The Allstate Corporation - Climate Change 2018

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The Allstate Corp. is the largest publicly held personal lines insurer in the United States. Allstate was founded in 1931 and became a publicly traded company in 1993. The Allstate Corp. common stock is listed on the New York Stock Exchange under the trading symbol “ALL.” Common stock is also listed on the Chicago Stock Exchange. Its business is conducted principally through Allstate Insurance Company, Allstate Life Insurance Company and other subsidiaries (collectively, including The Allstate Corp., "Allstate"). Allstate is primarily engaged in the property-liability insurance and life insurance businesses. It offers its products in the United States and Canada. The Allstate brand is widely known through the "You're in good hands with Allstate®" slogan. In 2016, Allstate was No. 81 on the Fortune 500 list of largest companies in America. Allstate is working to create the 22nd century corporation, one that is a Force For Good. Customers, shareholders and employees will be well served. The people, capabilities and resources driving this transformation will also focus on improving the local communities where Allstate employees work and live. Customers will do business with Allstate because of who we are, not just what we sell.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Canada
China, Hong Kong Special Administrative Region
India
Ireland
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Other, please specify (Risk and Return Committee (RRC))	The Risk and Return Committee (RRC) is a board committee which oversees the effectiveness of Allstate's ERRM framework, governance structure and decision making. Material risks, including climate related risks, are regularly identified, measured, managed, and reported to senior management and the board. The RRC assists the board with this oversight responsibility and reviews a quarterly risk dashboard that identifies key risks and provides an overall perspective of Allstate's risk profile. Material risks are reviewed at least five times annually. The RRC has been assigned responsibility for climate-related risks since it is ultimately responsible for Allstate's overall risk profile. This includes the identification, measurement, and management of climate-related risks. It also has representatives that participate in other board committees to ensure transparency and alignment in managing risks throughout the organization.
Chief Risk Officer (CRO)	The RRC consists of five Directors on the board and the chief risk officer, CFO, general counsel, CEO, vice chair, chief audit executive, and operating unit risk officers participate in meetings. The committee regularly meets in executive session, including sessions with the chief risk officer. The chief risk officer (CRO) attends all meetings of the Risk and Return Committee and has regular executive sessions with the committee. The CRO was assigned to attend meetings of this committee because he is ultimately responsible for oversight of Allstate's risk management, which includes management of climate-related risks. The CRO also participates in other board committees and reports regularly to senior management throughout the organization to ensure alignment and cross-communication of risk-related issues.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures	The RRC oversees the effectiveness of Allstate's ERRM framework, governance structure and decision making. It reviews enterprise risks at least five times annually, which includes climate-related risks on an as-needed basis. The governance mechanisms for the RRC include: • Reports through a quarterly risk dashboard that identifies key risks and provides an overall perspective of Allstate's risk profile • Includes a review of Allstate's risk and return position, capital level, and strategic/ operating plans • Reviews extremely low frequency scenarios ("ELFs") at least annually • Reviews regulatory Own Risk and Solvency Assessment ("ORSA") report • Reviews Risk Factors included in our Form 10-K • The audit committee chair is a risk and return committee member to enhance cross-committee communication • The chief risk officer attends all meetings and has regular executive sessions with committee In FY17 The board and risk and return committee continued to oversee efforts to assess and mitigate climate-related risks. The impact of several major hurricanes in 2017 validated the effectiveness of Allstate's catastrophe response and risk management programs.

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Risk committee	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Chief Risks Officer (CRO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

i. Where in the organizational structure this position(s) and/or committee(s) lie, and ii) why climate-related issues have been assigned to them:

The Enterprise Risk & Return Council (ERRC) is Allstate's senior risk management committee below board-level. It directs enterprise risk and return management by establishing risk and return targets, determining economic capital levels, and directing integrated strategies and actions from an enterprise perspective. Material risks, including those affected by climate, are regularly identified, measured, managed, monitored and reported to senior management and the board. Risk is evaluated in five key areas: insurance, investments, financial, operational and strategic. The affects of climate change, including catastrophes and severe weather events, is included in several of these areas.

The ERRC convenes monthly to discuss key topics, strategies and actions regarding Allstate's significant risk areas. Climate-related issues have been assigned to this committee because the ERRC focuses on identifying and capturing enterprise portfolio risk/reward opportunities, which may include topics such as climate risk.

The CRO reports to the CEO, and in addition to participating with the Risk & Return Council of the board, the CRO also works with the ERRC (below board level) to establish our framework for identifying, measuring, managing, monitoring, and reporting risks. The CRO was assigned to this role because he is ultimately responsible for oversight of Allstate's risk management, which includes management of climate-related risks. The CRO also participates in other board committees and reports regularly to senior management throughout the organization to ensure alignment and cross-communication of risk-related issues.

iii. Specific responsibilities of every position and/or committee with regard to assessment and management of climate-related issues:

The Enterprise Risk and Return Council (ERRC) is Allstate's senior risk management committee that directs ERRM by establishing risk and return targets, determining economic capital levels and directing integrated strategies and actions from an enterprise perspective. The scope of ERRC responsibilities includes climate-related risk assessment. The ERRC consists of Allstate's Chief Executive Officer, Vice Chair, business unit Presidents, Chief Investment Officer, enterprise and business unit Chief Risk Officers and Chief Financial Officers, General Counsel and Treasurer.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?
Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?
Corporate executive team

Types of incentives
Monetary reward

Activity incentivized
Other, please specify (Climate Risk Management)

Comment
Allstate's overall executive compensation program is designed to deliver compensation in accordance with performance and not reward excessive risk-taking. It includes both short-term and long-term incentive components. A significant percentage of executive total direct compensation is "pay at risk" through long-term stock options and equity grant awards linked to actual company performance. This encourages a long-term perspective on risk and return. Monetary incentives for achieving corporate and performance goals include risk and return management of all risks, including those affected by climate. Risk and return management includes efforts to mitigate climate-related risk through advocacy for strong building codes, customer education, and product pricing structures to promote property upkeep and maintenance and reduce the potential impact of weather-related loss events due to climate change.

Who is entitled to benefit from these incentives?
Chief Procurement Officer (CPO)

Types of incentives
Recognition (non-monetary)

Activity incentivized
Supply chain engagement

Comment
As a member of the corporate executive team, Allstate's chief procurement officer is held accountable for incorporating sustainability initiatives into Allstate's purchasing practices. Accordingly, the CPO has spearheaded a sustainability program within the Sourcing & Procurement Solutions department that will assess the environmental risks and opportunities within Allstate's supply chain and purchasing operations, including the potential to reduce emissions for Allstate's purchasing operations.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	7	
Long-term	7	30	

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

1) How climate-related risks are identified and assessed at a company level, including our process for assessing the potential size and scope of identified risks, and how we determine the relative significance of climate-related risks in relation to other risks:

The Chief Risk Officers (CROs) and the Enterprise Risk & Return Management process (ERRM) establish our framework for identifying, measuring, managing, monitoring, and reporting risks. The CROs and the Enterprise Risk & Return Council (ERRC) validate our identification and prioritization of key insurance, investment, financial, operational, and strategic risks in our Enterprise Key Risk Listing, typically on an annual basis.

ERRM facilitates an ongoing key risk identification process that identifies the top risks with a potentially significant impact to the enterprise. The risk identification process includes leadership discussions, risk opinion surveys, focus group analysis, and ERRC advisement. The process evaluates risks by assessing the likelihood of occurrence and the potential impact in the context of the time horizon for achieving Allstate's objectives both at the enterprise level and within business units. This evaluation may take into consideration a variety of factors with respect to any particular risk, including its susceptibility to quantitative analysis, its speed of emergence, and Allstate's level of preparedness.

2) How climate-related risks are identified and assessed at an asset level:

Embedded CROs and risk functions work within core business units to identify, quantify, and optimize leadership decisions and escalate risk issues. ERRM works with business unit contacts to help identify significant risks affecting strategic, business, and financial objectives and to develop appropriate quantitative and/or qualitative measurements and targets for these key risks. A comprehensive set of processes and measurements are used to manage the different categories of risk. Key risks are measured, monitored, and reported quarterly to the ERRC and RRC and semi-annually to the Audit Committee through ERRM's dashboard.

Physical assets include owned and leased buildings and vehicles used in operations. We create, maintain and test disaster recovery plans for systems and infrastructure as well as business continuity plans for sites and processes to assure continuity during disruptive events, with specific attention on natural disaster forecasts. Our investment portfolio includes fixed income, real estate, mortgages and equity investments that may include climate-related risks. We manage risk and return while positioning our portfolio to take advantage of market opportunities and mitigate adverse effects. Evaluation of climate-related risk is part of the investment ongoing due diligence process.

3) The definitions of risk terminologies used:

Risk is evaluated in five key areas. We have established definitions for each which are available in more detail internally:
- Insurance Risk (Hurricane, Sever Weather, Core Property & Casualty Margins, Mortality/Morbidity)
- Financial Risk (Liquidity, Capital Management)
- Strategic Risk (Workforce, Reputation/Communication, Strategic Priorities/Business Model
- Investment Risk (Interest Rate, Credit Spreads, Corporate Sector, Municipal Bonds, Equity, Real Estate, Performance-Based Investment Risk
- Operational Risk (Financial Reporting, External Legal/Regulatory, Ethics, Regulatory Compliance, Privacy, Disaster Recovery/Business Continuity, System Availability & Cyber Security, Data Governance & Quality Risk)

4) How we define substantive financial or strategic impact on our business:

Substantive financial or strategic impact on our business for purposes of assessing climate-related risks are identified by qualitatively assessing alignment with our enterprise risk and return appetite and principles. We take risk prudently and purposefully without jeopardizing Allstate's financial and franchise foundation. Our activities and risks are managed in a manner that:
- Maintains capital above a regulatory minimum threshold after a stress event
- Maintains liquidity that will allow the company to meet capital needs
- Maintains an investment-grade senior debt rating
- Allows Allstate to meet planned dividend commitments
- Enables Allstate to maintain its reputation as a top tier institution operating with the utmost integrity

Climate-related risks not aligned with Allstate's enterprise risk and return appetite or principles may be defined as substantive based on management's quantitative and qualitative assessment of the potential likelihood and impact of the risk factor.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	We are subject to extensive regulation and we are involved in various legal and regulatory actions, all of which have an effect on specific aspects of our business. Current regulations are included in our risk assessment and risk management process to ensure that any risks are managed properly, including anything climate-related. For example, although we are not currently subject to climate-related regulation it is possible that other types of regulations may indirectly affect our ability to manage climate-related risks to our business. In various states we are required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers. Over time, we have limited our aggregate insurance exposure to catastrophe losses in certain regions of the country that are subject to high levels of natural catastrophes. However, the impact of these actions may be diminished by the growth in insured values and the effect of state insurance laws and regulations. Changes to current regulation, either directly or indirectly climate related, could result in higher operating and expenses for Allstate.
Emerging regulation	Relevant, always included	We are subject to extensive regulation and we are involved in various legal and regulatory actions, all of which have an effect on specific aspects of our business. Emerging regulations are included in our risk assessment and risk management process to ensure that any risks are managed properly, including anything climate-related. For example, emerging regulations may affect our ability to manage climate-related risks to our business. In various states we are required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers. Over time, we have limited our aggregate insurance exposure to catastrophe losses in certain regions of the country that are subject to high levels of natural catastrophes. However, the impact of these actions may be diminished by the growth in insured values and the effect of state insurance laws and regulations. In addition, emerging regulations on energy efficiency or carbon reduction could require changes to our operations and infrastructure, Emerging regulations, either directly or indirectly climate related, could result in higher operating and expenses for Allstate.
Technology	Relevant, always included	Technological innovations that improve energy-efficiency in buildings are of great value to our operations, and are considered in our risk assessment process when evaluating these types of capital expenditures. The return on investment is examined, and depending on the total costs involved it will be reviewed at the appropriate level of approval within our organizational structure. Another example of a climate-related technological risk to Allstate is in the processing of claims during hurricanes or severe weather events. In order to handle claims on-site we need reliable, secure, and effective technology for all communications and data processing. Vulnerabilities such as connectivity issues, security breaches, or access to electricity must be mitigated, so these risks are included in our risk assessment process to ensure proper business continuity.
Legal	Relevant, always included	Legal risks are among the five categories of risks that are regularly assessed by Allstate. Losses from legal and regulatory actions may be material to our results of operations, cash flows and financial condition We are involved in various legal actions, including class action litigation challenging a range of company practices and coverage provided by our insurance products, some of which involve claims for substantial or indeterminate amounts. We are also involved in various regulatory actions and inquiries, including market conduct exams by state insurance regulatory agencies. In the event of an unfavorable outcome in any of these matters, the ultimate liability may be in excess of amounts currently accrued, if any, and may be material to our results of operations, cash flows and financial condition. One example of a climate-related legal risk to Allstate is regarding policy coverage and subsequent claim payments for severe weather events. For example, during a hurricane a homeowner may experience water damage to their property which is covered by their policy. However if the homeowner is also experiencing water damage from a nearby levee that has been breached, and this is not covered by their policy, then there may be a dispute regarding what is/isn't covered, subjecting Allstate to potential legal action.
Market	Relevant, always included	Allstate considers market risk as the risk that the company will incur losses due to adverse changes in market rates and prices. Since market rates and pricing could be affected by climate-related impacts, the impacts are always included in our corporate risk assessment process so that we can mitigate as best as possible. To limit this risk, our senior management has established risk control limits. In addition, changes in fair value of the derivative financial instruments that the company uses for risk management purposes are generally offset by the change in the fair value or cash flows of the hedged risk component of the related assets, liabilities or forecasted transactions. Adverse changes to these rates and prices may occur due to changes in fiscal policy, the economic climate, the liquidity of a market or market segment, insolvency or financial distress of key market makers or participants or changes in market perceptions of credit worthiness and/or risk tolerance. The active management of market risk is integral to our results of operations. We may use the following approaches to manage exposure to market risk within defined tolerance ranges: 1) rebalancing existing asset or liability portfolios, 2) changing the type of investments purchased in the future and 3) using derivative instruments to modify the market risk characteristics of existing assets and liabilities or assets expected to be purchased. In addition, catastrophe risk is managed through exposure management processes and external risk transfer. Allstate has taken steps to limit our exposure in certain coastal regions.
Reputation	Relevant, always included	Our Strategic Risk Management process addresses loss associated with inadequate or flawed business planning or strategy setting. This includes reputational risk, which is the potential for negative publicity regarding our conduct or business practices to adversely impact profitability, operations, consumer base, or require costly litigation and other defensive measures. Climate-related reputational risks are also included in this process. We manage climate-related reputational risk through the Allstate board and senior management strategy reviews that include a risk and return assessment of our strategic plans, Strategy & Reinvention Committee (S&RC) governance, and ongoing monitoring of our strategic actions and the external competitive environment. Using our Enterprise Risk & Return Management (ERRM) framework, we design strategies that seek to optimize risk-adjusted returns on economic capital for the various risk types. As a property-casualty insurance company, focusing on our ability to pay claims timely and appropriately following losses due to severe weather and catastrophes is critical in managing climate-related reputational risk. Allstate seeks to maintain an understanding of climate risks that directly affect both our liability insurance products and our assets, and we act to modify those products and protect those assets accordingly to protect our shareholders, our customers and our reputation. By acting on this understanding, we enhance our reputation and increase support from consumers, which can lead to increased willingness to buy a policy and recommend us to other potential customers.
Acute physical	Relevant, always included	The increased frequency and severity of weather events and natural catastrophes affect the cost and number of claims submitted by our customers. Associated rate increases can also impact the Allstate customer experience and our reputation. Our success depends, in part, on our ability to properly model, price and manage climate-related risks, as well as develop products and services to address climate change. For example, there is generally an increase in the frequency and severity of auto and property claims when severe weather conditions occur. We consider one of the greatest areas of potential catastrophe losses due to hurricanes generally to be major metropolitan centers in counties along the eastern and gulf coasts of the United States. Anything related to hurricanes and severe weather are included as financial risks in our climate-control risk assessments. In addition, CAT teams model hurricanes and tropical storms as well as severe weather such as tornadoes and hail.
Chronic physical	Relevant, always included	Allstate understands that in addition to exacerbating the frequency and severity of natural catastrophes, climate change will likely also have chronic impacts such as sea level rise. Chronic climate-related physical impacts are regularly included in our risk assessment process, to ensure we are properly mitigating the potential risks. The increased frequency and severity of damage in coastal regions due to sea level rise affect the cost and number of claims submitted by our customers. Associated rate increases can also impact the Allstate customer experience and our reputation. Our success depends, in part, on our ability to properly model, price and manage climate-related risks, as well as develop products and services to address the chronic physical impacts of climate change. For example, in order to mitigate the impact of our losses in areas subject to sea level rise, we are being selective with personal homeowners' insurance new business underwritings in certain coastal areas, as well as other deductibles or exclusions where appropriate.
Upstream	Relevant, sometimes included	Our upstream activities may potentially be impacted by climate-related issues and are included in our corporate risk assessment process. While we consider these risks to be low, the may result in changes to our strategies. For example, expansion/retraction, reinsurance purchase, changes to underwriting guidelines, and pricing. Such actions could potentially lead to an increase in rates for our policyholders, exposing us to market or reputational risk.
Downstream	Relevant, sometimes included	Our downstream activities may potentially be impacted by climate-related issues and are included in our corporate risk assessment process. For example, during severe weather events our customers may dispute policy coverages, due to the complex nature of assessing the cause of damage in some cases. This exposes us to market risk, reputational risk, or potential litigation.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Risk & opportunity management overview

Allstate manages enterprise risks and opportunities under an integrated Enterprise Risk & Return Management (ERRM) framework. This includes board oversight, an executive management committee structure, and chief risk officers. The Enterprise Risk & Return Council is our senior risk management committee. This council establishes risk-return targets, determines capital levels, and directs integrated strategies and actions. It consists of our CEO, president, business unit presidents, and chief investment officers, enterprise and business unit chief risk officers, chief financial officers, general counsel and treasurer.

Our Board of Directors, Risk and Return Committee and Audit Committee provide additional oversight by reviewing enterprise principles, guidelines and limits for our significant risks, and by monitoring strategies and actions management takes to control these risks. Material risks, including those affected by climate, are regularly identified, measured, managed, monitored and reported to senior management and the board. Regulatory changes, customer behavior trends and public reputation are also considered from both a risk and opportunity perspective. To identify business opportunities, we communicate with external partners and our analysts to observe environmental and business trends.

Decisions

Allstate's internal control practices for climate-related risks and opportunities are measured and reported to the Audit Committee. Enterprise key control categories include board oversight, management governance, commitment to integrity and ethics, risk assessment, and monitoring. The ICC (Internal Control & Compliance Committee) provides a governance forum for internal control analysis and information.

Allstate's central dedicated ERRM department coordinates risk governance practices, economic capital, enterprise modeling, and risk reporting. Our analytic framework is used to manage significant risk exposures and optimize risk-adjusted returns on capital.

Prioritizing

Allstate relies on two internal groups, the ERRC and the Sustainability Council, to evaluate, prioritize and enact responses to risks and opportunities related to climate change. Allstate's risk and opportunity management strategies adapt to changes in business and market environments and seek to optimize returns. Allstate prioritizes climate change-related opportunities by the level of financial feasibility and alignment with our strategic and operating plans and enterprise risk and return principles. Our risk and return principles define how we operate and guide decision-making around risk and return. These principles state that, first and foremost, our priority is to protect solvency, comply with laws and act with integrity. Building upon this foundation, we strive to build strategic value and optimize risk and return.

Transitional risk

As an insurance provider we are subject to reputational, market, and legal risks if we experience business continuity issues. For example, our cash and banking operation handles all the claim payment funding for Allstate and requires continual operation. As a part of our business continuity initiatives, we have contingency plans in place for impending weather events such as a snowstorm that may shut down one of our offices. If this occurs we have set up our employees to be able to work from home with the same technological capability as they have at work. We also perform cash funding functionality tests throughout the year to ensure there are no performance or connectivity issues.

Physical risk

One example of how we manage physical risk is our approach to potential hurricane losses. We consider the one of the greatest areas of potential catastrophe losses due to hurricanes to be major metropolitan centers along the East and Gulf Coasts of the United States. We have addressed our risk of hurricane loss by, among other actions:

- Purchasing reinsurance for specific states and countrywide for our personal lines property insurance in areas most exposed to hurricanes,
- Limiting personal homeowners insurance in coastal areas in southern and eastern states, and
- Implementing tropical cyclone and/or wind/hail deductibles or exclusions where appropriate.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver
Policy and legal: Mandates on and regulation of existing products and services

Type of financial impact driver
Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description
We are subject to extensive regulation and we are involved in various legal and regulatory actions, all of which have an effect on specific aspects of our business. Over time, we have limited our aggregate insurance exposure to catastrophe losses in certain regions of the country that are subject to high levels of natural catastrophes. However, the impact of these actions may be diminished by the growth in insured values and the effect of state insurance laws and regulations. In addition, in various states we are required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers. Because of our participation in these and other state facilities such as wind pools, we may be exposed to losses that surpass the capitalization of these facilities and to assessments from these facilities. Additionally, potential regulatory changes could result in higher operating and expenses for Allstate.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Low

Potential financial impact
2000000000

Explanation of financial impact
The financial implications related to regulatory risks can vary. As of Dec. 31, 2017, we have less than a 1 percent likelihood of exceeding average annual aggregate catastrophe losses by $2 billion net of reinsurance, from hurricanes and earthquakes, based on modeled assumptions and applications currently available. The use of different assumptions and updates to industry models, and updates to our risk transfer program, could materially change the projected loss. Our growth strategies include areas where we believe we can enhance diversification and earn an appropriate return for the risk and as a result our modeled exposure may increase, but in aggregate remain lower than $2 billion as noted above. In addition, we have exposure to other severe weather events, which impact catastrophe losses.

Management method
Allstate is engaged in an ongoing evaluation of climate change as it relates to the company's future risk exposure. Allstate monitors all significant enterprise risks, including those related to climate change, on a regular basis, using fluid risk identification processes to reflect a continuously shifting external and internal risk environment. Property catastrophe exposure management includes purchasing reinsurance to provide coverage for known exposure to hurricanes, earthquakes, wildfires, fires following earthquakes and other catastrophes. We are also working to promote measures to prevent and mitigate losses and make homes and communities more resilient, including enactment of stronger building codes and effective enforcement of those codes, adoption of sensible land use policies, and development of effective and affordable methods of improving the resilience of existing structures. For example, we also participate in the Insurance Institute for Business & Home Safety, an organization that conducts objective, scientific research to identify and promote effective actions that strengthen homes, businesses and communities against natural disasters and other causes of loss.

Cost of management
1152456

Comment
Allstate is a dues-paying member of the Insurance Institute for Business & Home Safety and supports its vision of a world where the durability of homes and commercial buildings is a core societal value – greatly reducing human financial losses, as well as community disruptions, that result from natural and man-made disasters. In 2017, Allstate spent $1,152,456 to support the efforts of IBHS.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver
Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

Company- specific description
Climate change, to the extent it produces changes in weather patterns, could affect the frequency or severity of weather events and wildfires and the demand, price and availability of homeowners insurance, and the results for our Allstate Protection segment. As a property and casualty insurer, we may face significant losses from catastrophes. The increased frequency and severity of weather events and natural catastrophes affect the cost and number of claims submitted by our customers. Associated rate increases can also impact the Allstate customer experience and our reputation. Our success depends, in part, on our ability to properly model, price and manage climate-related risks, as well as develop products and services to address climate change. For example, there is generally an increase in the frequency and severity of auto and property claims when severe weather conditions occur. We consider one of the greatest areas of potential catastrophe losses due to hurricanes generally to be major metropolitan centers in counties along the eastern and gulf coasts of the United States.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium

Potential financial impact

2000000000

Explanation of financial impact
The financial implications related to severe weather events can vary. As of Dec. 31, 2017, we have less than a 1 percent likelihood of exceeding average annual aggregate catastrophe losses by $2 billion net of reinsurance, from hurricanes and earthquakes, based on modelled assumptions and applications currently available. The use of different assumptions and updates to industry models, and updates to our risk transfer program, could materially change the projected loss. Our growth strategies include areas where we believe we can enhance diversification and earn an appropriate return for the risk and as a result our modeled exposure may increase, but in aggregate remain lower than $2 billion as noted above. In addition, we have exposure to other severe weather events, which impact catastrophe losses. Our historical catastrophe experience includes losses relating to named storm Sandy in 2012 totaling $1.2 billion.

Management method
We use models developed by third-party vendors as well as our own historic data in assessing our property insurance exposure to catastrophe losses. These models assume various conditions and probability scenarios. We have addressed our risk of hurricane loss by, among other actions, purchasing reinsurance for specific states. On a countrywide in areas most exposed to hurricanes, we are limiting personal homeowners, landlord package and manufactured home new business policies, implementing tropical cyclone deductibles where appropriate, and not offering continuing coverage on certain. We continue to seek appropriate returns for the risks we write. This may require further actions, similar to those already taken, in geographies where we are not getting appropriate returns. However, we may maintain or opportunistically increase our presence in areas where we achieve adequate returns and do not materially increase our hurricane risk. Property catastrophe exposure management includes purchasing reinsurance to provide coverage for known exposure to hurricanes, earthquakes, wildfires, fires following earthquakes and other catastrophes. We are also working to promote measures to prevent and mitigate losses and make homes and communities more resilient, including enactment of stronger building codes and effective enforcement of those codes, adoption of sensible land use policies, and development of effective and affordable methods of improving the resilience of existing structures.

Cost of management
355000000

Comment
The total cost of our catastrophe reinsurance program during 2017 was $355million.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Acute: Other

Type of financial impact driver
Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

Company- specific description
In addition to extreme weather events as described above, Allstate is also subject to claims arising from weather events such as winter storms, rain, hail and high winds. Climate change could produce changes in weather patterns, possibly increasing the frequency of severe weather. There is generally an increase in the frequency and severity of auto and property claims when severe weather conditions occur. The increased frequency and severity of weather events and natural catastrophes affect the cost and number of claims submitted by our customers. Associated rate increases can also impact the Allstate customer experience and our reputation. Our success depends, in part, on our ability to properly model, price and manage climate-related risks, as well as develop products and services to address climate change. For example, in 2017 there was an ice storm in Dallas, which shut down our office for 3 days. All printing, checks, and policy documents had to be rerouted to a different print center. This could have been a substantial impact to operations if it has not been mitigated properly.

Time horizon
Current

Likelihood
Likely

Magnitude of impact
Medium

Potential financial impact
2000000000

Explanation of financial impact
The financial implications related to severe weather events can vary. As of Dec. 31, 2017, we have less than a 1 percent likelihood of exceeding average annual aggregate catastrophe losses by $2 billion net of reinsurance, from hurricanes and earthquakes, based on modelled assumptions and applications currently available. The use of different assumptions and updates to industry models, and updates to our risk transfer program, could materially change the projected loss. Our growth strategies include areas where we believe we can enhance diversification and earn an appropriate return for the risk and as a result our modeled exposure may increase, but in aggregate remain lower than $2 billion as noted above. In addition, we have exposure to other severe weather events, which impact catastrophe losses.

Management method
Allstate uses models developed by third-party vendors as well as our own historic data in assessing our property insurance exposure to catastrophe losses. These models assume various conditions and probability scenarios. We are also working to promote measures to prevent and mitigate losses and make homes and communities more resilient, including enactment of stronger building codes and effective enforcement of those codes, adoption of sensible land use policies, and development of effective and affordable methods of improving the resilience of existing structures. Severe weather data enters our pricing models quickly. Should climate change produce changes in weather patterns, Allstate will be able to adjust our product pricing to ensure appropriate returns for the risks we write.

Cost of management
355000000

Comment
The total cost of our catastrophe reinsurance program during 2017 was $355 million.

Identifier
Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Reputation: Shifts in consumer preferences

Type of financial impact driver
Reputation: Reduced revenue from decreased demand for goods/services

Company- specific description
Increased scientific research and policy research has in turn increased customer awareness of both climate change issues and the capacity of organizations to mitigate climate change-related risks and impacts. This affects Allstate's reputation regarding sustainable operations and products. As a property-casualty insurance company, Allstate seeks to maintain an understanding of climate risks that directly affect both our liability insurance products and our assets, and we act to modify those products and protect those assets accordingly to protect our shareholders, our customers and our reputation. By acting on this understanding, we enhance our reputation and increase support from consumers, which can lead to increased willingness to buy a policy and recommend us to other potential customers.

Time horizon
Medium-term

Likelihood
Very unlikely

Magnitude of impact
Low

Potential financial impact
385240000

Explanation of financial impact
Reputational damage is a significant risk to Allstate. If customers perceive that we are not responding appropriately to climate change risk and they lose confidence in Allstate's management approach, demand for Allstate's products and services could decrease. Allstate understands that as a company's reputation decreases, so does corresponding support for the company, including for behaviors with a clear financial impact, such as willingness to buy a policy and recommend us to other potential customers. As a result, there could be a negative impact on revenue in the short term and the long term. Allstate also recognizes that a decrease in a company's reputation may also lead to a decrease in valuation of the company's stock. We do not have a reliable method for accurately estimating the financial impacts of this risk, but we expect that it would affect less than 1% of revenues, which is reflected by the figure in "Potential financial impact." (1% of $38,524,000,000 = $385,000,000)

Management method
Allstate manages reputational risk via multiple channels. These channels include measuring and reporting our energy use and greenhouse gas emissions annually, allocating resources to Allstate's reputation management department, and a partnership with Ceres to promote scientific research for climate change and to reinforce our positive exposure to our customers. For example, we continually seek stakeholder input to ensure we are focusing on what matters regarding sustainability and corporate responsibility. In 2016 we completed a materiality assessment to identify and prioritize key issues,and determined that climate change is one of the four most significant topics to both Allstate and our stakeholders. In 2017 we aim to continue to promote the accountability of our material topics, including climate change. To do this our Sustainability Council meets three times annually to review existing and emerging environmental and social issues, identify opportunities and strategies to address these issues, and encourage and enable employee engagement with the company's sustainability strategy. By properly managing the risks our stakeholders care most about, we aim to mitigate potential reputational impacts that may arise.

Cost of management
40000

Comment
Allstate's management of reputational risk includes the costs devoted to our reporting and disclosure practices, as well as the internal resources dedicated to Allstate's reputation management. The annual cost of participating as a member company with Ceres is $40,000.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Type of financial impact driver
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description
There is an opportunity for Allstate to build its reputation for its sustainability efforts among consumers, employees, shareholders and other key stakeholders who are increasingly interested in the environment and the impacts of climate change on our company and communities. For example, there is potential to increase employee and agency engagement via Allstate's company-wide commitment to environmentally responsible business practices. Allstate also understands that as a company's reputation increases, so does corresponding support for the company, including for behaviors with a clear financial impact, such as increased willingness to buy a policy and recommend us to other potential customers.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Low

Potential financial impact
385420000

Explanation of financial impact
By improving Allstate's reputation, this opportunity could enhance customer and consumer consideration, thereby potentially increasing Allstate's customer base. For example, our suite of paperless solutions which deliver greater convenience, cost savings and compelling environmentally friendly options for Allstate customers has garnered significant uptake. Allstate estimates savings of nearly $10 million per year due to Paperless and Print Optimization program initiatives. Additionally, in states where permitted, we encourage and incent our customers with the Allstate eSmart® discount - which provides a policy discount when customers sign up for paperless options such as ePolicy. We do not have a reliable method for accurately estimating the financial impacts of this opportunity, but we expect that it would affect less than 1% of revenues, which is reflected by the figure in "Potential financial impact." (1% of $38,524,000,000 = $385,240,000)

Strategy to realize opportunity
Allstate manages reputational risk via multiple channels. These channels include measuring and reporting our energy use and greenhouse gas emissions annually, allocating resources to Allstate's reputation management department, and maintaining an ongoing partnership with Ceres to promote scientific research for climate change and to reinforce our positive exposure to our customers. For example, we continually seek stakeholder input to ensure we are focusing on what matters regarding sustainability and corporate responsibility. In 2016 we completed a materiality assessment to identify and prioritize key issues, and determined that climate change is one of the four most significant topics to both Allstate and our stakeholders. In 2017 we aim to continue to promote the accountability of our material topics, including climate change. To do this our Sustainability Council meets three times annually to review existing and emerging environmental and social issues, identify opportunities and strategies to address these issues, and encourage and enable employee engagement with the company's sustainability strategy. By properly managing the risks our stakeholders care most about, we aim to mitigate potential reputational impacts that may arise.

Cost to realize opportunity
40000

Comment
On an ongoing basis, there is no direct cost to implementing the employee engagement efforts. The annual cost of participating as a member company with Ceres is $40,000.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	Impact on Products: Allstate seeks to understand climate risks that directly affect both our insurance products and our assets. We modify those products and protect those assets accordingly, to protect our shareholders, our customers and our reputation. For example, the company provides the Homeowners Policy Green Improvement Reimbursement Endorsement, which allows a customer to replace covered, damaged, or destroyed equipment with more energy-efficient items. This endorsement includes a provision under which customers are reimbursed the additional cost incurred to replace such appliances. Magnitude of impact: While we do not currently have an accurate way to quantify the direct financial implications, we consider the magnitude of this opportunity to be “low” in the context of our total annual revenues.
Supply chain and/or value chain	Impacted	Impact on Supply Chain: We have engaged a number of our suppliers on topics including energy efficiency, emissions reductions, and landfill diversion. We believe this initiative will have an impact on emissions associated with purchased goods and services. Magnitude of impact: While we do not currently have an accurate way to quantify the total emissions savings associated with our supply chain engagement activities, we consider the magnitude of this opportunity to be “low.” in the context of our total annual revenues.
Adaptation and mitigation activities	Impacted	Impact on adaptation/mitigation activities: Allstate’s sustainability strategy, part of which is to conserve natural energy sources and reduce greenhouse gas emissions internally, plays a role in mitigating climate change. Allstate’s energy target, set in 2010, was to reduce energy use by 20 percent by 2020 for Allstate-owned facilities. Allstate met this goal six years ahead of schedule and continues to reduce energy use by consolidating office space, recapturing heat energy produced by Allstate’s data center operations and optimizing the use of energy-efficient equipment and systems. Examples include heating, ventilation, and air conditioning equipment and controls, reduced-lighting power density designs and daylight harvesting bulbs in Allstate’s offices. Magnitude of impact: While we do not currently have an accurate way to quantify the direct financial implications, we consider the magnitude of this opportunity to be “low-medium” in the context of our total annual revenues.
Investment in R&D	Impacted	Impact on Investment in R&D: The transformation of the personal transportation system – brought about by trends in vehicle connectivity, electrification, shared mobility and autonomous driving technologies – will result in tremendous efficiencies and benefits, including environmental. Allstate is pursuing several initiatives to support the transformation of the personal transportation system, including using data analytics to enhance traffic flows and further support system efficiencies. Allstate is also supporting the adoption of new transportation modes by providing insurance solutions to ride hailing providers such as Uber. Magnitude of impact: While we do not currently have an accurate way to quantify the direct financial implications, we consider the magnitude of this opportunity to be low in the context of our total annual revenues.
Operations	Impacted	Impact on Operations: Allstate’s energy target, set in 2010, was to reduce energy use by 20 percent by 2020 for Allstate-owned facilities. Allstate met this goal six years ahead of schedule and continues to reduce energy use by consolidating office space, recapturing heat energy produced by Allstate’s data center operations and optimizing the use of energy-efficient equipment and systems. Examples include heating, ventilation, and air conditioning equipment and controls, reduced-lighting power density designs and daylight harvesting bulbs in Allstate’s offices. Magnitude of impact: While we do not currently have an accurate way to quantify the direct financial implications on our operations, we consider the magnitude of this opportunity to be “low-medium” in the context of our total annual revenues.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	The insurance industry is particularly vulnerable to climate-related risks, such as catastrophes and severe weather events which may subject our property and casualty business to significant losses. These risks could impact our revenues in a variety of ways. For example, our catastrophe management strategy may adversely affect premium growth. Due to catastrophe risk management efforts, the size of our homeowners business has been negatively impacted in the past and may be negatively impacted if we take further actions. Homeowners premium growth rates and retention could be adversely impacted by adjustments to our business structure, size and underwriting practices in markets with significant severe weather and catastrophe risk exposure. We expect the overall magnitude of this impact to be medium.
Operating costs	Impacted	Unexpected increases in the frequency or severity of property and casualty claims due to climate-related weather events may adversely affect our results of operations and financial condition For example, our property and casualty business may experience volatility in claim frequency from time to time, and short-term trends may not continue over the longer term. There is generally an increase in the frequency and severity of auto and property claims when severe weather conditions occur. A significant increase in claim frequency could have an adverse effect on our operating costs due to increased volume and management of claims. We estimate the magnitude of this impact to be medium.
Capital expenditures / capital allocation	Impacted	Climate-related impacts on capital expenditures are factored into our financial planning process either at the facility level, or at CFO level, depending on the amount of allocation required. For example, we currently have a program in place to reduce our carbon footprint annually by offsetting 10% of our electricity consumption from owned facilities by purchasing Renewable Energy Credits. We are also considering expanding this program, with the goal of making our entire Scope 2 electricity portfolio carbon neutral. The expansion of this program will require CFO-level approvals for the capital allocation. We estimate the magnitude of this impact to be low.
Acquisitions and divestments	Impacted	Climate-related risks and opportunities do factor into our financial planning process for acquisitions and divestments. For example, as we evaluate companies for acquisition we consider climate-related vulnerabilities such as geographical location, to ensure our exposure to risks in hurricane-prone areas are minimized. We estimate the magnitude of this impact to be low.
Access to capital	Impacted	Our access to additional financing depends on a variety of factors such as market conditions, the general availability of credit, the overall availability of credit to our industry, our credit ratings and credit capacity, as well as lenders’ perception of our long- or short-term financial prospects. For example, climate-related risks could indirectly impact our access to capital if our lenders perceive we are not properly mitigating climate-related risks. This is in part why we have implemented measures to address risks of severe weather-related losses through purchasing reinsurance for specific states, limiting personal homeowners insurance in coastal areas of Southern and Eastern states, and implementing tropical cyclone and/or wind and hail deductibles or exclusions. We estimate the magnitude of this impact to be low.
Assets	Impacted	Climate-related risks can impact the financial planning of our assets in a variety of ways. For example, in an effort to streamline business operations and reduce operational costs, we have begun the process of closing our 430,000 sq ft Output Processing Center in Illinois and merging those operations into a much smaller 75,000 sq ft facility in Texas. This is possible due to modernization and upgrading of equipment, and will dramatically reduce our energy use and resulting carbon emissions for this part of our business.
Liabilities	Impacted	Climate change, solar flares, eruption of volcanoes, El Niño, La Niña and other events to the extent any one of these produces changes in weather patterns may increase the frequency and severity of weather events and natural catastrophes, which has a direct impact on our insurance liabilities. For example, due to changing climate conditions, there may be an increase in the frequency and intensity of storms, tornadoes and hurricanes as well as wildfires and flooding in various geographic areas. Additionally, there may be an impact on the demand, price and availability of automobile and homeowners insurance, reinsurance coverages as well as the value of our investment portfolio. Some of the greatest areas of potential catastrophe losses due to hurricanes are major metropolitan centers along the East and Gulf coasts of the United States. We have addressed our risk of hurricane loss through actions that include: • Purchasing reinsurance for specific states and countrywide for our personal lines auto and property insurance in areas most exposed to hurricanes. • Limiting personal homeowners insurance in coastal areas in Southern and Eastern states. • Implementing tropical cyclone and/or wind and hail deductibles or exclusions, using facultative reinsurance where appropriate. Due to significant variability associated with future changing climate conditions we are unable to predict the impact climate change will have on our business.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

No, but we anticipate doing so in the next two years

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

i. *A company-specific explanation of how business objectives and strategy have been influenced by climate-related issues*:

Allstate seeks to maintain an understanding of climate risks that directly affect our insurance products, assets and investment portfolio, and to adjust our strategy and risk profile accordingly to protect our shareholders, our customers, and our reputation. Specifically, weather and natural catastrophe loss volatility and other climate impacts are factored into our ERRC-approved risk limits and growth strategies, which are reviewed with the board. Our business objectives and strategy are then informed by identified risks, as applicable.

Additionally, Allstate is conscious of the environmental footprint of our operations and continuously strives to decrease our impact. Efforts include reducing companywide paper use and helping customers do the same, as well as promoting recycling and energy reduction efforts at our facilities.

An example of how the business strategy has been influenced:

Allstate's long-term strategy includes managing the risk of hurricane loss by, among other actions, purchasing reinsurance for specific states. On a countrywide basis in areas most exposed to hurricanes, we are limiting personal homeowners, landlord package and manufactured home new business policies in coastal areas in southern and eastern states, implementing tropical cyclone deductibles where appropriate, and not offering continuing coverage on certain policies.

ii. Target linked to strategy

Allstate is currently undergoing a substantial transformation as a company. A part of this involves streamlining our operations by consolidating many existing facilities, substantially reducing square footage. Since we do not yet know what our overall building footprint will look like, we are currently unable to accurately develop strategic climate-related plans based on future states. Due to this we have held off on linking emissions reduction targets to our business strategy until we have a clearer picture of our future operations.

We are in the process of evaluating a science-based emissions reduction target based on a 2°C scenario and expect to have this in place within the next 2 years. Once established, we will evaluate linking the target to our business strategy.

iii. Substantial business decision

One of the most substantial business decisions made during the reporting year that has in part been influenced by the climate-driven aspects of our strategy is our decision to consolidate many major facilities into fewer, smaller facilities. Although this decision is primarily a part of the organizational transformation we are currently undergoing, the reduced building footprint will have substantial climate-related benefits resulting from reduced energy usage and subsequent GHG emissions reductions.

We continually address our risk of hurricane loss by, among other actions, purchasing reinsurance for specific states and on a countrywide basis for our personal lines property insurance in areas most exposed to hurricanes; limiting personal homeowners, landlord package policy and manufactured home insurance in coastal areas in southern and eastern states; implementing tropical cyclone deductibles where appropriate; and not offering continuing coverage on certain policies in coastal counties in certain states. We are also working to promote measures to prevent and mitigate losses and make homes and communities more resilient, including enactment of stronger building codes and effective enforcement of those codes, adoption of sensible land use policies, and development of effective and affordable methods of improving the resilience of existing structures.

C3.1g

(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

Allstate is currently undergoing a substantial transformation as a company. A part of this involves modifying our physical facilities to streamline operations and better serve our needs. For example, we are building "talent centers" with large hubs of people aggregated more closely together. This involves the consolidation of many existing facilities into fewer facilities overall, substantially reducing square footage. Since we do not yet know what our overall building footprint will look like, we are currently unable to accurately develop strategic climate-related plans based on future states. However, we intend to use climate-related scenario analysis to inform our business strategy as soon as we are able, likely within the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Scope
Scope 1+2 (location-based)

% emissions in Scope
66

% reduction from base year
20

Base year
2007

Start year
2010

Base year emissions covered by target (metric tons CO2e)
188715

Target year
2020

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

% achieved (emissions)
100

Target status
Underway

Please explain
Reduce energy use at owned facilities 20 percent by 2020. Percentages are calculated based on changes in energy consumption (btu) over time and therefore differ from changes in emissions over time. Note, base year emissions have been adjusted to reflect structural changes. This target was achieved in 2014 and is maintained each year.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	1	0
Implementation commenced*	1	10
Implemented*	2	301
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Activity type
Energy efficiency: Building services

Description of activity
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
10

Scope
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
1874

Investment required (unit currency – as specified in CC0.4)
34850

Payback period
16-20 years

Estimated lifetime of the initiative
16-20 years

Comment
Replaced parking lot light fixtures with high efficiency LED fixtures. This program continues to expand in scope each year, with an estimated additional reduction in emissions of 10 MT CO2e.

Activity type
Other, please specify (Paper consumption reduction)

Description of activity
<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)
291

Scope
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
10000000

Investment required (unit currency – as specified in CC0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
Ongoing

Comment
Through our suite of paperless solutions and Print Optimization program, paper consumption decreased by approximately 23 million pieces from 2016 to 2017 which is an additional reduction of over 11 million pieces from 2016's total of 12 million.. This decrease in paper consumption contributes to a reduction in emissions associated with our purchased goods and services. Also, through the increased utilization of electronic customer policy payments and claim disbursements, we continue to decrease the paper consumption across the enterprise.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	We educate employees about the importance of reducing paper use and energy reduction and easy ways to save paper and energy. Printing usage and purchasing is reviewed almost daily by management. Employees are reminded daily when they see our 'vacancy sensors' which turn the lights off when they don't see people/movement (lights go off in meetings regularly). These sensors are installed in all new construction projects and are currently in place in 98% of offices and private meeting spaces. We also have "vampire" devices which turn off equipment when not in use.
Internal incentives/recognition programs	Allstate has set a goal to reduce energy use by 20 percent by 2020 for Allstate-owned facilities (compared with our 2007 baseline). Goals are figured into the employees' overall performance evaluation that determines career progression and monetary bonuses. Additionally, monetary bonuses for the Allstate Corporate executive team are tied to meeting overall corporate goals. While there are no specific incentives for management of climate change issues, incentive for achieving corporate and performance goals include risk and return management of all risks, including those affected by climate change.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2007

Base year end
December 31 2007

Base year emissions (metric tons CO2e)
58691

Comment

Scope 2 (location-based)

Base year start
January 1 2007

Base year end
December 31 2007

Base year emissions (metric tons CO2e)
178015

Comment

Scope 2 (market-based)

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
114396

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Row 1

Gross global Scope 1 emissions (metric tons CO2e)
53818

End-year of reporting period
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based
91209

Scope 2, market-based (if applicable)
96214

End-year of reporting period
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1854

Emissions calculation methodology
Allstate has estimated the emissions from the production of the paper used in bill documents. Calculations are based on research done by the Paper Task Force, a peer-reviewed study of the lifecycle environmental impacts of paper production and disposal. *Emissions Factor: 1 short ton of paper = ~2.5 MTCO2e (Source: Documentation for the Paper Calculator Version 3.2 https://s3.amazonaws.com/EPNPaperCalc/documents/Paper_Calculator_Documentation.pdf) * GWP: CO2: 1, CH4: 25, N20: 298 (Source: IPCC Fourth Assessment Report: Climate Change 2007) (http://c.environmentalpaper.org/home)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
4279

Emissions calculation methodology
Cradle-to-gate emissions associated with furniture acquired during the reporting year were estimated based on a portion of the dollars spent and on LCA data sourced from Environmental Product Declarations published by Steelcase. Typical desk: 160 kg CO2e/unit Typical chair: 111 kg CO2e/unit * GWP: CO2: 1, CH4: 25, N20: 298 (Source: IPCC Fourth Assessment Report: Climate Change 2007)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
This category includes upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year. Specifically, Allstate has reported cradle-to-gate emissions associated with the acquisition of Steelcase furniture.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
4506

Emissions calculation methodology
Electricity losses during transmissions and distribution to Allstate facilities have been estimated to be 5% based on a loss-rate published by the U.S. Energy Information Administration. Emissions associated with these losses have been calculated based on regional eGRID factors. All GWPs were sourced from the IPCC Fourth Assessment Report (AR4 - 100 year) Scope 2 Location Based Emissions = 91,209 mtCO2e 5% X 91,20 mtCO2e = 4506 mtCO2e

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
3

Emissions calculation methodology
Allstate has estimated the emissions associated with the upstream transportation of paper not already included in Purchased Goods and Services. This estimation is based on the purchase paper transported an average of 229 miles. CO2, CH4, and N2O emissions data for highway vehicles are from Table 2-15 of the Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2012. Vehicle-miles and passenger-miles data for highway vehicles are from Table VM-1 of the Federal Highway Administration Highway Statistics 2012. CO2e emissions data for non-highway vehicles are based on Table A-116 of the U.S. Greenhouse Gas Emissions and Sinks: 1990–2012, which are distributed into CO2, CH4, and N2O emissions based on fuel/vehicle emission factors. Freight ton-mile data for non-highway vehicles are from Table 1-50 of the Bureau of Transportation Statistics, National Transportation Statistics for 2012. All GWPs were sourced from the IPCC Second Assessment Report (SAR). Distance estimates are based on Commodity Flow Surveys (U.S. Department of Transportation et al. 999, 2004, U.S. Environmental Protection Agency 2006) * GWP: CO2: 1, CH4: 25, N20: 298 (Source: IPCC Fourth Assessment Report: Climate Change 2007) (http://c.environmentalpaper.org/home)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2. This category includes emissions from the transportation and distribution of products (excluding fuel and energy products) purchased or acquired by the reporting company in the reporting year in vehicles and facilities not owned or operated by the reporting company, as well as other transportation and distribution services purchased by the reporting company in the reporting year (including both inbound and outbound logistics).

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
528

Emissions calculation methodology
Home office waste to landfill in 2016 is estimated at = 1101 tons GHG Emissions per Ton of Mixed MSW Landfilled (MTCO2E) = .48 (EPA The Waste Reduction Model (WARM) v2015) 1101 tons x .48 mtCO2e/ton = 528 mtCO2e * GWP: CO2: 1, CH4: 25, N20: 298 (Source: IPCC Fourth Assessment Report: Climate Change 2007) (http://c.environmentalpaper.org/home)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
This category includes emissions from third-party disposal and treatment of waste that is generated in the reporting company's owned or controlled operations in the reporting year.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
20119

Emissions calculation methodology
Reported emissions are the result of air travel activities during the reporting year. Emissions factors sourced from: EPA, "Emission Factors for Greenhouse Gas Inventories," Table 8 Business Travel Emission Factors, November 19, 2015 (http://www.epa.gov/climateleadership/documents/emission-factors.pdf). * GWP: CO2: 1, CH4: 25, N20: 298 (Source: IPCC Fourth Assessment Report: Climate Change 2007) (http://c.environmentalpaper.org/home)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
This category includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
16969

Emissions calculation methodology
Estimate reflects round trip commuting for employees out of the Northbrook, IL campus. Assumptions: “Summary of Travel Trends: 2009 National Household Travel Survey 5% public transportation, 10% carpool, 85% single occupancy 23.9 mi/gal (mpg) US EPA "Greenhouse Gas Emissions from a Typical Passenger Vehicle" Passenger car: 8.8 kg CO2/gal (19.4 lbs. CO2/gal). US EPA "Average Carbon Dioxide Emissions Resulting from Gasoline and Diesel" Bus: 0.058 kg C02/passenger-mile: US EPA Emission Factors for Greenhouse Gas Inventories GWPs are from the IPCC Fourth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions from the transportation of employees between their homes and their worksites. Emissions from employee commuting may arise from: • Automobile travel • Bus travel • Rail travel • Air travel • Other modes of transportation.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions from the operation of assets that are leased by the reporting company in the reporting year and not already included in the reporting company’s scope 1 or scope 2 inventories. This category is not relevant to Allstate since all leased assets were included as part of reported scope 1 and 2 emissions.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions from transportation and distribution of products sold by the reporting company in the reporting year between the reporting company’s operations and the end consumer. This category is not relevant to Allstate since the company does not sell any physical products.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by the reporting company. This category is not relevant to Allstate since the company does not sell any physical products.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions from the use of goods and services sold by the reporting company in the reporting year. This category is not relevant to Allstate since the company does not sell any physical products.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions from the waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life. This category is not relevant to Allstate since the company does not sell any physical products.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions from the operation of assets that are owned by the reporting company (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or scope 2. This category is not relevant to Allstate since the company does not lease any assets to other entities.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
This category includes emissions from the operation of franchises not included in scope 1 or scope 2. This category is not relevant to Allstate since the company does not have any franchises

Investments

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
At this time Allstate has not evaluated the emissions associated with the company's investments.

Other (upstream)

Evaluation status

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Other (downstream)

Evaluation status

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0000376

Metric numerator (Gross global combined Scope 1 and 2 emissions)
145027

Metric denominator
unit total revenue

Metric denominator: Unit total
38524000000

Scope 2 figure used
Location-based

% change from previous year
14

Direction of change
Decreased

Reason for change
Although we experienced an increase in overall revenues this year, our gross GHG emissions decreased overall due to energy efficiency measures in our operations, such as automatic light shut-offs and "vampire" electricity management..

Intensity figure
0.01413

Metric numerator (Gross global combined Scope 1 and 2 emissions)
145027

Metric denominator
square foot

Metric denominator: Unit total
10261708

Scope 2 figure used
Location-based

% change from previous year
21

Direction of change
Decreased

Reason for change
Although our square footage increased this year, our gross GHG emissions decreased overall due to energy efficiency measures in our operations, such as automatic light shut-offs and "vampire" electricity management.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	53534.85	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	44.33	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	126.46	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	112.21	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	747.2
China, Hong Kong Special Administrative Region	0.17
India	440.6
Ireland	241.56
United Kingdom of Great Britain and Northern Ireland	2.41
United States of America	52385.91

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Please select

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Canada	1068	560	6845	0
China, Hong Kong Special Administrative Region	1	1	2	0
India	3132	3132	4037	0
Ireland	758	758	2213	0
United Kingdom of Great Britain and Northern Ireland	8	9	22	0
United States of America	86243	91755	173931	4490

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Please select

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	301	Decreased	0.19	In 2017 Allstate continued to implement emissions reduction activities including the installation of LED light fixtures and paper consumption reduction, minimizing printer use. In total, these activities resulted in a reduction of 301 tCO2e of S2 location-based emissions. Our total S1 and S2 location-based emissions in 2016 were 159,447 tCO2e, therefore we arrived at 0.19% decrease through (-301/159,447)*100= -0.19%
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	14110	Decreased	9.23	From 2016 to 2017, 14,110 tCO2e were reduced through other unidentified drivers. Our total S1 and S2 location-based emissions in 2016 were 159,447 tCO2e, therefore we arrived at 8.85% decrease through (-14,110/159,447)*100= -8.85% Although we have placed these reductions in the unidentified category, we believe most result from our energy-savings measures such as installing automatic light shut-offs and 'vampire' electricity management devices.
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	247206	247206
Consumption of purchased or acquired electricity	<Not Applicable>	4990	182059	187049
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	4990	429265	434255

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
98903

MWh fuel consumed for the self-generation of electricity
0

MWh fuel consumed for self-generation of heat
98903

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
444

MWh fuel consumed for the self-generation of electricity
444

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
136132

MWh fuel consumed for the self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Fuels (excluding feedstocks)
Jet Kerosene

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
11727

MWh fuel consumed for the self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor
0.00271

Unit
metric tons CO2e per liter

Emission factor source
EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, November 19, 2015 (http://www.epa.gov/climateleadership/documents/emission-factors.pdf).

Comment

Jet Kerosene

Emission factor
0.0026

Unit
metric tons CO2e per liter

Emission factor source
EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, November 19, 2015 (http://www.epa.gov/climateleadership/documents/emission-factors.pdf).

Comment

Motor Gasoline

Emission factor
0.00233

Unit
metric tons CO2e per liter

Emission factor source
EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, November 19, 2015 (http://www.epa.gov/climateleadership/documents/emission-factors.pdf).

Comment

Natural Gas

Emission factor
0.00531

Unit
metric tons CO2e per MWh

Emission factor source
EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, November 19, 2015 (http://www.epa.gov/climateleadership/documents/emission-factors.pdf).

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	444	444	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type
Wind

MWh consumed associated with low-carbon electricity, heat, steam or cooling
4990

Emission factor (in units of metric tons CO2e per MWh)
0

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 1

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CDP Verification Statement 2017 Allstate_final.pdf

Page/ section reference
Pages 1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CDP Verification Statement 2017 Allstate_final.pdf

Page/ section reference
Pages 1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CDP Verification Statement 2017 Allstate_final.pdf

Page/ section reference
Pages 1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3- at least one applicable category

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement
CDP Verification Statement 2017 Allstate_final.pdf

Page/section reference
Page 1-2

Relevant standard
ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	ISO 14064-3	CDP Verification Statement 2017 Allstate_final.pdf
C6. Emissions data	Year on year change in emissions (Scope 2)	ISO 14064-3	CDP Verification Statement 2017 Allstate_final.pdf
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISO 14064-3	CDP Verification Statement 2017 Allstate_final.pdf
C6. Emissions data	Year on year change in emissions (Scope 3)	ISO 14064-3	CDP Verification Statement 2017 Allstate_final.pdf

CDP Verification Statement 2017 Allstate_final.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Climate change is integrated into supplier evaluation processes

% of suppliers by number
16

% total procurement spend (direct and indirect)
16

% Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
Similar to our Supplier Diversity Inclusion goal of including at least one diverse supplier in every Request for Quote/Proposal (RFx), Allstate Sourcing & Procurement Solutions is working diligently to consistently incorporate Sustainability into Sourcing projects and establish future engagement targets based on our opportunities. We have achieved full engagement in RFx projects within several Sourcing categories (i.e. Claims, Travel & Meetings) with progress and improvements forthcoming in other spend categories.

Impact of engagement, including measures of success
The primary climate-related success measures of this supplier engagement activity are the indirect benefits to our Scope 3 GHG emissions, due to reduced supplier GHG emissions from their own reduction activities. Whilst we do not have a reliable means of quantitatively calculating the direct emissions reductions from suppliers, the indirect benefits are factored into our selection process and informs future procurement decisions as we evolve our carbon management programs. We continue to look for ways to track the success of engagement across the supply chain and measure the value of supplier compliance to commitments made via RFx responses. Plans are in place to implement various enhancements to our program in 2018 such as hiring a dedicated staff member that will focus on Sustainable Procurement integration ahead of the day-to-day procurement process and develop methodologies to consistently track/benchmark performance over time. Company-specific examples: Allstate has more than 10,000 3rd party suppliers we rely on to provide us goods and services which illustrates the role that the Sourcing & Procurement Solution organization can have in driving higher degrees of sustainability within the organization. As an example, our employees rent cars from a leading car rental company whose leadership is aware of its global footprint and has its own set of core values that align with Allstate's. The car rental company provides hybrid vehicles for companies that really want to encourage—and in some cases possibly require—the traveling employee to rent a hybrid because of the lower impact that it has on our environment. Although not required by our company travel policies, Allstate business traveler use of hybrid rental vehicles increased by 18% from 2Q 2018 vs the same period prior year. During the same timeframe, fuel consumption and CO2 Emissions decreased by 8% for total Allstate car rentals with this company. An additional example of supplier sustainability efforts is the windshield recycling program of a popular windshield repair company. During the first half of FY 2018, the company recycled 18,858 tons of glass which represents an increase of +15% over the first half of FY 2017. This equates to a reduction of 3.1 tons CO2.

Comment
For "% suppliers by number" and "% total procurement spend" it is purely coincidental that these percentages are the same.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Adaptation or resilience	Support	Allstate actively lobbies Congress on issues relating to flood insurance and the NFIP. This engagement began prior to 2017 and is expected to continue through 2018 and beyond. The purpose of this engagement is to ensure that Congress enacts certain reforms that restore NFIP's financial integrity, encourage private market participation, and improve customer experience.	Allstate supports reforms that restore NFIP's financial integrity, encourage private market participation and improve customer experience. Allstate supported H.R. 2874, the 21st Century Flood Reform Act, which passed the House in November 2017 and includes many reforms proposed by Allstate.
Adaptation or resilience	Support	Allstate also actively lobbies state governments on catastrophe management issues and building code and land use planning reform. This engagement began prior to 2017 and is expected to continue through 2018 and beyond. The purpose of this engagement is to help protect consumers from fraud and mitigate catastrophes losses.	Allstate lobbies in favor of legislation to mitigate future loss from flood as part of broader NFIP reform such as H.R. 2874, The 21st Century Flood Reform Act, which passed the House in 2017 and is now pending in the Senate.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?
Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
US Chamber of Commerce

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The US Chamber of Commerce position on climate change is publicly posted on their website at https://www.uschamber.com/issue-brief/climate-change and is provided below: Climate change is a serious challenge that needs to be addressed through thoughtful policies that will have a meaningful impact. The Chamber supports efforts to reduce greenhouse gas emissions and believes technology and innovation offer the greatest potential to reduce emissions and mitigate the negative impacts of climate change. The best solutions are going to come from the private sector—or the private sector working together with government. There should be an approach that does not harm the economy; recognizes that the problem is international in scope; and aggressively promotes new technologies and efficiency. Protecting our economy and the environment for future generations are mutually achievable goals.

How have you, or are you attempting to, influence the position?
Allstate has not directly engaged with the Chamber regarding their position on climate change; however, our CEO has been the Chamber Chairperson since 2017 and will continue until June 2019. As such, he is positioned to communicate our interests at the highest levels of the organization, if, and, when necessary.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

We use our industry expertise to formulate public policy solutions that address weather-related risks and reduce their impact.

Allstate understands that climate change will likely exacerbate the frequency and severity of natural catastrophes. Consequently, we partner with national and local organizations to better prepare and protect communities, strengthen the country's financial infrastructure to deal with major events, promote better loss prevention and mitigation through stronger building codes and sensible land use policies, and develop programs to strengthen first responders' ability to help communities recover from catastrophe.

Allstate maintains critical partnerships aimed at building resilient communities. The Allstate Foundation partners with agency owners and their local nonprofits to prepare communities for disasters by providing emergency kits and other tools. These collaborative efforts increase awareness of weather-related risks and help people better protect themselves and loved ones.

Allstate is an active member and financial supporter of the Insurance Institute for Business & Home Safety (IBHS). The IBHS mission is to conduct objective scientific research to identify and promote effective actions that strengthen homes, businesses and communities against natural catastrophes and other causes of loss. Allstate partners with IBHS to promote more durable homes and commercial buildings through better building practices and stronger codes. By working to increase resiliency, Allstate helps save lives and reduces the cost of severe weather and natural disasters. Our Vice President of Product Operations is on the board of IBHS.

In addition, our Executive Vice President of Allstate Financial is on the board of the American Council of Life Insurers (ACLI).The American Council of Life Insurers (ACLI) provides products and services that contribute to financial and retirement security.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Allstate has a team, the Sustainability Council, which consists of representatives from key functions across the enterprise, including, but not limited to, Law & Regulation, Government Affairs, Real Estate & Administration, Supply Chain and Risk Management. This Council studies company policies and practices and their impact on the environment, reviews the policies and engagement of the trade organizations with which Allstate engages, and takes into consideration issues related to climate change to ensure consistency with the company's overall climate change strategy. Allstate's Government Affairs division of Law & Regulation owns Allstate's advocacy relationships, including that with the Insurance Institute for Business & Home Safety.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Allstate2017SustainabilityReport-compressed.pdf

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Publication
In mainstream reports

Status
Complete

Attach the document
328815-allstate-complete-combo-2017.pdf

Content elements
Governance
Strategy
Risks & opportunities

Publication
In voluntary communications

Status
Complete

Attach the document
Allstate 3BL.docx

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify (3BL links to report w/ these elements)

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms