL ENHANCEMENTS TO ALLSTATE CLAIMS SERVICE

Allstate processes some 6 million claims a year, and nearly half of the company's employees are dedicated to claims activities. Because of the vital importance of our claims service to our customers, we are continually developing new approaches to making the process better and more efficient for them.

**Mobile Claim Centers** Our Claims team operates a fleet of Mobile Claim Centers that are deployed to severely damaged areas to serve policyholders affected by catastrophic events. These units are custom-designed motor homes ranging in length from 32 to 39 feet and equipped with workspaces, satellite phones, computer jacks, data lines, fax machines and copiers. Our impacted customers can file claims, get answers to their claim questions and even receive immediate claim funds to help them with additional living expenses on covered losses during significantly damaging events.

**Debit Card Claims Payments** We can provide our agency owners with debit cards they can give to customers for certain types of claims to help them get money as quickly as possible in a form they can easily access. These cards are particularly useful in the aftermath of a major catastrophe because they enable customers to buy food, clothing and other essential items.

**Catastrophe Response Vehicles** In 2012, we began using smaller, more nimble vehicles that enable us to respond faster in the wake of a catastrophe by going into an impacted area as soon as we're allowed to enter. These vehicles are equipped with the same technology as our Mobile Claim Centers, and make it possible for us to go directly to customers' homes, often even before they've had a chance to report the claim. Allstate Claims personnel and agency owners can help ensure that the customers' emergency needs are handled and that they begin the claim process quickly. If additional living expenses are appropriate, they can be addressed immediately. These vehicles, which are unique to Allstate, were used for the first time after Sandy in impacted areas along the East Coast.

**Flexible Claims Capability** The NextGen technology we implemented in 2008 allows us to capitalize on the size and scale of our organization to support our customers more efficiently and effectively. For example, Allstate Claims employees in California can assist when a catastrophe hits the Northeast. This kind of load-balancing of claims across the country allows us to adapt our response to meet changing claims volumes.

**Technology for Agency Owners** We support Allstate agency owners with electronic tools that help them connect with and take care of their customers how, when and where they choose. These tools allow agency owners to check the status of claims, communicate with the catastrophe team and even use online reporting technology to file claims on behalf of their customers.

## WORKING TO IMPROVE CUSTOMER SATISFACTION

To provide customers with the products and services they need in the ways they want them, we listen and respond to their preferences and concerns at several points throughout our business interactions. The ways in which we solicit and manage customer feedback and relationships include:

- Distributing a **customer experience survey** that allows us to receive direct feedback from customers and helps agency owners and the company take action to improve their experience.

- **Linking our customer complaint dashboard to our customer experience report**, leveraging and connecting verbatim comments from customer surveys and customer complaints to identify and address improvement opportunities.
- Offering the **Claims Satisfaction Guarantee**, an innovative breakthrough in personal auto protection. If eligible customers are not happy with how their paid Allstate car insurance claims go—for any reason—we will give them credit on their auto premium for up to six months. No other insurance company does that.
- Providing additional **e-business capabilities** to give customers the services they want, how, when and where they choose. Customers can pay their bills, view policy information, initiate claims or find an agency online and from a mobile device using our [Allstate Mobile](#) application.
- Encouraging every employee to connect with customers via a **volunteer call program, "Thanks A Million,"** through which employees can reach out directly to customers with a simple message of thanks, showing our appreciation for their business. In 2012, Allstate employees made 846,339 of these calls.
- **Collecting customer data at several points throughout the claims process** in order to deliver a better and more consistent customer experience. This feedback positions us to respond more quickly to customer needs by refining processes and by delivering tools that allow us to establish an immediate and clear link between employee performance and the customer.

**Responsible marketing communications** Insurance is about managing risk and building trust. We enter into every customer relationship with full disclosure and a clear intent to foster a long-term relationship. As a result, it is very important that our marketing materials and policies are clear and relevant, and are delivered in the method customers prefer. Our agencies help educate customers on how to select the products, coverage and services that are appropriate for their current and future needs.

**Data privacy and protection** 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 discovery by unauthorized parties. We respect and protect personal data by:

- Complying with all applicable privacy laws and company policies on privacy and information technology usage



- Requesting and retaining only the personal information that is needed
- Communicating clearly how personal information is used, retained and disclosed
- Respecting and protecting the privacy of every individual's personal information
- Embedding strong privacy protection practices in all business processes and systems
- Using a secure site when accessing personal information electronically
- Never leaving personal information on or around workstations, and locking away any printed personal information
- Immediately emailing Privacy Incident Management if we know or suspect that personal information has been disclosed inappropriately
- Disclosing personal data or other confidential business information only to those who have a valid business need to know, or as required by law
- Requiring suppliers or business partners to safeguard confidential consumer information and use it only to provide the requested services
- Sharing consumer or employee information only as permitted by our Privacy Policy
- Committing to an ongoing review of privacy policies and practices and their continuous improvement

Each quarter, we update our employees with information, training and resources to ensure that they understand our privacy policies. In addition, Data Privacy and Security courses are mandatory for all employees. We offer agency owners local workshops on privacy issues and provide current privacy information on our agency intranet. We also ensure that our customers are well informed and educated on data practices by issuing a privacy statement at the point of contact and then annually.

**What we collect** To provide our customers with the best pricing and plans for their unique situations, we need to collect information that may include their name, phone number, home and email addresses, driver's license number, Social Security number, marital status, family member information and health care information. We also maintain records that include, but are not limited to, policy coverage, premiums and payment history. Finally, we collect information from outside sources that may include, but is not limited to, a customer's driving record, claims history, medical information and credit information.

**Reporting data privacy concerns** Questions about data privacy or suspected breaches of personal information can be directed to Allstate i-Report at 1-800-706-9855, a 24/7 toll-free number.

To learn more about how we use and share personal information and about our Internet and information security policies, read our complete [Privacy Policy Statement](#).



## Helping Allstate customers in time of crisis

Even before Sandy crashed ashore along the New Jersey coast on October 29, 2012, Allstate's National Catastrophe Team (NCT) had dedicated 1,100 Claims personnel to responding to the damage the storm would inevitably cause. At the height of its response, Allstate's National Catastrophe Team dedicated more than 4,000 Claims personnel and two dozen mobile claim vehicles to assist policyholders with claim needs.

One member of our onsite catastrophe team was Allstate Senior Claims Service Adjuster Jared Stock, who was approaching the home of an Allstate customer in Islip, NY, two days after the storm struck when he noticed a puzzled expression on the customer's face. He identified himself as a member of Allstate's National Catastrophe Team, explaining he was in the storm-ravaged neighborhood to "reach out to our family members to ensure they are safe, find out if they have any immediate needs and assist them with the claims process if needed."

The customer was overwhelmed by downed trees in her backyard and the challenge of caring for her 91-year-old mother without electricity. The widespread power outage had also forced her local agency office to close, and she'd been unable to call Allstate herself because there was no cell phone service.

"We walked to the backyard, sat down and filed a claim," Stock said. "I gave her my card with her claim number and explained she should be contacted within five days—if not, call me. She took me and introduced me to her mother, explained to her why I was there, then gave me a hug and said, 'This is why I have Allstate.'"

"I didn't have the words then, but I would have told her: This is why I love my job."

## Customer Contact Centers provide additional support during Sandy

Several months before Sandy hit, the Allstate Claims department updated its inbound call plan to include corporate partners who could assist during the periods of heavy inbound call volume that are typical during a widespread event such as Sandy.

Allstate Contact Centers prepared more than 300 representatives from the Charlotte, North Carolina; San Antonio, Texas; and Woodridge, Illinois, Customer Contact Centers; the Allstate Service Information Center in Hudson, Ohio; and the Allstate Solutions Acceleration Process team in Roanoke, Virginia. Together, these centers fielded more than 3,000 inbound calls from Allstate customers who were affected by Sandy.

Our comprehensive, orchestrated response to the storm enabled Allstate to fully process 98 percent of all Sandy-related claims within five months.

## Good Hands Connection keeps people in touch

In the aftermath of Sandy, the compromised infrastructure of many northeastern U.S. states made it difficult for people to communicate with family and friends far from the areas hit by the storm. Allstate's Good Hands Connection was available to help them do so.

The Good Hands Connection combines an Apple iPad with a unique Allstate app that customers—and even noncustomers—can use to send email, post to Facebook and Twitter, and record and upload short video messages to let loved ones know how they're doing.

# EMPLOYEES

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

No matter what an employee's role is at Allstate, he or she contributes to the good we do. That's why we work to create an environment in which all employees can be their best—where they can pursue their purpose, make an impact, live well and give back.

We are continually evaluating and implementing efforts to enhance our employment value proposition to ensure that we can hire and motivate outstanding employees. For positions for which we engage in college recruiting, we attract students from schools with curriculums that meet our core business needs, including historically black colleges and universities.

As part of our on-campus recruiting, we tell college students about the many opportunities at Allstate that go beyond insurance sales, including the areas of technology, finance and actuarial science. We also offer a program that employs more than 100 interns a year, creating a talent pipeline for future full-time openings across Allstate.

Our **Leadership Development Program (LDP)** provides top recent college graduates with accelerated leadership opportunities, helping us develop leaders who have a broad perspective on our business and who bring cross-functional, decision-making abilities to their work.

## GOOD WORK

We strive to create and maintain an environment where people can be and do their best. To that end, we offer a suite of resources that supports employees' career goals, recognizes and rewards them competitively, and enables personal and professional development.

**Employee satisfaction and engagement** To ensure that our employee programs are effective and to encourage input, we conduct an annual voluntary and confidential survey called VOICE. The survey measures how well employee perceptions and behaviors align with the values of Our Shared Vision—including honesty, inclusive diversity, accountability, superior performance, and a supportive work environment that allows our employees to do and be their best. According to our 2012 survey, 90 percent of Allstate employees who responded considered themselves "proud" to work for Allstate, a 3 percent increase compared to 2011. In addition, 91 percent agreed with the statement, "My team has a climate in which diverse perspectives are valued."



## A work environment that really works

As part of a Chicago-area real estate consolidation plan that started in 2010 and accelerated in 2011, employees from Allstate's South Barrington and Vernon Hills facilities have relocated to our Northbrook Home Office campus. In 2012, employees at another of our facilities in nearby Wheeling began relocating to Home Office in phases, which will continue through mid-2013.

Knowing that having a collegial work environment is important to employees, we took advantage of the consolidation to completely renovate our Home Office work spaces with the goal of creating a more collaborative, contemporary working environment with shared work spaces. A survey of relocated employees indicates that the new space is having the intended effect: More than 80 percent of respondents feel that the work environment facilitates collaboration and communication among employees.



**Employee development and continuous learning** We want everyone at Allstate to excel. So we're committed to helping employees who want to change jobs, improve their skills or advance in a current role. We provide a variety of learning opportunities, including workshops, online classes and on-the-job training. In addition, we:

- Offer tuition reimbursement for both graduate and undergraduate courses at accredited colleges and universities. We help employees and their family members secure loans and scholarships for private (K-12), undergraduate, graduate and professional education.
- Provide financial support for employees who participate in industry certification and professional designation courses.
- Make learning assets available online to help employees develop business, interpersonal, technical and leadership skills on a schedule that's convenient for them. We also support employee involvement in business conferences and professional associations.

Our learning and development programs give employees and agency owners the opportunity to learn more about Allstate and better understand our business by interacting with top management at town hall meetings held at Allstate locations throughout the country as well as through leader communications conveyed via our Allstate NOW news website for all employees and our Gateway site for agency owners.

In 2012, we introduced Enterprise Talent Market, our new internal job market, which is designed to change the way Allstate handles internal job posts. For example, nearly all openings below the senior vice president level are now posted internally, and candidates are expected to submit a robust résumé similar to one they would use externally. The goal of the new program is to retain and develop top talent by giving employees the opportunity to pursue diverse and challenging roles across the company. Since the launch of Enterprise Talent Market in June 2012, internal placement rates have increased steadily, month over month, from 17 percent to 26 percent.

**Employee safety** Providing a safe and healthy working environment is a priority for Allstate, and we strive to eliminate all accidents from our workplace. In 2012, 456 of our employees, or 1.6 percent of our employee population, filed a workers' compensation claim for work-related injuries. Of these claims, 66 resulted in lost work time. The most common claims were due to slips and falls, being struck by an object, vehicle accidents, and repetitive motion injuries.

If accidents result in lost time, Allstate offers programs to help employees recover and return to work through the Integrated Disability Management Program, which combines short-term and long-term disability benefits with workers' compensation benefits.

## GOOD LIFE

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Well-being is a journey that begins with each employee and what matters in his or her life. Through our Good Life program, we offer Allstate employees resources in becoming physically energized, emotionally connected, mentally focused and financially strong.

**Employee health and wellness** Our goal is to build and maintain a culture that embraces and encourages our employees' pursuit of well-being in all aspects of their lives. In 2012, we opened two on-site Wellness Centers, in Illinois and Texas. Each center offers an innovative, holistic approach to medical care, including physical examinations, vaccinations and immunizations, wellness counseling, blood pressure checks, laboratory services and screenings, and a pharmacy. The centers are open to employees and retirees, spouses, domestic partners and dependent children.

These new Wellness Centers join a wide selection of offerings designed to encourage health and well-being for company employees, including our "Destination: You" walking program, wellness coaching and subsidized, nutritious meals in the company cafeterias. The AllstateGoodLife.com portal, which serves as a gateway to a myriad of well-being resources, is also available to further engage employees and their families in *Good Life*.

As a result of these efforts, in 2012, 90 percent of employees who responded to the company VOICE survey agreed with the statement, "At work, I'm encouraged to pursue healthy habits that will improve my overall well-being."

Allstate is unique in making an energy management workshop available to all employees, not just executives. The workshop, "Energy for Life", is based on the Human Performance Institute's Corporate Athlete program. This one-and-a-half-day workshop, devoted to well-being teaches employees about discovering their purpose, and uses the scientific principles of energy management, such as how to eat and move, to maximize energy during the day and to stay focused on what matters most at work and at home. In 2012, the workshop was rolled out to employees nationwide and offered to our agents in four regions. As of year end, more than 7,000 employees and agents had participated in Energy for Life.

David Williams is one of Allstate's top producers and a graduate of Energy for Life. "It probably changed my life," he says. "I was on the wrong path...working 90 hours a week. Going through the Energy for Life workshop made me realize that I want to be there to provide for my family and in order to do that, I need to take care of myself. Now I exercise every day and eat right. I've lost 20 pounds and I feel great."

## FINANCIAL FITNESS

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Financial well-being is also an important aspect of our overall employee offerings. In 2012, we launched financial well-being education with our first Financial Fitness Month. More than 3,000 participants attended 91 seminars and webinars at 20 offices nationwide. Financial literacy expert [Terry Savage](#) kicked off the event. We also repositioned some underutilized benefits as part of financial well-being, and offered special enrollments in Long-Term Disability (LTD) and Long Term Care (LTC) insurance. Enrollment in LTD increased 43 percent to 74 percent and enrollment in LTC increased 59 percent to 15 percent. Allstate took additional steps to increase retirement readiness and financial literacy among our employees:

### Retirement readiness results

- Increased 401(k) participation rate from 82.7 to 85.7 percent
- Increased 401(k) 5 percent match from 75.0 to 82.5 percent

### Financial literacy tools

We provide Allstate employees with resources to help them in their financial lives. These tools include:

- Personal Finance Center, an online educational resource, for employees
- Retirement Guide and Checklist
- Videos and articles related to financial literacy on the Good Life portal

Allstate's emphasis on financial well-being was recognized by the White House in 2012 when we participated in a White House Summit on Financial Empowerment and Capability. Allstate was one of three employers on the panel discussing its financial literacy approach for employees and for victims of domestic violence; work we support through The Allstate Foundation.

**Work/Life balance** We understand our employees' overall well-being depends on successfully managing the demands of work and family. In our 2012 employee survey, 92 percent of respondents said their immediate manager supports their efforts to balance their work and personal lives. To this end, we offer options for flexible work hours, telecommuting, part-time status and job sharing.

We also offer the LifeWorks® Employee Assistance Program as a free service to employees. It includes:

- Three free personalized consultations involving assistance on issues such as parenting and child care, older-adult care, legal matters, financial education, career counseling, addiction and

recovery, emotional well-being, and referral and crisis intervention services. The help is completely confidential and available by phone 24/7.

- Individual referrals to resources in the community.
- Educational materials, kits, booklets and audiotapes on a wide variety of topics.
- Access to more than 200 issue-specific resource rooms, booklets and audiotapes, and more than 500 articles that address a wide variety of life issues such as domestic violence, alcohol and drug abuse and HIV/AIDS.

**Compensation and benefits** We reward our employees for their hard work with competitive salaries and a range of benefits tailored to the needs of individual employees and their families. In 2012, we paid \$3.7 billion in total employee compensation. This included \$182 million for health and welfare benefits, and an additional \$7 million for wellness incentives such as our National Fitness and Good Life programs. Allstate offers a comprehensive and competitive package of benefits that includes medical, dental, vision, long-term disability insurance, life insurance and innovative programs such as BridgeHealth that helps employees find high-quality centers of excellence when they need surgery. These benefits help employees support their families and stay healthy.

Read more about diversity in our workplace in the **Inclusive Diversity section**.

Read how our benefits strategy aligns to [Our Shared Vision](#).

## GOOD HANDS

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Our employees make a difference. Their passion, commitment and involvement improve individual lives, our communities and society at large. That's why we offer a variety of opportunities and resources for them to give back in ways that work for them.

**Workplace giving** Allstate employees and agency owners are committed to supporting their communities. In 2012, 18,644 employees and 2,191 agency owners participated in our workplace giving campaign, raising a total of \$4.3 million.

You'll find additional details about how Allstate employees give back in the **Social Impact** section of this report.



## EMPLOYEE DIVERSITY TOTAL WORKFORCE

	2008	2009	2010	2011	<b>2012</b>
<b>Minority</b>	31.2%	31.1%	32.8%	31.7%	<b>31.6%</b>
<b>Female</b>	58.8%	58.2%	58.0%	58.6%	<b>57.4%</b>
<b>African American</b>	16.1%	16.2%	15.6%	16.0%	<b>16.2%</b>
<b>Hispanic</b>	8.4%	8.3%	9.0%	9.3%	<b>9.2%</b>
<b>Asian/Pacific Islander</b>	4.8%	4.8%	4.5%	4.5%	<b>4.5%</b>
<b>Native American</b>	0.5%	0.5%	0.4%	0.2%	<b>0.4%</b>
<b>Two or More Races<sup>3</sup></b>	N/A	1.3%	1.3%	1.4%	<b>1.4%</b>
<b>TOTAL</b>	36,326	33,804	32,219	30,507	<b>32,538</b>

1. U.S. employee count only as of December 31, 2011; excludes Exclusive Agencies, Personal Financial Representatives and Independent Agents.

2. The EEO-1 is a snapshot of Allstate's workforce taken each September and reported to the Federal Government annually.

3. Not tracked prior to 2009.

## EMPLOYEE SATISFACTION

	2008	2009	2010	2011	<b>2012</b>
<b>Response Rate</b>	95%	61%	58%	63%	<b>68%</b>
<b>Satisfaction Rate</b>	85%	85%	80%	78%	<b>82%</b>

1. The VOICE Survey measures the effectiveness of leadership and the work environment at Allstate, and includes a question regarding overall satisfaction. The satisfaction rate represents the percentage of employees who are either "completely satisfied" or "satisfied" with working for Allstate. This voluntary and confidential survey is offered annually to all Allstate employees.

## WORK/LIFE HIGHLIGHTS

	2008	2009	2010	2011	<b>2012</b>
<b>Healthcare (in millions)</b>	\$183	\$202	\$181	\$191.7	<b>\$182</b>
<b>Well-being Program (in thousands)</b>	\$1,000	\$314	\$350	\$4,711	<b>\$7,180</b>
<b>Daycare (in thousands)</b>	\$553	\$541	\$619	\$619	<b>\$707</b>

# AGENCY OWNERS

Ask our customers what it's like to work with Allstate and chances are they will talk about their Allstate agency owners. After all, to nearly 90 percent of our customers, Allstate agency owners are the face and voice of the company. They are Allstate. Which is why we're committed to their growth and success.

Allstate's more than 9,300 exclusive agency owners are independent business people who represent Allstate exclusively. They know how to help customers choose Allstate products and services to address the risks they face. They are local and understand what kind of coverage customers truly need because they live and work in the same communities. And they can count on Allstate for support—from educational opportunities to support with running their small business, marketing, technology, customer service and more.

In addition to thousands of exclusive agency owners across the country, Allstate has relationships with more than 1,200 personal financial representatives who sell financial and retirement products on their own and through existing Allstate agencies, and more than 3,000 independent agents who sell products under the Encompass brand.

**Agency owner satisfaction** Our relationship with Allstate exclusive agency owners and exclusive financial specialists is vital to our company's success and to our ability to serve customers. We regularly seek feedback and dialogue with agency owners and their employees through national and regional advisory boards, local town hall meetings, national conferences and other programs.

Each year, we conduct an **Agency Relationship Survey** to give exclusive agency owners and exclusive financial specialists an opportunity to share feedback anonymously about how they perceive their business relationship with Allstate. In 2012, our survey found that overall satisfaction increased by 6 points among exclusive agencies and by 11 points among exclusive financial specialists. The survey categories with the highest ratings included field leadership, claims and marketing. Top agency concerns were competitive position, compensation and technology. We have implemented a variety of initiatives to address these concerns, including purchasing the eAgent agency management system in late 2012 and providing enhanced discounts to improve pricing.

**Agency diversity** We approach the appointment of diverse agency owners and financial specialists with the same vigor that we approach employee diversity. Among Allstate agency owners, more than 23 percent are women and nearly 20 percent are minorities. We actively promote a greater agency presence in areas with fast-growing multicultural populations.

## DIVERSITY AGENCY FORCE

	2008	2009	2010	2011	2012
<b>Minority</b>	22.6%	19.3%	18.0%	19.3%	<b>19.4%</b>
<b>Female</b>	24.1%	23.0%	21.6%	23.4%	<b>23.6%</b>
<b>African American</b>	10.0%	8.6%	7.2%	7.6%	<b>7.2%</b>
<b>Hispanic</b>	7.2%	6.6%	6.0%	6.2%	<b>6.4%</b>
<b>Asian/Pacific Islander</b>	5.1%	4.7%	4.3%	5.0%	<b>5.2%</b>
<b>Native American</b>	0.4%	0.4%	0.4%	0.5%	<b>0.6%</b>
<b>Two or More Races</b>					<b>0.0%</b>

1. U.S. Exclusive agency **primary** owner count only; excludes employees, Personal Financial Representatives and Independent agency owners.
2. More than 3,200 Allstate agency owners speak languages other than English for a total of at least 62 different languages.
3. Due to the independent contractor status of Allstate Exclusive agency owners, response to the demographic survey is strictly voluntary.



# BUSINESS PRACTICES

GRI INDICATOR 4.13

Throughout our business, we seek to deliver results by applying the knowledge we've gained through our collective history. We act with integrity to earn—and maintain—the trust of our customers, employees, agency owners, suppliers, investors, policyholders and the general public. We continually work to uphold the reputation we have built for more than 80 years. And we insist on strong ethical practices in the ways we invest and manage our assets, monitor our own risks, and work with our customers, partners and suppliers.

Our focus on responsible business practices strengthens our supply chain while helping us meet the changing needs and expectations of our customers and communities. As Allstate's business grows, our commitment to transparency will not only help us meet growing expectations, but will also hold us accountable for our actions and performance, improve our decision-making, and strengthen trust with our stakeholders.

6.6%

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

37th

ON DIVERSITY INC. TOP 50 COMPANIES FOR DIVERSITY LIST



## AN EMPHASIS ON SUSTAINABILITY

We focus on integrating sustainable business practices and standards throughout our entire supply chain. This includes establishing sustainable procurement policies and working with suppliers to implement sound environmental policies. It also means investing in new efforts to increase supplier diversity and helping these suppliers become more competitive.

We work to ensure that our investment decisions are aligned with our company values, and deliver on our commitments to customers and communities. Our growing Social Responsibility Investment (SRI) portfolio continues to support affordable housing and neighborhood revitalization efforts. We also regularly assess potential corporate risks and opportunities, including those related to climate change.

## PROGRESS IN KEY AREAS

In 2012, we spent \$304 million with minority and diverse suppliers; 6.6 percent of our total spend with all suppliers. This puts us on target to achieve our supplier diversity goal of spending 9 percent of

Allstate's total procurement with businesses owned by minorities, women, veterans and members of the LGBT community by 2015.

We also remain dedicated to expanding our sustainable supply-chain policies, and focusing on areas that pose potential risks to our consumers or the environment.

In addition, recognizing the importance of sharing our involvement in public policy issues, we publish a detailed report of such actions and policies. Read more in the **Corporate Involvement in Public Policy section**.

## MOVING FORWARD

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More and more, sustainability is woven into the fabric of how we operate as a company. Our results show we are on the right trajectory, and we're building momentum behind actions such as strengthening sustainable procurement policies and proactively ensuring that our suppliers are investing in sustainable business practices. We will also continue to build our Diverse Supplier Mentoring Program to help diverse business owners learn and grow, resulting in increased business opportunities.

We remain dedicated to transparency and will continue to report annually on our public policy activities and engagement in external organizations, programs and initiatives.

# RISK MANAGEMENT

GRI INDICATORS 4.9 / 4.11 / 4.12 / EC2 / FS2

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

Our Enterprise Risk and Return Council (ERRC) establishes risk-return targets, determines economic capital levels and directs integrated strategies and actions from an enterprise perspective. The ERRC is a senior management committee appointed by the CEO and chaired by the Chief Risk Officer (CRO). ERRC members include the CEO, business unit presidents, enterprise and business unit CROs and chief financial officers, the General Counsel and the Treasurer. The ERRC convenes monthly to assess and manage the various risks and opportunities faced by the company, which may include topics such as climate change.

## Managing Climate Risks

Climate risk is among some of the enterprise risks and opportunities that are regularly managed by Allstate. We use fluid risk identification processes to reflect a continuously shifting external and internal risk environment. Business area risk owners identify risks and opportunities throughout the year, and Allstate monitors significant risk exposures in comparison to enterprise action plan targets quarterly through a comprehensive Enterprise Risk & Return Dashboard prepared for the ERRC and the Audit Committee of the Board of Directors.

This report captures potential risks related to climate such as catastrophic weather events and other factors such as auto and homeowner insurance claim frequencies and severities, business continuity and disaster recovery planning, and investment concentration. Regulatory, customer behavior changes, reputational and weather-related risks and opportunities are also considered. Financial modeling, scenario testing and management judgment are used to assess the significance of risks and opportunities including materiality.

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

- Overall business strategy
- Business plans for Allstate’s property and casualty business, life insurance and annuity business and its investment portfolio
- Liquidity and use of capital
- Legal, regulatory and legislative issues

Twice a year, the Board reviews Allstate’s risk management objectives and processes. The Audit Committee discusses risk assessment and risk management processes with management quarterly.

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

Read more about our risk-management systems and the risk factors identified in 2012 in our [Annual Report](#) or in our [Audit Committee Charter](#).

# INVESTMENT AND ASSET MANAGEMENT

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

Ensuring that we fulfill our commitment to our customers, employees and shareholders means making sound investment decisions that position us to deliver the services and value these stakeholders have come to expect. Our investment strategy focuses on security for today and growth for tomorrow.

Returns on our investment portfolios are an important component of our financial results. Our seasoned investment team combines its specialized knowledge with sophisticated economic forecasting tools and a strategic asset allocation approach that considers the nature of our liabilities and risk tolerances, as well as the risk and return parameters of the asset classes in which we invest.

One area of continued focus is municipal bonds. As of December 31, 2012, Allstate held approximately \$13 billion in bonds that help improve infrastructure and extend vital services in communities across the country. The portfolio is actively managed and well-diversified among states and sectors. Major holdings include bonds that help fund primary and secondary schools, public and private universities, hospitals, single and multi-family housing programs, green energy projects—such as hydroelectric and wind-generated power plants—police and fire stations, libraries and community buildings, and Economic Development Projects.

As of year-end 2012, Allstate had made financial commitments of \$780 million to projects developed through Low-Income Housing Tax Credits (LIHTC), a federal program designed to provide federal tax incentives to develop or rehabilitate affordable housing for low-income families, seniors and individuals with disabilities. To date, our investments have helped develop 743 affordable housing complexes with more than 60,000 apartment units in urban, suburban and rural locations across the United States while providing solid investment returns.

As a committed corporate citizen, Allstate makes significant contributions to our communities and works to make our neighborhoods and our nation better and safer places within which to live. Allstate invests in communities through a number of

organizations, including the Local Initiatives Support Corporation (LISC) and Impact Community Capital.

**Local Initiatives Support Corporation (LISC)** is a national nonprofit that invests almost \$1 billion each year in low-income neighborhoods. Allstate and LISC have been strong partners for nearly 20 years. Since 1993, Allstate has invested \$92 million in LISC and affiliates:

- \$570,000 in grants
- \$24.4 million in loans
- \$66.8 million in equity to National Equity Fund affiliate

Allstate's financial support has helped develop affordable housing, charter schools and health facilities, and facilitate LISC's dedicated efforts in helping community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity—in short, good places to work, do business and raise children. LISC, along with its community partners, has opened 68 Financial Opportunity Centers in 22 cities across the country. Each center offers three core services: access to jobs, public benefits and financial education. With support from the White House, this model is growing rapidly because of its proven effectiveness.

**Impact Community Capital** was founded by Allstate and other leading insurance companies in 1998 to facilitate investment in California's communities. Impact focuses on financing affordable housing and community facilities to benefit lower-income individuals, families and communities while meeting insurer requirements for the prudent management of policyholder funds. The organization has funded \$750 million to construct or refurbish more than 10,000 affordable housing units, and has invested nearly \$80 million in childcare and healthcare facilities serving more than 250 low-income children and 350,000 low-income patient visits annually.

Allstate is using its resources to make a difference where it is needed most. In today's uncertain economic climate, such targeted investments are more critical than ever. At the end of 2012, Allstate's Social Responsibility Investment Portfolio had a book value of approximately \$71.5 million.

## INVESTMENT RESTRICTIONS

Allstate has a policy to exclude certain kinds of investments. For example, we do not:

- Directly invest in tobacco companies
- Directly invest in liquor companies
- Invest in countries, governments, organizations and individuals specified by the Office of Foreign Assets Control

Additional information can be found in Allstate's [2012 Annual Report](#).

## Helping LISC Chicago provide affordable housing

Hispanic Housing Development Corporation (HHDC) is one of the most capable and prolific partners in LISC Chicago's neighborhood network. Since it was founded in 1975, HHDC has developed more than 3,600 units of rental and for-sale housing, and manages another 1,250 units for the Chicago Housing Authority.

One of HHDC's recent projects was the North & Talman development; affordable apartments spanning an entire city block on Chicago's West North Avenue. All 110 apartments are locked permanently into affordable rents for families earning from 15 to 80 percent of the area's median income. Qualifying seniors, for instance, pay \$500 to \$600 monthly for units that would command \$1,400 at market rate. That means seniors like Sabina Sanchez and her husband of 45 years, Luis, were able to move out of cramped, over-priced housing and into a gleaming, sunlit one-bedroom unit at North & Talman Phase II.

"Here I've got everything," she says, pointing out shopping at Cermak Produce across the street; a large park just two blocks away; a comfortable, secure first-floor laundry room; even a well-equipped exercise room.

Allstate provided a \$2 million bridge loan that made LISC's involvement in the North & Talman development possible. The loan was part of a \$10 million, 10-year low-interest loan that Allstate made to LISC Chicago and other LISC offices in cities throughout the Midwest.

It's just one of several ways that Allstate supports LISC Chicago. The company also made a \$250,000 grant to support the recently

launched Neighborhood Safety Initiative (NSI), through which LISC Chicago and its neighborhood partners are working to reduce violent crime in North Lawndale and South Chicago. NSI will activate multiple networks—everything from block clubs and job counselors, to Chicago Police Department bike cops and City of Chicago departments—to change the culture in those neighborhoods.

Allstate contributes in other ways, too. For many years, it has been among the lead sponsors of the Chicago Neighborhood Development Awards, LISC's 20-year-old ceremony that celebrates and recognizes outstanding achievement in neighborhood development and community building.

Just as important, Allstate understands and supports the value of sharing its human capital with the organizations it helps fund. Mary Pat McKeown, Allstate's Portfolio Manager, Private Asset Investment Group, is an active member of LISC Chicago's board of advisors.



LISC Chicago helped transform the former Viceroy Hotel (now called Harvest Commons) on Chicago's Near West Side into 89 affordable studio apartments for people who are at risk of becoming homeless or were incarcerated and are trying to get back on their feet. Allstate invested in the Viceroy redevelopment through an Enterprise Community Capital tax credit fund. "I can't imagine a better use for the space," said LISC Chicago Executive Director, Susana Vasquez. "The location is fantastic, the apartments affordable, the support services superb, and a fine piece of architecture was preserved in the process."



# SUPPLY CHAIN

GRI INDICATORS EC6 / HR2

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

Our Sourcing & Procurement Solutions Department identifies environmentally responsible opportunities in the company's supply chain streams, and encourages business partnerships with suppliers who implement their own environmental policies. Our procurement professionals purchase recyclable, recycled and refurbished products and materials whenever these products are available, economical and suitable. For example, we ensure that 90 percent of our paper purchases meet leading certification standards, and we have several programs in place to responsibly dispose of ink cartridges and computers.

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

Occasionally, we conduct on-site visits for our key suppliers. For example, when we visit repair shops that are part of The Good Hands Repair Network—which includes 3,500 prequalified repair shops across the country—we observe shop practices and look for safety hazards. If risks are identified, the shop is asked to immediately correct them.

We are working to strengthen our policies on sustainable procurement to guide both our internal and external procurement decisions. We will also continue to proactively ensure that our suppliers are investing in sustainable business practices such as energy-, emissions- and paper-reduction efforts, as well as community involvement activities. Suppliers are asked to report such efforts to us each year.

To learn more, visit our [Supplier Code of Conduct](#).

**Supplier Diversity** Small and diverse businesses are the engine of the American economy, generating economic growth, jobs, training and innovation. To help support such companies, Allstate established a program in 2004 that actively seeks out diverse suppliers and invites them to compete for our business.

The program is led by a dedicated full-time, senior-level executive and is integrated across all levels of the company. When procurement-spend opportunities arise, Allstate managers scan the marketplace for qualified (well-established and financially stable) diverse suppliers and invite them to participate in the bidding process. If the suppliers are interested, they enter Allstate's rigorous strategic sourcing process alongside all competing vendors, of which the most qualified will win the business.

To further broaden our diverse supplier-base, Allstate hosts annual Supplier Diversity Exchanges; face-to-face sessions bringing diverse companies and Allstate buyers together. We have initiated more than 60 business contracts as a result of these events.

In 2012, Allstate spent \$304 million with 2,224 businesses owned by minorities, women, veterans, or members of the LGBT community. This represents 6.6 percent of total supplier-spend. Our goal is to increase this percentage to 9 percent by 2015.

Because our greatest challenge is finding diverse suppliers that have capacity or can scale their services or products to meet our needs nationwide, a main focus of our mentoring program is giving suppliers the knowledge and resources they need to be able to compete and deliver on a corporate scale. In response to another challenge—that incumbent suppliers often have an advantage—we've expanded our procurement team dedicated to interacting with the diverse community.

For example, we have developed a process that enables us to identify suppliers owned by minorities, women, LGBT individuals or veterans that are qualified and/or certified to do business with Allstate, and ensure those companies are given fair and equal access to compete for business. This sourcing process has helped us greatly increase the number of diverse suppliers with which we do business.

Allstate's diverse-supplier strategy creates healthy competition for the goods and services we buy. It also helps small and diverse businesses grow. Those companies, in turn, provide jobs and services that strengthen communities, increase prosperity for others and, eventually, spur greater demand for our products.

Allstate uses criteria established by the United States Small Business Administration (SBA) to define and target “diverse” suppliers. We evaluate progress by measuring our targeted spend in the first five of the 13 categories listed below. We also measure our inclusive spend in all 12 categories identified by the SBA as diverse and of special interest in meeting statutory obligations. These include:

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

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

- National Minority Supplier Development Council
- Women Business Enterprise National Council
- National Hispanic Corporate Council
- Department of Veteran Affairs Center for Veteran Enterprise
- National Gay and Lesbian Chamber of Commerce
- United States Hispanic Chamber of Commerce

*Buff & Go Inc. has grown tremendously since partnering with Allstate’s Supplier Diversity Program. Not only has our client base expanded, but we also increased our ability to add talented individuals to our staff. Allstate provides a great deal of support in helping our organization focus on how to better serve our client base. As a result, we’re able to make better use of our available resources and create programs that make it easier for us to attract and retain clients.*

*The Supplier Diversity Program provides tremendous value to partnering organizations and the community at large. I would encourage more firms to get involved and explore opportunities to advance their business. Allstate is a great corporate model for supplier diversity!*

—Leatrice Woody, Owner, Buff & Go Inc.



## Consistent growth in supplier diversity

- Prior to 2003: Activity with diverse suppliers not measured
- 2004: Allstate captures direct spend with certified women and minority firms
- 2005: Goals established and sourcing staff held accountable for supplier diversity spend results
- 2006: Measurement expands to include the second tier spend of major Allstate suppliers with women and minority-owned firms
- 2007: Allstate becomes active in local and national organizations as well as industry groups that support supplier diversity
- 2008: In alliance with Rainbow PUSH, Allstate holds first Supplier Diversity Exchange; Allstate named corporation of the year by local chapter of National Minority Supplier Development Council
- 2009: Allstate is presenting sponsor for the Chicago Business Opportunity Fair (CBOF); recognition in many publications for supplier diversity
- 2010: Supplier diversity fair sponsorships expand to Veterans and LGBT organizations; CEO Thomas Wilson keynote speaker at CBOF
- 2011: New Chief Procurement Officer brings increased focus and emphasis to supplier diversity efforts
- 2012: An increase with existing suppliers and introduction of new diverse suppliers bring Allstate its largest diverse spend yet; Allstate Diverse Supplier Mentoring program launched



# PROTECTING AGAINST FRAUD

Allstate is fortunate to insure millions of customers, the overwhelming majority of whom are honest, hard-working individuals looking to Allstate to help rebuild their lives in the event of a loss or accident. Unfortunately, fraudulent insurance claims continue to have a negative impact on the industry.

The cost of these claims is well documented. According to the Coalition Against Insurance Fraud (CAIF), nearly \$80 billion in fraudulent claims are made each year in the U.S. alone. This figure, which includes all lines of insurance, is considered to be conservative because much insurance fraud goes undetected and unreported. Since 2007, fraudulent insurance claims in America have increased year-over-year in virtually every category.

Fraud contributes to higher insurance premiums because the illegal activity significantly adds to the cost of doing business. These additional costs contribute to a premium increase that can price essential insurance coverage, often required by state law, beyond the reach of some consumers and businesses. For example, false injury claims involving deliberately staged car accidents are a major reason auto insurance premiums in New York, Florida and New Jersey are among the nation's highest. According to the FBI, insurance fraud is the second most costly white-collar crime in America, and accounts for more than \$30 billion in losses every year. It costs the average U.S. family between \$400 and \$700 per year in the form of increased premiums.

At Allstate, we are fighting insurance fraud on several fronts. We employ more than 500 fraud specialists who apply a vast amount of knowledge to proactively flag suspicious activities, analyze questionable claims and prevent fraudulent payouts. Through the use of innovative technologies and network analysis tools, we can detect and help stop these crimes before they occur.

We also work with the National Insurance Crime Bureau (NICB) and local, state and federal law enforcement agencies to help identify, detect and prosecute insurance criminals. In 2012, we filed a total of 32 fraud lawsuits seeking more than \$51 million in damages. In New York State alone, Allstate has filed 45 fraud lawsuits seeking more than \$233 million in damages since 2003.

## Fighting insurance fraud in Florida

Because Florida leads the nation in auto insurance fraud, we've placed an emphasis on combating fraud in this state.

In Hialeah, Fla., Allstate's Special Investigative Unit worked closely with law enforcement officers to prosecute a ring of body-shop owners who had victimized as many as 400 drivers and cost insurance companies, including Allstate, close to \$1 million in fraudulent claims.

"Many times the fraud I investigate starts off as involving the auto industry, then expands to the medical clinics and legal community," said Dallas Taylor, Allstate Special Investigative Unit investigator. "The people involved in this type of organized insurance fraud recognize there is less risk in terms of being incarcerated than other types of illegal activity."

The National Insurance Crime Bureau reports that Florida also leads the nation in staged accidents and Personal Injury Protection (PIP) fraud. So Allstate is sharing its knowledge of how Personal Injury Protection (PIP) fraud is executed and the effect it has on our customers—and all Florida consumers—through the Allstate.com website. This site provides guidance consumers can use to protect themselves from becoming victims of fraud.

Another way Allstate champions change is by supporting state legislation. In Florida, for example, we have been pushing for PIP reform—such as imposing attorney-fee caps—and provisions to combat systematic abuse and overbilling by unscrupulous clinics. While addressing fraud concerns, this legislation still provides protection for consumers when they are injured in an automobile accident and need medical benefits to pay for treatment of their injuries.

## COMMON INSURANCE SCAMS

Insurance fraud comes in many forms, including:

- Intentionally destroying property or a vehicle, then lying to insurers about the alleged "accident"
- Faking an injury to collect disability, workers' compensation, or a personal injury insurance claim
- Making a false theft report, when the property "stolen" has been hidden or destroyed
- Organized crime and complex fraud activity

# ENVIRONMENT

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

While Allstate's operations have a much lower impact on the environment than an industrial or manufacturing company, we are very conscious of our footprint and continually strive to decrease it. At the same time, we look for ways to apply our knowledge to help our customers and communities prepare for more frequent natural disasters caused by a changing climate.

21.8%

TOTAL GREENHOUSE GAS EMISSIONS REDUCTION SINCE 2007

12.1%

IN 2012, EMPLOYEE PAPER USE WAS REDUCED BY 12.08% COMPARED TO 2011



## GOOD FOR THE EARTH, GOOD FOR BUSINESS

We believe a comprehensive sustainability strategy is a vital part of our responsibility as a corporate citizen. It also makes good business sense: reducing our energy, water, waste and paper use directly lowers our operating costs.

As a company in the business of managing risk, we are keenly aware of the role we play in addressing climate change. This includes mitigation efforts in our own operations, and working to influence customer behavior. It also includes applying our knowledge to help our customers prepare for more severe and unpredictable weather patterns.

Our focus on sustainable operations not only helps reduce our impact, but it has the added benefit of helping us prepare for future climate change by increasing employees' awareness and encouraging the development of new products and services, such as our new Homeowners Policy Green Improvement Reimbursement Endorsement.

Running a lean and high-performing company means looking for efficiency in all of our operations. So we continuously strive to improve our performance, consistent with our core beliefs and sustainability efforts. That includes:

- Making our facilities and fleet more energy-efficient
- Reducing our paper use and helping our customers do the same
- Finding new ways to recycle, reuse and conserve
- Working with our suppliers and business partners to minimize Allstate's overall environmental impact

We set ambitious goals and closely monitor progress, and we work with leaders and the public to address issues related to climate change and disaster-preparedness.

In 2012, Allstate completed a significant real estate consolidation that reduced our overall office-space footprint by 4.4 percent. We also upgraded our corporate headquarters and achieved LEED certification in additional facilities and our data center. All of these efforts are getting us closer to our long-term goal of reducing energy consumption in Allstate-owned facilities by 20 percent by 2020. We also continued to make progress on our paper-reduction efforts, both internally and with our customers.

Over the next few years, we plan to make further investments in energy-efficient renovations to continue our progress toward meeting our energy- and emissions-reduction goals. In 2012, we expanded our energy-demand response program recently implemented in our Home Office, to our second-largest location in Irving, Texas. We continue to explore opportunities to expand this program to additional locations and to further our efforts related to water, waste and paper reduction.

## OUR ENVIRONMENTAL POLICY

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We're guided by a comprehensive policy that applies to our entire value chain, from suppliers to customers, employees, agency owners, business partners, investors and the public. In support of that policy, we:

- Seek to reduce energy use and limit greenhouse gas emissions
- Focus on conserving water to help preserve an increasingly scarce resource
- Use resources responsibly, from purchase and use through recycling and, as a last resort, disposal
- Minimize the consumption of fossil fuels and reduce harmful emissions, airborne pollutants, traffic and parking lot congestion

## SUSTAINABILITY LEADERSHIP TEAM

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Our efforts are overseen by a Sustainability Leadership Team that comprises officers and senior staff from all areas of the company. The team focuses on environmental efforts from an enterprise-wide perspective—launching, leading and integrating sustainability efforts throughout core functions of the business.

## ENVIRONMENTAL GROUPS

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Allstate is actively engaged with a variety of environmental and corporate social responsibility organizations and groups, including:

- Business Civic Leadership Center
- Business for Social Responsibility
- Business Roundtable Climate RESOLVE initiative
- CDP
- Catalyst
- Ceres
- Chicago Climate Change Task Force
- Clean Air Counts
- Corporate Responsibility Group of Chicago
- The Green Grid

# ENERGY AND EMISSIONS REDUCTION

GRI INDICATORS EC2 / EN16COMM / EN17 / EN18 / EN9

A major element of our environmental-management strategy is reducing our energy consumption and greenhouse gas (GHG) emissions. Each year, we disclose our companywide carbon footprint, including Allstate's GHG emissions and our strategy to manage them, via the [CDP](#) (formerly Carbon Disclosure Project) voluntary questionnaire.

In 2012, our overall energy use decreased by 5.2 percent, representing a total 8.91 percent reduction from our 2007 baseline. We also achieved our carbon footprint goal by reducing our GHG emissions by 3.12 percent over the prior year, or a total 21.79 percent reduction since 2007.

A significant portion of these reductions can be attributed to our ongoing efforts to reduce our real estate footprint. Every year, approximately 20 percent of our leased portfolio comes up for renewal. Whenever the decision is made to relocate or consolidate one of those locations, we look for newer, more energy-efficient space. In 2012, we consolidated operations in the Phoenix, Arizona area, reducing overall square footage from approximately 100,000 square feet to 66,000 square feet, a reduction of 34 percent.

In addition, whenever we renovate office space, we look for opportunities to improve the energy efficiency of the facilities by upgrading building systems such as: lighting; heating, ventilation and air conditioning (HVAC); metering systems; and smart controls. As part of these renovations, we're also creating more open, collaborative environments for our employees (see [Stakeholders section](#)).

Our energy and GHG emissions-reduction efforts also focus on energy-saving initiatives for our building operations and maintenance—such as optimizing energy use in heating, air conditioning, computers, lighting and other essentials. While our conservation efforts are focused primarily on the property we own—specifically our Home Office campus where more than 8,000 employees are located—we are making similar efforts with

our leased spaces as we develop a comprehensive calculation of our carbon footprint.

In 2012, we implemented two innovative energy-reduction initiatives:

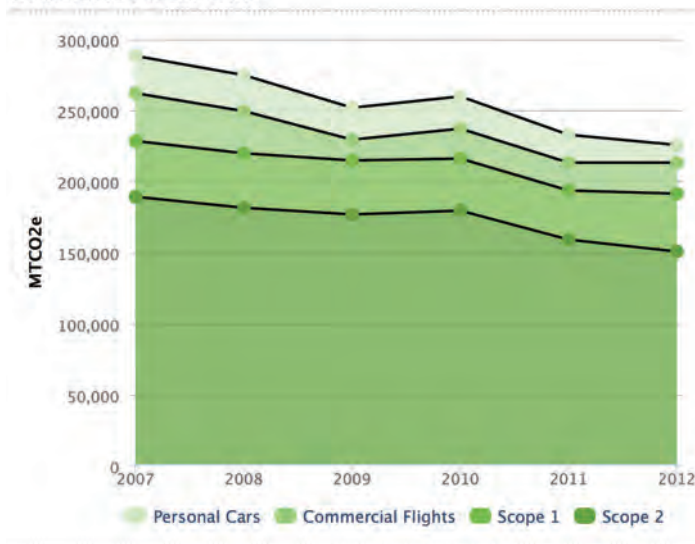
**Parking lot lights** By modifying the schedule of the parking-lot lights at our Home Office in Northbrook, we are reducing our annual energy consumption by 215,000 kWh, while still providing adequate lighting in the parking lots. Previously, the lights were automatically turned on at sunset and off at sunrise; the new schedule turns the lights off between 10:30 p.m. and 4:30 a.m.

**Daytime cleaning** Making changes in the cleaning schedule at our Home Office is expected to reduce annual energy consumption by up to 1,735,000 kWh. These changes occur between peak and non-peak times, saving as much as \$95,000 per year.





## GREENHOUSE GAS EMISSIONS



## ENERGY AND EMISSIONS REDUCTION



**Employee-led sustainability efforts** We work to engage with our employees about sustainability issues, including climate change. To this end, our informal network of Green Champions helps us to harness employee passion and ideas for improving Allstate’s environmental commitment and performance. We have also established several departmental Green Teams tasked with encouraging energy efficiency among employees. Programs implemented include:

- Reducing electricity and natural gas usage in all of our facilities
- Promoting use of campus shuttle buses at our Home Office campus in Northbrook, Illinois
- Providing bicycles seasonally as an alternate mode of transportation among Home Office buildings

- Establishing periodic rideshare days
- Decreasing paper use
- Implementing a campus-wide electronics recycling program for employees’ personal items (Home Office campus)
- Increasing the use of recyclable containers and reusable “to go” containers in our cafeterias

Our Green Champions play a key role in helping us infuse sustainability throughout our culture.

**Business travel and automobile use** In addition to our focus on energy-saving initiatives in our buildings, we concentrate on reducing the environmental impact of company travel. The nature of our work requires frequent travel by air and car by our employees and agency owners to meet with our customers face to face.

To address this, we have revised the approval process for employee travel to cut down on unnecessary trips. We help reduce drive-alone commuting by expanding the availability and use of commuting alternatives for employees. We have also purchased vehicles that achieve better gas mileage; we maintain our company fleet of 3,867 vehicles in optimal condition by performing preventive maintenance and conducting regular emissions tests.

During our 2012 benefits open enrollment, Allstate offered a commuter benefit program for the first time. The program allows employees to have money deducted from their pay on a tax-free basis to use for public transportation. So far, 375 employees, many of them Esurance employees, have signed up for this program.

**Climate change** In recent years, we have seen greater weather volatility and more extreme weather catastrophes—trends that are impacting our customers and our financial performance. Because climate risk is such a significant issue to our business, we monitor prevailing scientific analysis about how climate change might affect the future frequency and severity of hurricanes, and regularly discuss such trends with premier hurricane modelers. We recognize that while climate change presents many risks to our industry, it also offers opportunities for innovation—and it’s our job to develop innovative products and services to help manage future risks.

Another component of Allstate’s strategy with respect to climate change is our interest in environmentally friendly investment opportunities with attractive risk/reward trade-offs. As a result, the company’s extensive investment portfolio includes holdings in wind, hydro, solar and geothermal energy projects.

We also strive to increase awareness and preparedness within our industry and the government, as well as among customers and consumers. As part of our focus on preparing and protecting families and communities from natural catastrophe, Allstate helped create the [Insurance Institute for Business & Home Safety's](#) (IIBHS) Research Center in South Carolina, which focuses on creating disaster-resistant communities.

IIBHS' mission is to conduct objective, scientific research to identify and promote effective actions that strengthen homes, businesses and communities against natural disasters and other causes of loss. Allstate partners with IIBHS to promote more durable homes and commercial buildings by improving building practices and strengthening building codes so our communities are more resilient against natural catastrophes.

Allstate is also a founding member of the coalition [ProtectingAmerica.org](#), which encourages the development of a public-private partnership to better prepare and protect communities from natural-catastrophe risk.

By raising awareness, educating the public and policymakers and offering solutions to better prepare and protect consumers, taxpayers and the American economy, the ProtectingAmerica.org coalition is working to:

- Improve financial protection for consumers by establishing special-catastrophe backstops, at the state and national level, to provide recovery and rebuilding funds in case of a major natural catastrophe
- Support efforts to improve prevention and mitigation programs through stronger building codes
- Augment homeowner education and consumer protections to make sure people are better prepared for catastrophes before they strike
- Strengthen first responders by enhancing existing emergency-response protocols
- Improve relief, recovery and rebuilding by developing new processes to stage and deploy essential relief materials and to ensure there are adequate building materials, supplies and licensed contractors available in the aftermath of a catastrophe

Since its formation, ProtectingAmerica.org has achieved several important milestones, in which Allstate has played a key role.

They include:

- Building a coalition of more than 350 member organizations, including emergency management officials, first responders, catastrophe relief experts, large and small businesses, nonprofit organizations and insurers
- Raising awareness and supplying information to hundreds of media outlets and other public information sources
- Educating policymakers across the country
- Appearing before numerous legislative and related committees at the state and national levels
- Helping craft and advance specific legislative proposals that address this issue

Additionally, a senior member of Allstate's Law and Regulation department serves as National Director of ProtectingAmerica.org, working with the National Co-Chairs of the coalition: James Lee Witt, Former Director, Federal Emergency Management Agency; and Admiral James M. Loy, Former Deputy Secretary, Department of Homeland Security, and Commandant of the U.S. Coast Guard (Retired).

*Our current method of post-catastrophe bailouts from appropriated funds (tax dollars) has proven to be unpredictable and inefficient. Experience shows disproportionate burdens being borne by those who can least afford it. Worse yet, this method uses taxpayer dollars without offsets, which adds to the accumulating deficit and national debt. The ProtectAmerica.org solution makes funds available on the occasion of the event, accumulated at a tax advantaged rate and actually saves homeowners \$11 billion annually.*

*"As one of the giants of the industry, the Allstate voice cannot be ignored, and that position of influence has sustained the campaign over these many years. Further, the access provided to other companies and trade associations has been invaluable as our solution absorbed the good ideas from other companies and became an even better solution.*

**—Admiral James Loy, The Cohen Group**



# GREEN BUILDINGS

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Many of our environmental 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 member of the U.S. Green Building Council (USGBC) and participates in its Leadership in Energy and Environmental Design (LEED) program. We have three LEED® Accredited Professionals on staff. To ensure the sustainability of our real estate, we focused in 2012 on ensuring that many major office renovations and most new construction projects are LEED-certified by the U.S. Green Building Council.

## HIGHLIGHTS FROM THIS YEAR INCLUDE:

- Interior construction of Chubbuck-Pocatello Customer Contact Center achieved LEED Gold-certification
  - F Tower building at Home Office achieved LEED-certification for renovation of floors 7-9
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# WASTE MANAGEMENT AND WATER

GRI INDICATORS EN10 / EN21 / EN22COMM / EN8 / EN9

We work to minimize the amount of waste generated by our operations. In 2012, 1,045 tons of waste was hauled away from our Home Office campus. We have extensive programs to recycle as much waste as possible. In 2012, we:

- Recycled nearly 4.25 million pounds of paper through desk-side recycling and press-waste recycling from our main company print facility
- Recycled 4,605 pounds of aluminum cans and 9,135 pounds of polyethylene terephthalate (PET) bottles from our Home Office campus
- Increased the number and distribution of recycling containers
- Replaced to-go containers in cafeterias with reusable containers
- Installed 53 new water-filtration bottle-refilling stations, eliminating 816,420 plastic water bottles and providing enough filtered drinking water to fill a 24-foot above-ground swimming pool seven times

Other recycling programs involve polystyrene, toner cartridges and carpeting. We also partner with outside organizations to responsibly dispose of items such as computer hardware, batteries, fluorescent lamps, PCB light ballasts and similar items used at our Home Office campus and other locations.

**Reducing paper use: Employees** As a financial services company, we purchase and use large amounts of paper. By making four changes in the way employees use paper, we have reduced paper-use by 16.8 percent from 2010 levels. This represents a 31.16 percent reduction in our corporate headquarters and a 12.07 percent reduction in our field offices.



The four paper use changes are:

1. Eliminating separator sheets on shared printers
2. Printing double-sided (duplex) whenever possible
3. Eliminating unnecessary printing
4. Recycling used paper

**Reducing paper use: Customers** Encouraged by our in-house effort, we then turned to paper used in communicating with Allstate's customers. Again, we set an ambitious goal of reducing customer paper use by 20 percent by 2013, using 2009 as a baseline. At the end of 2012, we surpassed our goal by reducing customer paper

use by 27 percent compared with 2009 levels. In 2012 alone, these efforts helped us save more than six million pieces of paper.

We achieved this goal by promoting our suite of paperless solutions (eBill, ePayments and ePolicy) to deliver greater convenience, cost savings and compelling environmentally friendly options for Allstate customers. Discounts that encourage paperless options were also introduced. For example, in some states, Allstate auto customers who meet certain criteria, including enrollment in eBill, can lower their premiums. And the new Allstate eSmart<sup>SM</sup> Discount gives customers in select states an additional discount for enrolling in ePolicy, which allows customers to access, store and manage insurance policy documents from a convenient online location. We have also eliminated unnecessary customer billing documents, such as the zero-due bill, which saves approximately 6.2 million bills per year, and have delivered a ramped-up email awareness campaign in lieu of direct mail.

From 2011 to 2012, customer enrollment in eBill grew by 37 percent, which avoided nearly 3.4 million pieces of mail. At the end of 2012, 24 percent, or about 4.8 million policies, were enrolled for automatic payment plans and 18.9 percent, or 3.8 million, were enrolled in eBill.

Convincing customers to go paperless is still a challenge since many still prefer paper statements and policies. We continue to invest in education and awareness campaigns to inform customers and encourage them to enroll in various paperless options. In addition, Allstate is working with others in the industry to change state laws to permit more electronic transactions for and with insurance consumers. State laws are typically very specific about how companies can communicate, and what they can or must communicate. We are promoting law changes that would permit and encourage electronic transactions to reduce the amount of paper required. For example, we are promoting laws that would enable insurance companies to post, and consumers to access, standard policy forms on websites rather than printing and mailing those forms to consumers. This could improve the ease of doing business and greatly reduce the amount of paper needed. Consumers would have the right to request paper copies, but this is a step in moving to a more electronic and modern platform.

Our paper reduction efforts also mean lower GHG emissions. In 2012, these efforts resulted in a reduction of 27.5 tons of paper. According to research done by the [Paper Task Force](#), a peer-reviewed study of the lifecycle environmental impacts of paper production and disposal, the lifecycle of one ton of paper results in 5,601 pounds of GHG emissions. Using this methodology, this program avoided more than 69 metric tons of GHG emissions in 2012.

**Reducing water use** Allstate's total water use at our Home Office comes from eight private water wells located on our property. We have established programs to reduce water consumption, identify water-saving opportunities and install water-saving devices where appropriate. In 2012, these measures enabled us to limit the increase in water consumption at our Home Office to 15 percent, despite increasing the employee population by 30 percent. The total withdrawals of water from our wells totaled 73,432,200 gallons, nearly 10 million gallons more than in 2011.

Most of our water, approximately 75 percent, is used for drinking, bathrooms and kitchens. The rest is used mostly to operate cooling towers for our building heating systems. Our 250-acre Home Office campus also uses stormwater retention ponds, making it nearly 100 percent self-sufficient for landscape irrigation purposes. When new landscaping is added, we focus on native plants with low water requirements.

# SOCIAL IMPACT

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

Our business is focused on individuals, families and the communities where they live. Whether we're providing insurance coverage for a home, car, or motorcycle, or offering financial services to help prepare a customer for a secure future, we are a fundamental part of people's lives. That makes us a part of their neighborhoods and communities, too. So we naturally want to apply our knowledge to improving the quality of life of the people and places we know best.

From giving domestic violence survivors the tools to gain financial independence to helping community members retrofit their homes for added protection against severe weather, we're dedicated to improving the well-being of everyone whose lives we touch. In this way, we help communities thrive.

10,358

NUMBER OF ALLSTATE EMPLOYEES, AGENCY OWNERS AND THEIR STAFF INVOLVED WITH FOUNDATION PROGRAMS

1,359

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

45%

PERCENTAGE OF FUNDING FOCUSED ON DIVERSE COMMUNITIES

## THE ALLSTATE FOUNDATION: 60 YEARS OF GIVING

Our success as a company depends on our ability to help people protect what is important to them, and on our efforts to drive social change. The Allstate Foundation is a vibrant entity within Allstate with a mission to create long-lasting and innovative solutions in communities and to help people realize their dreams. The work of [The Allstate Foundation](#) reflects our commitment to engaging in social responsibility in a meaningful and relevant way.

In 2012, The Allstate Foundation observed its 60th anniversary of supporting innovative and lasting solutions that enhance people's well-being and prosperity. Since its inception, the Foundation has invested nearly \$300 million in helping communities across the country address key social issues. In 2012, The Allstate Foundation contributed more than \$19 million to support various organizations, applying knowledge for good in a strategic and focused approach.

In addition, the Foundation leveraged its 60th anniversary year to heighten awareness and increase involvement of key audiences in its work. The results included:

- The Allstate Foundation Executive Summit convened 130 nonprofit leaders to discuss relevant issues as part of our effort to build the capacity of our major nonprofit partners to deliver important services to their communities. Topics discussed included leadership development, use of social media to advance missions, high-value governance, and remaining relevant in an increasingly diverse community. We encouraged Summit participants to work together to create greater social impact.
- *Give Outside the Box* engaged 4,000 employees in communities across the country. Employees in 35 field locations submitted nearly 900 funding ideas, and 37 local organizations each received \$1,000.
- The *Hand in Hand* contest promoted community involvement among all agency owners (see sidebar). Nearly 1,300 agency owners sought new ways to get involved and submitted contest entries.

- The Foundation used crowd sourcing and input from grantees to develop 60th anniversary grants to help with organizational, leadership and infrastructure development. Grants worth \$600,000 were made to 14 organizations.



*Thank you so very much for the invitation to participate in such a fabulous event [The Allstate Foundation Executive Summit]. The content and speakers were excellent, the opportunity to network most beneficial. The team at the Foundation does an excellent job. Appreciate all the work put into making the event the success it was. Thank you also for the opportunity to apply for additional funding from The Allstate Foundation. This was an unexpected bonus!*

**—Karen Kosniewski, President and CEO, Junior Achievement of Southeastern Michigan, Inc.**

## Allstate and The Allstate Foundation Stand Hand in Hand with Agency Owners

When he's not writing new business, helping customers file claims or playing the role of husband and father, Allstate agency owner Scott Sherman of Rochester, NH, finds time to support a national organization that helps families of children with upper-limb abnormalities.

"My daughter was born with an upper-limb difference, and my wife and I sought out the Helping Hands Foundation\* because we needed advice from other families who were going through the same thing," Sherman said. "Now we share our knowledge and experiences to benefit families who are new to the group."

The Allstate Foundation supported Sherman's outstanding commitment to the organization with a \$1,000 Allstate Agency Hands in the Community grant.

In addition, to help commemorate its 60th anniversary—and increase awareness of Allstate's and agencies' commitment to community service—the Foundation launched the *Hand in Hand* contest, which invited agency owners and exclusive financial specialists to submit online entry forms briefly describing nonprofits they support and their involvement with them.

By the contest deadline in late July, the Foundation had received nearly 1,300 submissions from across the country. A random drawing yielded 14 winners—one from each Allstate region—who were each awarded a \$5,000 grant from the Foundation to give to their chosen nonprofit.

When Sherman found out he'd won, out of nearly 120 entries from the Northeast Region, he had to sit down.

"I felt overwhelmed with gratitude toward Allstate," Sherman said. "I'm involved [in the Helping Hands Foundation] because I know from personal experience how important it is for families across the country. And I'm proud to work with a company that supports the things that are important to me."

\* The Helping Hands Foundation is not affiliated with Allstate or The Allstate Foundation.

## TWO FOCUS AREAS

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Our combined corporate and Foundation outreach efforts focus on two key areas where we have special expertise and significant resources. These areas are domestic violence and teen safe driving.

**Domestic Violence:** Our unique approach empowers domestic violence survivors by providing them with the financial knowledge and resources they need to live and thrive free from abuse. Our work with domestic violence survivors has resulted in more than 215,000 survivors taking steps toward financial independence, helping to free them to pursue their hopes and dreams.

**Teen Safe Driving:** By making “smart” driving socially acceptable to teens—using the power of peer-to-peer influence, guidance from key adults, and public awareness to better help young people understand the dangers associated with driving—we help them change the way they think and act in the car and become safe-driving advocates. Our efforts to address and support these complex issues have contributed to measurable results. Teen crash fatalities have decreased by 26 percent since 2008, when we set our long-term goal of decreasing fatalities by 50 percent through 2015. Since we began the Foundation’s Teen Safe Driving program in 2005, fatalities have decreased by about 43 percent<sup>1</sup>.

We’ve supported community programs with thousands of volunteers and contributions from agency owners, employees, Allstate and The Allstate Foundation totaling more than \$29 million in 2012.

<sup>1</sup> Calculation based on data from the [Insurance Institute for Highway Safety \(IIHS\)](#)



# DOMESTIC VIOLENCE

GRI INDICATORS FS14 / FS16

Violence against women and girls is a global human rights issue, impacting one out of every three women and devastating families and communities. In the U.S., every hour, nearly 145 women are assaulted by a partner, and each day an average of three women die as a result.

In addition, in the U.S.:

- Two million injuries are caused each year as a result of domestic violence.
- All cultural, religious, socioeconomic and ethnic backgrounds are affected by domestic violence.
- More than \$5.8 billion each year is spent on the health-related costs of domestic violence.
- Nearly 8 million days of paid work each year are lost as a result of domestic violence—the equivalent of more than 32,000 full-time jobs.
- 96 percent of domestic violence victims who are employed experience problems at work due to abuse.
- 33 percent of all police time is spent responding to domestic disturbance calls.
- 57 percent of the nation's cities cite domestic violence against women and children as the top cause of homelessness.

Yet, since it has long been considered a taboo subject, many women suffer in silence. This is where The Allstate Foundation has found its role: inspiring and empowering survivors and delivering hope where there was none to end the cycle of abuse.

Inspired by independent research indicating that access to financial resources is the number one predictor of whether a woman will break free and stay free, The Allstate Foundation has put financial empowerment at the center of its approach. The Foundation has partnered with the National Network to End Domestic Violence (NNEDV), along with other leading national and local programs, to empower women to achieve the financial self-sufficiency they need to get free and stay free from abuse.

Since 2005, we have led profound social change in the way survivors are served by domestic violence advocates. Our work has empowered more than 215,000 survivors and their children to live stronger, happier, violence-free lives, made possible by training from more than 4,000 advocates in 1,500 local programs in nearly every state in the country. And we continue to expand this reach.

Among our many accomplishments in 2012, we are most proud of:

- Providing more than \$1 million in critically needed funding to state domestic violence coalitions through our Moving Ahead Financial Empowerment Grant Program, in partnership with NNEDV.
- Raising more than \$250,000 in funding for YWCAs through our award-winning Purple Purse awareness program.
- Training more than 110 counselors to provide innovative financial education services to survivors through our eighth annual Financial Empowerment Symposium.
- Serving as lead sponsor of the second annual World Conference of Women's Shelters attended by more than 1,400 advocates from nearly 100 nations.
- Helping launch NO MORE, the first overarching campaign supported by every major domestic violence organization in the nation, to use a common symbol to increase awareness of the issue and provide resources for domestic violence services.

Because of growing interest in our efforts, we have ambitiously revised our goal and are now working to financially empower 500,000 survivors by 2015—a tenfold increase over our original goal. From financial literacy to job training to asset-building projects, Foundation-funded programs are helping survivors build stable, more secure lives.

## Educating the Muslim community about domestic violence

Kathleen Taylor remembers the day she decided to fight domestic abuse. "I was reading the definition of abuse and realized it encompasses much more than physical violence," says Taylor, who is a Muslim. "There is also verbal, religious, financial abuse."

She soon realized there were no support resources available in her area specifically for Muslim women. "Women in the community wanted to deal with someone who understood the religion and knew that Islam does not endorse violence in any way," says Taylor, who decided to launch her own nonprofit organization to fill this need.

With assistance from the Rhode Island Coalition Against Domestic Violence Economic Empowerment Program, which receives support from The Allstate Foundation, Taylor learned how to develop a business plan and how to start a nonprofit organization.

The result is the Healthy Families Initiative (HFI). Operating under the auspices of the Rhode Island Council for Muslim Advancement, HFI is aimed at educating the Muslim community on the Islamic perspective on domestic violence. Its ultimate goal is to provide intervention programs to eradicate the occurrence of domestic abuse in the Muslim community.

Taylor credits The Allstate Foundation's support of the Economic Empowerment Program for making HFI possible. "The program was extremely valuable," she says. "I could not have started HFI without it."

## Fighting domestic violence with Purple Purses

During Domestic Violence Awareness Month in October 2012, The Allstate Foundation filled hundreds of purple purses with domestic violence information and distributed them throughout the U.S. The Foundation then donated \$10 to the YWCA USA each time a purse was passed and checked in on PurplePurse.com, and \$5 each time a purse was passed online, raising \$250,000 for YWCA USA and 14 YWCA associations countrywide.

The Allstate Foundation created the purple purse as a symbol for the financial empowerment of domestic violence survivors. The campaign asked consumers to "pass the purse" as a way to put the information into Americans' hands to help break the cycle of abuse.

[PurplePurse.com](http://PurplePurse.com) is designed as an online shopping magazine—abusers often track their victims' online activities—but its real purpose is to encourage people to talk openly about domestic violence and financial abuse. Since research shows that the issue of domestic violence is difficult to discuss, this site was created to make it easier to bring up the subject.

Since launching the Purple Purse campaign in 2011, The Allstate Foundation has raised \$340,000 for YWCA USA.

# TEEN SAFE DRIVING

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When The Allstate Foundation was founded in 1952, improving the skills of young drivers was among its first priorities. That was particularly important because fewer than one in four American high schools had a driver training program at that time. We quickly became a leader in the movement, funding driver's education training programs around the nation.

Today, one of the most dangerous years in a person's life is the first 12 months after receiving a driver's license<sup>1</sup>. Annually, there are about 2 million teens under the age of 18 in their first year of driving on U.S. roads, according to a National Safety Council (NSC) estimate based on the 2012 edition of Injury Facts. Their driving can pose a deadly risk to themselves and anyone who shares the road with them. In fact, in 2011 alone, 1,987 young drivers, 1,191 passengers of young drivers and 1,589 other people were killed in crashes involving young drivers (ages 15–20)<sup>2</sup>. That same year, about 25 deaths each day were associated with drivers under the age of 18<sup>3</sup>.

Drivers under the age of 18 are involved in about 900,000 crashes each year—an average of nearly 2,500 each day, the NSC reports (2012 Injury Facts). About half of new teen drivers will be involved in some sort of crash before they graduate from high school (NSC estimate).

We've spoken to far too many parents, brothers, sisters, and friends of teens who have died in car crashes. There are few greater tragedies in life than the loss of a young person. That's why we continue to focus our time and resources on making driving safer for teens and everyone who shares the road with them.

In 2005, the Foundation championed a groundbreaking report on the state of teen driving. The findings brought to light the fact that no one was leveraging the power of peer-to-peer communication—teens talking to each other about dangerous driving attitudes and behaviors. In addition, we encourage key teen influencers (parents, doctors and community leaders) to share safety information with teens. We also help increase public understanding of the causes and consequences of dangerous teen driving. These efforts have helped make a big difference: Since 2005, teen crash fatalities have decreased by about 43 percent. But our work is not done yet: Our long-term goal continues to be to reduce fatalities by 50 percent through 2015, creating the safest generation of teen drivers ever.

In 2012, we:

- Reached 7.2 million teens through teen-to-teen activism programs, contests and projects, as well as teen-specific media.
- Involved more than 1.3 million people in programs promoting teen safe driving.
- Empowered more than 62,000 teens to lead safe-driving projects.
- Engaged more than 310 high schools in promoting teen safe driving activities for Global Youth Traffic Safety Month, in May, just before the summer months when driving is most dangerous for teens.
- Provided lifesaving information to more than 11,000 organizations through 10 state teen driving coalitions established in 2010 with the NSC to create a culture of safe teen driving in communities.
- Helped more than 1,470 doctors raise their influential voices on the teen driving issue through a partnership with the American Academy of Pediatrics.
- Demonstrated in our "License to Save" report that if all states were to enact comprehensive graduated driver licensing laws, more than 2,000 lives and an estimated \$13.6 billion could be saved each year.



## Teens Act Out Loud to promote safe driving

One way The Allstate Foundation works to help teens be safer drivers is through a program called Act Out Loud. Designed to address a variety of dangerous driving behaviors, it encourages peer-led, school-based youth traffic safety activities and gives teens a chance to compete for awards totaling more than \$270,000 for their school.

Teens themselves say the program works. "Act Out Loud has helped our school with a structured and organized guideline on how to get our local community more aware of the dangers of distracted driving," says Elizabeth Ryan, a student at Park View High School, Sterling, VA. "Act Out Loud has affected my life in a positive way by teaching me how to get the word out about distracted driving and the dangers of texting while driving."

<sup>1</sup> National Safety Council (NSC)

<sup>2</sup> National Highway Traffic Safety Administration (NHTSA) Traffic Safety Facts, April 2013

<sup>3</sup> National Highway Traffic Safety Administration (NHTSA) Traffic Safety Facts, April 2013

# NATURAL CATASTROPHE PREPAREDNESS

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Insurance is one of the industries most affected by natural catastrophes. In 2012, Allstate experienced \$2.35 billion in catastrophe loss expense.

We recognize the important role we play in helping customers and communities prepare for natural catastrophes, and actively support a range of collaborations aimed at building more resilient communities. For example, as a founding member, we work closely with [ProtectingAmerica.org](http://ProtectingAmerica.org) to educate people living in high-risk areas. We also provide tips for how people can prepare for and recover from various catastrophe-related events on Allstate.com. Learn more on [Allstate.com's tool and resources section](#).

Allstate is also a member and financial supporter of the Insurance Institute for Business & Home Safety (IBHS). IBHS's 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**.





# COMMUNITY INVOLVEMENT

GRI INDICATOR EC8

Allstate's commitment to improving local communities is central to our shared vision of bringing out the good in people's lives. After all, our communities are where we live and work, so we make every effort to help make them better places. Community involvement at Allstate is delivered by people all across the company—from California to Quebec, from Belfast to Bangalore, from our regional offices to our home office, from senior leaders to our interns. Our engagement with communities is an integral part of how we lead and who we are as a company. And, while we understand the power of our checkbook, we know our ultimate strength lies in the good hands of all the individuals we inspire to become champions for positive change.

From Allstate employees and agency owners who donate and volunteer, to organizations that align with our mission, to all the people we've helped who pay it forward—together, we are inspiring change and changing lives.

**Giving Campaign** Allstate contributes to communities across the country through our annual Giving Campaign, which matches 15 cents on every dollar donated by employees and agency owners to local and national nonprofits. The company adds an additional five cents to the local United Way, and covers all administrative costs associated with the campaign.

In 2012, 49 percent of Allstate employees and agency owners contributed \$5.53 million, including Allstate's match. The campaign involved more than 500 volunteer coordinators from across the country.

Last year, in the wake of Sandy, the Giving Campaign supported Allstate employees' desire to help victims of the storm by matching donations dollar-for-dollar up to \$100,000, to the American Red Cross Disaster Relief Fund.





## The Allstate Foundation engages employees in making local contributions

If your office had \$1,000 to make an innovative difference in your community, how would you invest it?

That's what The Allstate Foundation asked employees across the country in 2012 as part of its ***Give Outside the Box*** program.

Nearly 900 employees responded, submitting ideas online and on paper during "Innovation Unleashed," a weeklong celebration promoting a culture of creativity and innovation. The Foundation reviewed the submissions to select the top 98 ideas (based on eligibility, creativity and feasibility), then put them up for an online vote in 34 offices across the enterprise.

La'Shonda Perry, the outbound customer relationship specialist at Allstate's Customer Contact Center in Charlotte, NC, nominated Communities in Schools of Charlotte Mecklenburg, which received one of the 37 grants given. Perry's local affiliate of the national Communities in Schools organization offered college prep that readied her for life after high school. Perry said it made a difference, and is the reason she selected the organization for the grant. "[It] makes me feel proud to be able to work at a company that supports organizations like Communities in Schools," Perry said. "I started volunteering for the group at the beginning of this school year, but I had no idea I'd be able to make such a big difference."

**Volunteering** Beyond financial contributions, agency owners and employees volunteer more than 200,000 hours each year—including on Allstate's Give Back Day, held on Martin Luther King Jr. Day, and during Allstate's National Week of Service.

Every week, Allstate employees volunteer their time and talents through more than 120 employee-led Helping Hands committees in their local communities—working in soup kitchens, teaching children about business and the economy, cleaning up neighborhoods, painting schools, helping run fundraising efforts, and hosting events at community centers.

In August 2012, more than 2,600 employees and agency owners—along with their friends and families—participated in Allstate's first-ever Week of Service. Volunteers completed 290 projects and logged 10,000 hours of service throughout the week, and Allstate awarded \$78,000 in Challenge Grants to 156 of the benefiting nonprofits. Allstate Ambassadors partnered with Feeding America, bringing in enough food and funding to provide more than 250,000 meals to the nation's hungry and impoverished.

In addition to the significant number of Allstate officers who serve on boards of community nonprofits, Allstate created the Allstate Fellows program in 2011 to give leaders the opportunity to provide business skills to selected nonprofits. In 2012, five Allstate Fellows were recruited and placed at Chicago-area Allstate Foundation or Allstate nonprofit partners, delivering 4,000 hours of dedicated professional service valued at \$200,000.

**Corporate Contributions** Allstate's business is helping people where and when it matters most, and that same spirit applies to our involvement in our hometown of Chicago. We've funded major institutions and civic improvements, including a recent \$5 million commitment to serve as a lead funder of Chicago's new public-private **Get In Chicago** campaign to reduce violent crime and improve the safety and vitality of neighborhoods throughout the city.

Last year, we were lead sponsor for citywide initiatives including the Chicago Cultural Plan 2012, the Chicago Children's Humanities Festival, and "One Book, One Chicago." We underwrote major museum exhibits that attracted hundreds of thousands of visitors. We backed multicultural programming at the Goodman Theater, and supported the Joffrey Ballet and other performing arts groups.

Allstate CEO Tom Wilson was named co-chair of Chicago Mayor Rahm Emanuel's Violence Prevention Task Force. We worked with the Chicago Police Department and community groups to develop new crime prevention programs. We supported job training and supplier diversity campaigns. Our executives and employees contributed time, money and talent to a wide variety of nonprofit partners.

All told, we contributed \$4.5 million in the Chicago area. But more than money, Allstate's sincere and sustained commitment was the key to making a real difference for our neighbors and our community.

# ADVOCACY

GRI INDICATOR S05

In addition to our volunteer and financial support of philanthropic efforts, Allstate works to support our customers and communities through our advocacy work on policy issues. Here are some of the areas where Allstate has shown leadership in influencing policy in the best interest of our communities.

**Safe Roads** Since 2008, an average of 3,400 teens have been killed in car crashes in the United States annually. Graduated driver licensing (GDL) laws require new young drivers to gain experience under supervised and less risky conditions so they can become responsible and safe drivers. Research has shown that these requirements can reduce fatalities by up to 40 percent.

Allstate has long been a passionate advocate for efforts to prevent these fatalities. We were a lead supporter of the Safe Teen and Novice Driver Uniform Protection (STANDUP) Act, a federal bill designed to help save lives by encouraging the adoption of optimal graduated driver licensing standards for individual states to implement in their own teen driving laws. Key elements of the STANDUP Act were signed into law in the summer of 2012, with accompanying incentive grants to empower states to strengthen their laws. Our advocacy now turns to the states, where we are diligently working to encourage them to ensure that state laws contain strong GDL provisions.

**Protecting Our Community** We continue to advocate for a comprehensive, integrated legislative solution that will better prepare and protect America from natural catastrophes. In 2012, we:

- Maintained attention on the issue even though no single major catastrophe kept the topic high on the agenda until Sandy.
- Secured sponsorship and introduction of the Taxpayer Protection Act of 2012 before Sandy hit.
- Worked to advance reform and reauthorization of the National Flood Insurance Program (NFIP), and on July 6, 2012, President Obama signed the Biggert-Waters Flood Insurance Reform Act of 2012, extending the NFIP through September 30, 2017.

Allstate is a proud supporter and founding member of [ProtectingAmerica.org](#), a coalition of private companies, nonprofit

organizations and government agencies at the local, state and federal level that are working to develop long-term solutions to better prepare communities and our nation so that they can recover from future natural catastrophes. [ProtectingAmerica.org](#) works to educate the public and policymakers about the risks Americans face from disasters—like recent wildfires, tornadoes and hurricanes—which are certain to strike again.

Fewer than five months after Sandy, the second-costliest storm in U.S. history, a national coalition headed by two federal officials who oversaw homeland security and natural disaster emergency management during the country's largest catastrophes agreed that a newly proposed House measure would significantly improve catastrophe protection for homeowners. The Homeowners and Taxpayers Protection Act would establish a privately funded national catastrophe program that will enable private market insurers to provide increased and more affordable homeowners coverage.

Looking ahead, the coalition is working with the Federal Emergency Management Agency (FEMA) and others to consider potential options to increase private market involvement in protecting against flood risk.



**Federal Insurance Regulation** Another area of our continued advocacy addresses the modernization of the insurance regulatory system. The U.S. insurance industry operates under a different set of regulations in each state (plus the District of Columbia). This makes it difficult and expensive to develop innovative products for customers. Allstate believes there is an opportunity to modernize the insurance regulatory system with more uniformity and consistency, and for government to adopt regulatory best practices. Regulatory modernization will drive unnecessary costs out of the system, unleash more innovation, and generate increased competition in the marketplace with more choices for consumers. In 2012, Allstate met with and provided extensive information to the new Federal Insurance Office on ways to improve and modernize the insurance regulatory system. Allstate also worked with regulators and other policymakers in numerous states to address specific concerns and to offer solutions applicable to their states.

# PUBLIC POLICY

GRI INDICATORS 4.1 / 4.13 / SO5

## CORPORATE INVOLVEMENT IN PUBLIC POLICY

Allstate is actively involved in the public policy process at the state and federal levels. We believe that the existence of extensive state-based regulation of insurance, the importance of a fair court system to our customers, and the priority we place on the importance of personal safety and property protection combine to demand that Allstate seek to shape sound public policy.

**Board oversight and contribution governance** We believe participating in the development of good public policy and offering ideas and resources in this arena will help our customers protect themselves from life's uncertainties and prepare them for the future. Allstate maintains a rigorous oversight process for these advocacy efforts. In addition to complying with public disclosure laws at the state and national levels, we maintain internal guidelines and procedures that govern public advocacy and political activities.

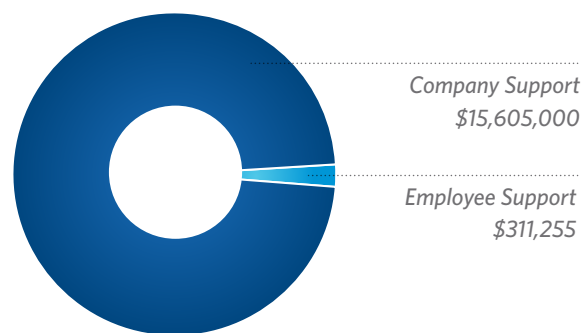
The decision to use corporate resources in the public policy arena is consistent with the company's annual operating plan as well as its strategic vision to reinvent protection and retirement for the consumer, and is not based upon the personal views of any individual member of the Board of Directors. 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 business interests of our shareholders, employees, agents, and customers.

With regard to corporate contributions to candidates, our General Counsel and the Senior Vice President-Government Relations/Deputy General Counsel determine to which candidates and committees we offer our support, and these contributions are subject to further oversight by the company's Board of Directors. These resources are devoted to candidates whose views and positions will improve the insurance marketplace for the company, the insurance industry, and the insurance consumer.

**Overview of Expenditures** Allstate supports candidates for public office, research associations, coalitions, industry trade associations, non-profit organizations, and other groups to advance key priorities such as teen safe driving, regulatory modernization, and natural catastrophe management. We may not agree with every position taken by a specific organization, candidate or committee. Nevertheless, when we believe it prudent to work across such differences on behalf of the interests of our stakeholders, that's what we do.

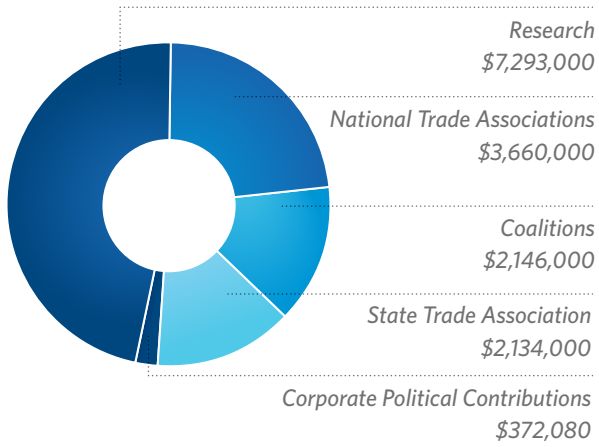
In 2012, the company's efforts in this arena utilized approximately \$15.6 million in corporate funds, which represent four one-hundredths of one percent of revenues. In addition, for the same period the employee-funded political action committees contributed approximately \$311,255 to a wide variety of political organizations and candidates.

## TOTAL SUPPORT OF PUBLIC POLICY INITIATIVES



As part of our public policy effort, the company supports various organizations, including tax-exempt organizations that may engage in lobbying activities, candidates, and committees in its public policy efforts. This support is allocated among the following five categories of activities: research, coalitions, national and state trade associations, and corporate political contributions. This report describes each of the categories and the amount we spend in each category. We devote more than 47 percent of these corporate resources toward research. Approximately 76 percent of the total company support was directed to tax deductible, non-lobbying endeavors.

**COMPANY SUPPORT OF PUBLIC POLICY INITIATIVES**



RESEARCH



COALITION



NATIONAL TRADE ASSOCIATIONS



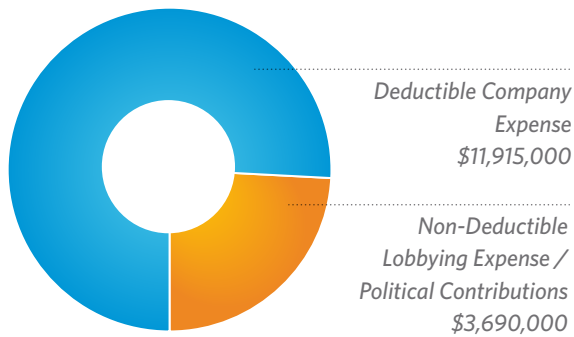
STATE TRADE ASSOCIATIONS



CORPORATE POLITICAL CONTRIBUTIONS



**DEDUCTIBLE EXPENSES AND NON-DEDUCTIBLE LOBBYING EXPENSES/POLITICAL CONTRIBUTIONS**



## ORGANIZATIONS AND INITIATIVES WE SUPPORT

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### Research

Allstate supports research groups and other organizations that provide unbiased information that is used to shape public policy debate and inform consumers and businesses about key issues affecting insurance consumers, including the role that insurance plays in our daily lives.

Our support is largely focused on safety on our roads and in our homes. Further, we are involved in other noteworthy research that is not captured in this report. For example, for the past three years we have partnered with the *National Journal* to publish the *Allstate/National Journal Heartland Monitor Poll* series, which measures the attitudes and feelings of citizens regarding important economic issues. This poll has been referenced in several publications. In 2012, Allstate provided nearly \$7.3 million to research organizations.

### Coalitions

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

We continue to work to better prepare and protect America from natural catastrophes. Recent storms and earthquakes have reminded us all that no place in the country is immune from the tragic death and devastation caused by severe weather. Furthermore, events such as Hurricane Katrina and Superstorm Sandy, and the existence of large unfunded state government insurance pools, have created financial exposure for insurance customers, companies, and the American taxpayer. America needs to be better prepared for these catastrophes and needs to strengthen its financial infrastructure to protect itself from these events. Allstate has joined others in a coalition known as [ProtectingAmerica.org](http://ProtectingAmerica.org) to build a more effective catastrophe management system that will better prepare and protect America from major catastrophes.

Throughout our history, we have endeavored to make roads safer for all drivers. We were pioneers in the advocacy of mandatory seat belts and airbags in cars. Today, many of our employees and agents devote significant time every day promoting safer driving and working with community groups, parents, teen drivers, schools,

and national organizations. Allstate provides significant human and financial resources to organizations that save lives, prevent injuries, and reduce losses caused by crashes on the nation's highways. For example, Allstate supports the Advocates for Highway and Auto Safety, a champion in the effort to save teen drivers. In 2012, Allstate provided approximately \$2 million to coalitions, with almost \$638,000 (32 percent) attributed to lobbying efforts.

### National and state trade associations

We are also working to help build a better insurance regulatory system. The insurance industry currently operates under a different set of regulations in each of the 50 states and the District of Columbia. This patchwork system makes it difficult and expensive to develop innovative products for our customers and for our exclusive agents to operate as efficiently as possible. Allstate supports business organizations that assist our 11,200 agency owners and exclusive financial representatives, who operate small businesses located on main streets across the United States and Canada. We believe it is imperative to modernize and improve the regulatory system for insurance companies and consumers. Thus, the company supports organizations working for reforms that will create more uniformity and consistency in the system.

Allstate also supports reforms to our civil justice system to keep pace with changes in technology and address lawsuit abuse. This advocacy includes changes to deal with electronic document discovery, new ways that litigation is being financed by third parties, and state-specific challenges that deal with so-called bad faith. Further, Allstate advocates against theories of civil recovery that cost our customers too much money. That's why Allstate supports a court system that is fair for everyone. As part of this effort, Allstate contributes to groups that advocate meaningful change for insurance consumers, nationally and in individual states. In 2012, Allstate provided almost \$3.7 million to national trade associations, with approximately \$2 million (56 percent) attributed to lobbying efforts, and slightly more than \$2.1 million to state trade associations, with approximately \$610,000 (27 percent) attributed to lobbying efforts.



**Here Are the Major Organizations within the Categories Described above That Allstate Supported in 2012:**

**Advocates for Highway and Auto Safety** Advocate for STANDUP Act, which is a common sense approach to graduated driver licensing laws and measures, and designed to reduce distracted driving and protect those most important to us—our children. Find more information at [Saferoads.org](http://Saferoads.org).

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

**Association of National Advertisers** Represents the U.S. marketing community.

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

**Financial Services Forum** Pursues policies that encourage savings and investment, promote an open and competitive global marketplace, and ensure 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.

**Fix the Debt Coalition** Non-partisan movement to put America on a better fiscal economic path.

**Florida Chamber of Commerce** Represents the interests of more than 139,000 members in Tallahassee and 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 Information Network of California** Enhances consumers' understanding of insurance and safety issues.

**Insurance Institute for Business & Home Safety** Dedicated to reducing 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** Premier research facility for improving motor vehicle safety.

**Life Insurance Council of New York** Creates and maintains a legislative, regulatory, and judicial environment in the State of New York that encourages insurers to grow their life insurance businesses.

**National Insurance Crime Bureau** Leads a united effort of 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.

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

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

**ProtectingAmerica.org** Establishes a comprehensive, integrated national catastrophe management solution. More info at [ProtectingAmerica.org](http://ProtectingAmerica.org).

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

**U.S. Chamber of Commerce** Represents interests of more than three million businesses of all sizes, sectors, and regions, and advocates for pro-business policies that create jobs and grow our economy.

## CORPORATE CONTRIBUTIONS TO STATE CANDIDATES AND COMMITTEES

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As noted earlier in this report, during 2012 Allstate contributed approximately 2 percent of its public policy resources to state candidates for public office, political parties, political committees, and other entities organized and operating under 26 U.S.C. Section 527. Allstate supported candidates and committees, with the contributions for this period totaling \$372,080. Of this amount, 40 percent supported Democratic candidates, 56 percent supported Republican candidates, and 4 percent supported non-partisan committees.

### ALLPAC and MIALLPAC Contributions

The Allstate Insurance Company Political Action Committee (ALLPAC) is a voluntary, non-partisan political action committee (PAC) comprised of eligible individual employees. Participation in ALLPAC is voluntary, and the decision whether or not to participate does not affect an employee's status in any way. These personal contributions support candidates for federal and state elected office who support the competitive marketplace, and who understand and support the issues of importance to our industry generally, and the Allstate group of companies specifically. Currently, ALLPAC has 378 members, who contributed a total of \$303,975 in 2012, with an average contribution of approximately \$800 per participant.

ALLPAC contributions to candidates are governed by a board of directors composed of senior company officers. Candidates who receive 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 2012, ALLPAC contributed a total of \$302,655 to state and federal candidates for public office as well as political committees. Of that total, 30 percent supported Democratic candidates and committees, 67 percent supported Republican candidates and committees, and 3 percent supported non-partisan committees.

The Michigan Allstate Insurance Company Political Action Committee (MIALLPAC) is the Michigan-only PAC funded by eligible Allstate employees and abides by the same practices and procedures as ALLPAC. Currently MIALLPAC has eight members who contributed a total of \$6,589 in 2012, with an average contribution of \$823 per participant. During 2012, MIALLPAC contributed \$8,600 to various candidates and committees.

### Grassroots Lobbying

Allstate leverages an intranet-based system, called Take Your Stand, as a means to engage interested agency owners and employees through grassroots activism on important public policy initiatives. In 2012, the company spent \$42,500 for vendor services to administer and host this online communication portal. Through this platform, Allstate agents and employees are able to communicate directly with federal and state elected officials on public policy matters that are important to Allstate and our customers. Participation in Take Your Stand activism is completely voluntary. In 2012, more than 2,400 Allstate agents and employees sent more than 7,500 advocacy messages to 544 state and federal elected officials.

# GLOBAL REPORTING INITIATIVE (GRI)

GRI is a framework of global standards to help corporations define and report their sustainability impacts and performance. Because sustainability is defined as a combination of social, environmental and economic impacts, these are the general categories of GRI.

DISCLOSURE	STRATEGY AND ANALYSIS	WHERE TO FIND IT
1.1	Statement from the most senior decision-maker of the organization.	Overview: Letter from the CEO
1.2	Description of key impacts, risks, and opportunities.	Overview: Letter from the CEO; Overview: Letter from the CRO; Overview: About This Report; Business Practices: Risk Management
DISCLOSURE	ORGANIZATIONAL PROFILE	WHERE TO FIND IT
2.1	Name of the organization.	Company: Organizational Profile
2.2	Primary brands, products, and/or services.	Company: Organizational Profile; Stakeholders: Customers
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Company: Organizational Profile
2.4	Location of organization's headquarters.	<a href="http://www.allstate.com/about.aspx">http://www.allstate.com/about.aspx</a>
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Company: Organizational Profile
2.6	Nature of ownership and legal form.	Company: Organizational Profile; Annual Report
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	2012 Downloads: 2012 Vital Statistics (PDF); Annual Report ( <a href="http://www.allstate.com/about/annual-report.aspx">http://www.allstate.com/about/annual-report.aspx</a> )
2.8	Scale of the reporting organization.	Company: Organizational Profile; 2012 Downloads: 2012 Vital Statistics (PDF)
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Overview: About This Report; Annual Report
2.1	Awards received in the reporting period.	<a href="http://www.allstatenewsroom.com/channels/Awards-and-Recognition/pages/awards-recognition">http://www.allstatenewsroom.com/channels/Awards-and-Recognition/pages/awards-recognition</a>
DISCLOSURE	REPORT PARAMETERS	WHERE TO FIND IT
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Overview: About This Report
3.2	Date of most recent previous report (if any).	Overview: About This Report
3.3	Reporting cycle (annual, biennial, etc.)	Overview: About This Report
3.4	Contact point for questions regarding the report or its contents.	Overview: About This Report

DISCLOSURE	REPORT PARAMETERS	WHERE TO FIND IT
3.5	Process for defining report content.	Overview: About This Report; Stakeholders: Customers; Overview: Letter from the CRO
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Overview: About This Report
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Overview: About This Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Overview: About This Report
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Overview: About This Report; Environment
3.1	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	Overview: About This Report; Overview: Key Performance Indicators and Goals
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Overview: About This Report
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	Overview: About This Report

DISCLOSURE	GOVERNANCE, COMMITMENTS, AND ENGAGEMENT	WHERE TO FIND IT
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Company: Organizational Profile; Company: Corporate Governance; Public Policy; Annual Report
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Company: Organizational Profile; Company: Corporate Governance
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	2012 Downloads: 2012 Key Metrics (PDF)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Allstate.com: Investor Relations
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Company: Organizational Profile; Company: Corporate Governance; Annual Report
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Company: Ethics and Integrity

DISCLOSURE	GOVERNANCE, COMMITMENTS, AND ENGAGEMENT	WHERE TO FIND IT
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Company: Corporate Governance; 2012 Downloads: 2012 Vital Statistics (PDF)
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Overview: Letter from the CEO; Overview: Letter from the CRO; Company: Ethics and Integrity; Company: Organizational Profile
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Company Ethics and Integrity; Business Practices: Risk Management
4.1	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Company: Corporate Governance; Environment
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Business Practices: Risk Management; Annual Report
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Business Practices: Risk Management; Stakeholders: Customers; Environment; Social Impact
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Environment; Social Impact; Business Practices; Public Policy
4.14	List of stakeholder groups engaged by the organization.	Stakeholders
4.15	Basis for identification and selection of stakeholders with whom to engage.	Stakeholders
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholders
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Not Reported

DISCLOSURE	DISCLOSURE ON MANAGEMENT APPROACH	WHERE TO FIND IT
	<b>DISCLOSURE ON MANAGEMENT APPROACH ECONOMIC</b>	
	Economic Performance COMM	Company: Organizational Profile; Annual Report
	Market presence	Business Practices: Investments & Asset Management; 2012 Downloads: 2012 Vital Statistics (PDF); Social Impact: Community Involvement
	Indirect economic impacts	Business Practices: Investments & Asset Management; 2012 Downloads: 2012 Vital Statistics (PDF); Social Impact: Community Involvement

DISCLOSURE	DISCLOSURE ON MANAGEMENT APPROACH	WHERE TO FIND IT
<b>DISCLOSURE ON MANAGEMENT APPROACH ENVIRONMENT</b>		
	Materials	Environment
	Energy	Environment
	Water	Environment
	Biodiversity	Environment
	Emissions, effluents and waste	Environment
	Products and services	Stakeholders: Customers; Business Practices: Risk Management
	Compliance	Environment
	Transport	Environment
	Overall	Environment; Business Practices: Risk Management
<b>DISCLOSURE ON MANAGEMENT APPROACH LABOR</b>		
	Products and services	Stakeholders: Employees
	Labor/management relations	Stakeholders: Employees
	Occupational health and safety COMM	Stakeholders: Employees
	Training and education	Stakeholders: Employees; 2012 Downloads: 2012 Vital Statistics (PDF)
	Diversity and equal opportunity	Stakeholders: Employees; Company; 2012 Key Performance Indicators
	Equal remuneration for women and men	Stakeholders: Employees; Company; 2012 Downloads: 2012 Key Metrics (PDF)
<b>DISCLOSURE ON MANAGEMENT APPROACH HUMAN RESOURCES</b>		
	Investment and procurement practices	Business Practices: Investments & Asset Management; Business Practices: Supply Chain
	Non-discrimination	Company: Ethics and Integrity
	Freedom of association and collective bargaining	Not Reported
	Child labor	Not Reported
	Prevention of forced and compulsory labor	Not Reported
	Security practices	Not Reported
	Indigenous rights	Not Reported
	Assessment	Not Reported
	Remediation	Not Reported
<b>DISCLOSURE ON MANAGEMENT APPROACH SOCIAL</b>		
	Local communities	Social Impact; 2012 Downloads: 2012 Vital Statistics (PDF)
	Corruption	Not Reported
	Public policy	Social Impact; Public Policy
	Anti-competitive behavior	Not Reported
	Compliance	Company: Ethics and Integrity
<b>DISCLOSURE ON MANAGEMENT APPROACH PRODUCT</b>		
	Customer health and safety	Not Reported
	Product and service labeling	Not Reported
	Marketing communications	Stakeholders: Customers; Environment



DISCLOSURE	ECONOMIC PERFORMANCE INDICATORS	WHERE TO FIND IT
EC1 COMM	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Company: Organizational Profile; Business Practices: Investment & Asset Management; Stakeholders: Employees; Social Impact; 2012 Downloads: 2012 Vital Statistics (PDF); Annual Report
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Business Practices: Risk Management; Environment: Energy and Emissions Reduction
EC3	Coverage of the organization's defined benefit plan obligations.	Stakeholders: Employees; Annual Report
EC4	Significant financial assistance received from government.	Not Reported
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Not Reported
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Business Practices: Supply Chain; Overview: Key Performance Indicators and Goals; 2012 Downloads: 2012 Vital Statistics (PDF)
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Not Reported
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Business Practices: Investments & Asset Management; 2012 Downloads: 2012 Vital Statistics (PDF); Social Impact: Community Involvement
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Social Impact; 2012 Downloads: 2012 Vital Statistics (PDF)
DISCLOSURE	ENVIRONMENTAL INDICATORS	WHERE TO FIND IT
EN1	Materials used by weight or volume.	Environment
EN2	Percentage of materials used that are recycled input materials.	Not Reported
EN3	Direct energy consumption by primary energy source.	CDP (formally Carbon Disclosure Project) Filing
EN4	Indirect energy consumption by primary source.	CDP (formally Carbon Disclosure Project) Filing
EN5	Energy saved due to conservation and efficiency improvements.	Environment; Overview: Key Performance Indicators and Goals
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Stakeholders: Customers; Environment; Overview: Key Performance Indicators and Goals
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Environment; Overview: Key Performance Indicators and Goals
EN8	Total water withdrawal by source.	Environment: Waste Management and Water
EN9	Water sources significantly affected by withdrawal of water.	Environment: Waste Management and Water
EN10	Percentage and total volume of water recycled and reused.	Environment: Waste Management and Water
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not Reported: Determined not to be a material impact
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not Reported: Determined not to be a material impact
EN13	Habitats protected or restored.	Not Reported: Determined not to be a material impact
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not Reported: Determined not to be a material impact

DISCLOSURE	ENVIRONMENTAL INDICATORS	WHERE TO FIND IT
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not Reported: Determined not to be a material impact
EN16COMM	Total direct and indirect greenhouse gas emissions by weight.	Environment: Energy and Emissions Reduction
EN17	Other relevant indirect greenhouse gas emissions by weight.	Environment: Energy and Emissions Reduction
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Environment: Energy and Emissions Reduction; Overview: Key Performance Indicators and Goals
EN19	Emissions of ozone-depleting substances by weight.	Not Reported: Determined not to be a material impact
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not Reported: Determined not to be a material impact
EN21	Total water discharge by quality and destination.	Environment: Waste Management and Water
EN22COMM	Total weight of waste by type and disposal method.	Environment: Waste Management and Water
EN23	Total number and volume of significant spills.	Not Reported: Determined not to be a material impact
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not Reported: Determined not to be a material impact
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not Reported: Determined not to be a material impact
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Environment; Stakeholders: Customers; Overview: Key Performance Indicators and Goals
EN27	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not Reported
EN28	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	CDP (formally Carbon Disclosure Project) Filing
EN29	Total environmental protection expenditures and investments by type.	Not Reported

DISCLOSURE	SOCIAL: LABOR PRACTICES AND DECENT WORK	WHERE TO FIND IT
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	2012 Downloads: 2012 Key Metrics (PDF)
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Not Reported
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not Reported
LA4	Percentage of employees covered by collective bargaining agreements.	Not Reported
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not Reported
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not Reported: Determined not to be a material impact

DISCLOSURE	SOCIAL: LABOR PRACTICES AND DECENT WORK	WHERE TO FIND IT
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Stakeholders: Employees
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Stakeholders: Employees
LA9	Health and safety topics covered in formal agreements with trade unions.	Not Reported: Determined not to be a material impact
LA10	Average hours of training per year per employee by gender, and by employee category.	2012 Downloads: 2012 Key Metrics (PDF)
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Stakeholders: Employees
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Not Reported
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	2012 Downloads: 2012 Key Metrics (PDF)
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not Reported
LA15	Return to work and retention rates after parental leave, by gender.	Not Reported

DISCLOSURE	SOCIAL: HUMAN RESOURCES	WHERE TO FIND IT
HR1COMM	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Not Reported
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Business Practices: Supply Chain
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Company: Ethics and Integrity
HR4	Total number of incidents of discrimination and corrective actions taken.	Not Reported
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not Reported: Determined not to be a material impact
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not Reported: Determined not to be a material impact
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not Reported: Determined not to be a material impact

DISCLOSURE	SOCIAL: HUMAN RIGHTS	WHERE TO FIND IT
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not Reported: Determined not to be a material impact
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not Reported: Determined not to be a material impact
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not Reported
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not Reported

DISCLOSURE	SOCIAL: SOCIETY	WHERE TO FIND IT
SO1 (FSSS)	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Social Impact; Business Practices: Investments and Asset Management
SO1 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	2012 Downloads: 2012 Vital Statistics (PDF); 2012 Downloads: 2012 State Supplements (PDF)
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Not Reported: Determined not to be a material impact
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Not Reported
SO4	Actions taken in response to incidents of corruption.	Not Reported
SO5	Public policy positions and participation in public policy development and lobbying.	Social Impact: Advocacy; Public Policy
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Public Policy
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not Reported
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not Reported
SO9	Operations with significant potential or actual negative impacts on local communities.	Not Reported
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not Reported

DISCLOSURE	SOCIAL: PRODUCT RESPONSIBILITY	WHERE TO FIND IT
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not Reported: Determined not to be a material impact
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not Reported
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not Reported

DISCLOSURE	SOCIAL: PRODUCT RESPONSIBILITY	WHERE TO FIND IT
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not Reported
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Stakeholders: Customers
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Stakeholders: Customers
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not Reported
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not Reported
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not Reported

DISCLOSURE	FINANCIAL SERVICES SECTOR SUPPLEMENTAL INDICATORS	WHERE TO FIND IT
FS1	Policies with specific environmental and social components applied to business lines.	Overview: About This Report
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Business Practices: Risk Management; Business Practices: Investment and Asset Management; Environment
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Not Reported
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Overview: About This Report; Company: Corporate Governance
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Overview: About This Report; Business Practices: Investment and Asset Management; Environment
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	2012 Downloads: 2012 Vital Statistics (PDF)
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Business Practices: Investment and Asset Management; Social Impact
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Business Practices: Investment and Asset Management; Environment
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Overview: About This Report; Company: Corporate Governance
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Not Reported
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Not Reported

DISCLOSURE	FINANCIAL SERVICES SECTOR SUPPLEMENTAL INDICATORS	WHERE TO FIND IT
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Not Reported
FS13	Access points in low-populated or economically disadvantaged areas by type.	Social Impact; Business Practices: Investment and Asset Management
FS14	Initiatives to improve access to financial services for disadvantaged people.	Social Impact: Domestic Violence
FS15	Policies for the fair design and sale of financial products and services.	Not Reported
FS16	Access points in low-populated or economically disadvantaged areas by type.	Social Impact: Domestic Violence; Business Practices: Investment and Asset Management