Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

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

The Allstate Corp. is one of the largest publicly held personal lines insurers in the United States. Allstate was founded in 1931 and became a publicly traded company in 1993. Allstate helps customers realize their hopes and dreams by providing the best products and services to protect them from life's uncertainties and prepare them for the future. The company delivers substantially more value than the competition by reinventing protection to improve customers' lives. 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"). The Allstate brand is widely known through the "You're in good hands with Allstate®" slogan. Allstate was listed among Fortune Magazine's World's Most Admired Companies (2021), Newsweek's America's Most Responsible Companies (2021), and named to the World's Most Ethical Companies® list for the seventh year in a row and earned placement on the Dow Jones Sustainability Indices (2020) for the third year in a row. Allstate is also a member of the CDP "A List" for Climate Change.

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
Reporting year	January 1, 2020	December 31, 2020	No

C0.3

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

Canada
India
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 chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Investing (Asset owner)
Insurance underwriting (Insurance company)

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) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board Risk and Return Committee (RRC) oversees the effectiveness of our Enterprise Risk and Return Management (ERRM) framework, governance structure, and decision-making. Material risks, including climate-related risks, are regularly assessed and reported to senior management and the Board. The RRC assists the Board with this 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 oversees Allstate's aggregate risk profile. This includes the identification, measurement, and management of climate-related risks and the assessment of extremely low frequency scenarios, including weather-related scenarios. For example, the RRC was briefed on the wildfires in California to better understand our risks and impacts. The RRC is also briefed on other severe weather events such as hurricanes. The RRC members participate in other Board committees to ensure transparency and alignment in managing risks throughout the organization. Example of a climate-related decision made: Each year, reinsurance coverage is purchased based on in-depth analysis of our exposure to catastrophe risk, including weather-related catastrophes such as named storms and severe thunderstorms. Reinsurance is analyzed as a special topic as part of our broader insurance and climate-related analysis. The CRO presents the analysis of reinsurance strategy

	and implementation for RRC transparency and alignment.
Chief Risk Officer (CRO)	The RRC consists of six directors on the Board. The Chief Risk Officer (CRO), Chief Financial Officer (CFO), Chief Executive Officer (CEO), Vice Chair, and Chief Audit Executive participate in meetings. The CRO attends all meetings of the RRC and has regular executive sessions with the committee. The CRO attends these meetings because he is ultimately responsible for design and execution of Allstate's risk management program, including management of climate-related risks. The CRO is regularly updated on the impacts of significant climate related events, such as the wildfires in California and large-scale hurricanes. The CRO and RRC review a risk control dashboard on a quarterly basis, which incorporates climate-related risks. Additionally, in 2021, the CRO and RRC reviewed a risk assessment of exposure to climate change. The CRO also attends other Board committee meetings and reports regularly to the full Board and senior management throughout the organization to ensure alignment on risk-related issues, including climate change.
Board-level committee	The Nominating, Governance and Social Responsibility Committee (NG&SRC) is a Board committee that oversees, among other things, Allstate's significant environmental, social, and governance priorities and reporting, including Allstate's Sustainability Report, which contains Allstate's GHG and other climate-related risk information. The NG&SRC consists of five directors on the Board, and the CEO, General Counsel and Chief Legal Officer participate in meetings. In 2020, the NG&SRC reviewed sustainability matters over multiple meetings, including one joint session with the Board.

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	Scope of board-level oversight	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 Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our insurance underwriting activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our insurance underwriting activities on the climate The impact of other products and services on the climate	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: • Review of an ERRM Summary Report that identifies key risks and provides an overall perspective of Allstate's risk profile • Review of Allstate's risk and return position, capital levels, and strategic/operating plans • Review of extremely low frequency scenarios ("ELFs") • Review of strategic risks that are assessed in-depth as part of strategic planning processes. Climate change and severe weather are key risks that are evaluated • Review of the regulatory Own Risk and Solvency Assessment ("ORSA") report • Review of risk factors included in Form 10-K, including risks related to climate change and severe weather • Inclusion of the Audit Committee Chair as an RRC member, to enhance cross-committee communication • Attendance of the CRO at all meetings, including regular executive sessions with committee members In FY20 the Board and RRC continued to oversee efforts to assess and mitigate climate-related risks. The total impact of severe weather events, such as the California wildfires, indicated that Allstate's catastrophe response and risk management programs are operating effectively.

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Risk committee	Other, please specify The ERRC is an internal management committee established to lead the Enterprise Risk and Return Management (ERRM) at Allstate.	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	More frequently than quarterly
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services	More frequently than quarterly

			Risks and opportunities related to our own operations	

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 (do not include the names of individuals).

ERRC

The Enterprise Risk and Return Council (ERRC) is Allstate's senior risk management committee below Board level. It directs ERRM by establishing risk and return targets, determining economic capital levels, and directing integrated strategies and actions from an enterprise perspective. It consists of Allstate's Chief Executive Officer (CEO), Vice Chair, Chief Risk Officer, Chief Financial Officer, business unit presidents, business unit chief risk officers and chief financial officers, General Counsel, Chief Human Resource Officer, Treasurer, and other senior leaders.

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 six key areas: insurance, investments, financial, operational, culture, and strategic execution. The effects of climate change, including catastrophes and severe weather events, span all of these areas. The ERRC convenes monthly to assess and evaluate risk capacity and opportunities, align risk appetite and strategy, link enterprise growth, risk and return, coordinate risk management authority, provide direction and oversight to the CROs and corporate ERRM team, establish key enterprise and individual risk limits, and determine economic capital targets. Climate-related issues are in scope for this committee because the ERRC focuses on identifying, assessing, and managing enterprise portfolio risk/reward exposures and opportunities, which may include those related to climate change.

CRO

The CRO reports to the CEO, and in addition to participating in meetings of the Risk & Return Committee (RRC) of the Board, the CRO also chairs the ERRC (below Board level) and ensures that it performs its duties. The CRO works with the ERRC to establish our framework for identifying, measuring, managing, monitoring, and reporting risks. The CRO also routinely requests and oversees analysis of adverse climate-related scenarios, some of which are shared with senior leadership and the Board. The CRO performs this role because he is ultimately responsible for oversight of Allstate's risk management program, which includes management of climate-related risks. The CRO also participates in other Board committee meetings and reports regularly to senior management throughout the organization to ensure alignment and cross-communication of risk-related issues.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Corporate executive team	Monetary reward	Other (please specify) Climate Risk Management	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, with the impact of weather-related losses incorporated into incentive payouts. 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. Management of risk and return also ensures that pricing is aligned with the full exposure of the risk, including weather-related perils.

Chief Procurement Officer (CPO)	Non-monetary reward	Supply chain engagement	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 is assessing environmental risks and opportunities within Allstate's supply chain and purchasing operations, including the potential to reduce emissions for Allstate's purchasing operations. Additionally, in 2020, Allstate requested the disclosure of environmental data from companies' supply chains to be reported through the CDP Supply Chain program. The performance of this sustainability program is one component of the incentive compensation for the CPO and program development team.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No	

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

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

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Substantive impact

Allstate does not apply a one-size-fits-all definition of substantive impact. Instead, we consider the totality of various factors. For example, in determining substantive financial or strategic impact to Allstate, we consider multiple factors such as the pace of change, likelihood, potential impact and ability to achieve strategic goals. Risks that are deemed substantive are further evaluated using our economic capital models.
Substantive financial or strategic impacts on our business for purposes of assessing climate-related risks are identified by assessing alignment with enterprise risk and return 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 (quantifiable indicators include deployable capital, Debt-to-Capital Ratio, fixed coverage ratio and RBC ratio)
· Maintains liquidity that will allow the company to meet capital needs and customer obligations (quantifiable measures are applied on a monthly and quarterly basis)
· Maintains an investment-grade senior debt rating (agencies include A.M Best, Standard & Poor's and Moody's)
· Allows Allstate to meet planned dividend commitments
· Enables Allstate to maintain its reputation as a top tier institution operating with the utmost integrity (Allstate uses a scorecard to measure reputational trends across different segments such as customers, employees, consumers and agents/financial specialists)

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

We manage climate change risk as part of the Enterprise Risk and Return Management (ERRM) program, which our Board oversees through its Risk and Return Committee (RRC). Enterprise risks and opportunities are identified, prioritized, measured, managed, monitored, and reported under an integrated ERRM framework, which incorporates our risk appetite statement, Risk and Return Principles, key risk areas, governance, modelling, analytics, and transparent management dialogue.

Risk identification and assessment
ERRM facilitates a risk identification process that identifies the top risks with a potentially substantive financial or strategic impact on the organization. Risks and opportunities are evaluated in six key areas: insurance, investment, financial, operational, strategic execution and

culture. The process evaluates risks by assessing the likelihood of occurrence and the potential impact in the context of the time horizon for achieving our 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 our level of preparedness.

Climate-related risks are assessed across several dimensions:
• Strategic and Operating Plans: ERRM completes annual risk and return assessments for both the operating (annual) plan and the strategic (3-year) plan, focused on alignment to Risk and Return Principles. Plan assessments evaluate internal and external risk drivers, underlying assumptions, quantitative measures, and execution risk.
• Modeling: Our Catastrophe Modeling and Analytics Team and Pricing Groups monitor climate change information as part of their analysis of weather-related trends. Models developed internally and by third-party vendors are used along with our own historical data in assessing property insurance exposure to catastrophe losses. Losses and changes in exposure are analyzed and reported to senior leaders each quarter. Pricing is aligned with the full exposure of the risk, including weather-related perils.
• Management and Board Reporting: Key risks are assessed and reported at least quarterly via ERRM's comprehensive Summary Report, prepared for senior management and the Board RRC.

Oversight and decision-making structure
The Audit Committee has responsibility for risks discussed by the Board RRC for consideration in its control environment. The Board RRC is responsible for the evaluation of the ERRM function. In addition to the Board RRC, an executive management committee and business unit chief risk officers (CROs) are responsible for program oversight. The Enterprise Risk & Return Council (ERRC) is the senior risk management committee that establishes risk-return targets, determines capital levels, and directs integrated strategies and actions.

The Sustainability Council further promotes climate change accountability. Council members utilize their unique perspectives and knowledge of the company's operations and customers to identify key risks and opportunities related to sustainable business practices. The 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.

Prioritizing and management
The ERRC and Sustainability Council 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 risk-adjusted returns. Risk prioritization and escalation are followed by development, implementation and/or verification of controls, mitigating actions, guidelines and

limits. Management does not entail elimination or avoidance of risks. Instead, risks are controlled to acceptable levels, which may or may not translate to full elimination of a given risk. Risks are traded off against one another, with the goal of bringing residual risks to acceptable levels, within risk tolerances and limits.

Asset-level detail
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 to the ERRC, RRC, and Audit Committee.

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 paid to natural disaster forecasts.

Our investment portfolio includes fixed income, real estate, mortgages and equity investments that may include climate-related risks. Climate-related risk is evaluated during the initial due diligence process and monitored thereafter at the asset level.

Transitional risk
We incorporate transition risk in our assessment of investment opportunities. In our private infrastructure and energy portfolio, we have not invested in any direct coal investments since 2017 and have activity pursued investments focused on the theme of energy transition growing our portfolio in that area.

Physical risk
As an example of managing physical risks, we have reduced the magnitude of potential hurricane losses 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 exposure in coastal areas in Southern and Eastern states, and
• Implementing tropical cyclone and/or wind/hail deductibles or exclusions where appropriate.

C2.2a

(C2.2a) Which 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 involved in various legal and regulatory actions, all of which affect specific aspects of our business. We proactively monitor regulatory proposals that will have an impact on our business. Current regulations are included in our risk assessment and risk management processes to ensure that any risks are managed properly, including those that are climate-related. Additional governance is provided through our compliance processes and “three lines of defense” risk model. For example, although we are not currently subject to climate-related regulations for managing greenhouse gas emissions, 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 costs and expenses for Allstate.
Emerging regulation	Relevant, always included	We are subject to extensive regulation and involved in various legal and regulatory actions, all of which affect specific aspects of our business. We proactively monitor regulatory proposals that will have an impact on 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. Additional governance is provided through our compliance processes and independent oversight.

		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. Emerging regulations, either directly or indirectly climate-related, could result in higher operating costs and expenses for Allstate. Regulations focused on energy efficiency or carbon reduction could require changes to our operations and infrastructure.
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. Return on investment is examined, and depending on the total costs involved, projects are reviewed at the appropriate level of approval within our organizational structure. Another example of a climate-related technological risk to Allstate is 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, and insufficient access to electricity must be mitigated, and these risks are included in our risk assessment processes to ensure proper business continuity.
Legal	Relevant, always included	Legal risks are included in the six categories of risks regularly assessed by Allstate. Losses from legal and regulatory actions may be material to our operational results, 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 operational results, cash flows, and financial condition. One example of a climate-related legal risk to Allstate involves policy coverage and subsequent claim payments for severe weather events. For example, during a hurricane, a homeowner may experience water or wind damage to their property that 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 to be the risk that the company will incur losses due to adverse changes in the value of its investment portfolio, driven by changes in market interest rates and security prices. Since these variables and the values of specific portfolio investments could be affected by climate-related impacts, such impacts are always included in our corporate risk assessment process. To control portfolio market risks, senior management utilizes market risk limits. Adverse changes to interest rates and security 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. We may use the following approaches to manage exposure to market risk within defined tolerance ranges: 1) re-balancing 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 significant steps to limit risk 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, or the consumer base, or to require costly litigation and other defensive measures. Climate-related reputational risks are incorporated in this process.

		We proactively monitor our sustainability efforts through collaborative efforts across the organization. The Sustainability Report is published annually, providing insights into our efforts and commitments. Further, ongoing support is provided by senior management through various governance processes, including the Enterprise Risk and Return Council. Additionally, we manage climate-related reputational risk through Allstate Board and senior management strategy reviews that include a risk and return assessment of our strategic plans and ongoing monitoring of our strategic actions and the external competitive environment. As a property-casualty insurance company, our ability to pay claims in a timely fashion following outbreaks of 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. In doing so, we enhance our reputation and win 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 impacts 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 to develop products and services that address climate concerns. 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. Financial risks related to hurricanes and severe weather are included in our climate risk assessments. In addition, catastrophe teams model hurricanes and tropical storms as well as severe weather such as tornadoes and hail. We monitor experience closely to ensure trends are reflected in our pricing, thus mitigating our exposure and aligning pricing with exposure.

Chronic physical	Relevant, always included	Allstate understands that in addition to exacerbating the impacts of natural catastrophes, climate change will likely also drive 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 risks 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 potential 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 utilizing deductibles or exclusions where appropriate. We monitor experience closely to ensure trends are reflected in our pricing, thus mitigating our exposure and aligning pricing with risk.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Investing (Asset owner)	Yes	Responsible Investing Our investment decisions represent a critical part of our corporate responsibility footprint, affecting employees, customers and investors. We provide the best value for shareholders by taking a competitive and holistic approach with our $94.2 billion investment portfolio (as of December 31, 2020). As a steward of this portfolio, Allstate understands that environmental, social and governance (ESG) issues may influence investment performance. Our investment analysis and decision-making process consider these issues along with our values.

		Accountability In 2019, we formed a Responsible Investing Committee (RIC) with representatives from The Allstate Corporation and Allstate Investments. The RIC's actions include monitoring ESG investing trends, understanding ESG investing best practices, and periodically reporting about its activities to other senior leaders within Allstate, among other responsibilities. In conjunction with the Investments Risk Committee, the Responsible Investment Committee also monitors our investment portfolio for potential short- and long-term exposures to climate change. Policies and Procedures In June 2020, Allstate's Investment Management Committee adopted our Responsible Investing Policy. The Policy outlines our expectations for investment professionals to consider available data for ESG-related factors, subject to client investment policy requirements, when making investment decisions and requesting our external money managers to do the same. We expect our investment professionals to refrain from making certain types of investments that may result in significant ESG-related risks and consult with the Responsible Investing Committee, as needed, on any related asset selection decisions. In addition to our Responsible Investing Policy, our Investment Management Guidelines state that investment managers' analysis and decision-making consider environmental, social and governance issues alongside our values and reputation when assessing the risk/return trade-off of a particular investment. Investment managers are expected to act in accordance with the letter and the spirit of the guidelines, subject to client investment policy requirements.
Insurance underwriting (Insurance company)	Yes	Allstate works to understand climate risks that affect our insurance products and assets. Allstate's Catastrophe Modeling and Analytics Team, risk management teams, and pricing groups monitor climate change information, provide regular updates to leadership, and quantify exposure to weather-related perils. We manage climate-related risks and opportunities within our Enterprise Risk and Return Management (ERRM) framework, which applies risk-return principles, governance, modeling, and analytics, while maintaining our strong foundation of financial strength, building strategic value, and optimizing risk-adjusted return. Climate-related risks are identified, measured, managed, monitored, and reported while focusing on insurability, underwriting, and investments. Allstate has been able to adapt to increased catastrophe risk through actions that include:

		• Purchasing multi-year reinsurance protection as well as aggregate coverage, giving Allstate protection in years with extreme losses across multiple risk types • Limiting new business for our personal lines auto and property insurance in areas most exposed to hurricanes, including coastal areas in Southern and Eastern states • Implementing Tropical Cyclone and/or Wind/Hail deductibles or exclusions where appropriate • Partnering with federal and state governments for over 25 years to create programs to help provide protection for insureds most exposed to climate change through the establishment of entities like Florida Citizens, the Florida Hurricane Catastrophe Fund, the Texas Windpool Insurance Association, the California Earthquake Authority, as well as leading industry initiatives through the founding of Protecting America.org • Limiting coverage exposure for existing and new risks as hurricanes/tropical storms imminently approach landfall
Other products and services, please specify		

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Investing (Asset owner)	Majority of the portfolio	Qualitative and quantitative	The investment portfolio is monitored for both short- and long-term potential exposures to environmental risks, including climate change. Across the portfolio, we classify sectors' potential exposure to environmental risks. We consider potential environmental risks when we assess the size and maturity profile of our positions. Many holdings in sectors with higher potential exposure are

			invested in public markets, providing flexibility to adjust exposures as risk and return trade-offs evolve. For commercial real estate, we classify our investments based on their modeled exposure to certain catastrophe risks and incorporate these risks in our practices. One of the tools used to assess our portfolio's exposure to climate-related risks and opportunities is the ESG information provided by MSCI. This data is included in our assessment of potential exposures to environmental risks, including climate change. The data can also be used by analysts to engage with management teams on certain issues that may not align with our values or may present future risks to those investments. In this context 'portfolio coverage' is based on the total value of investments for which short- and long-term potential exposures to environmental and climate-related risks are monitored.
Insurance underwriting (Insurance company)	All of the portfolio	Qualitative and quantitative	Allstate works to understand climate risks that affect our insurance products and assets. Allstate's Catastrophe Modeling and Analytics Team and pricing groups monitor climate change information and update leadership regularly. We manage climate-related risks and opportunities within our Enterprise Risk and Return Management (ERRM) framework, which applies risk-return principles, governance, modeling and analytics, while maintaining our strong foundation of financial strength, building strategic value, and optimizing return. Climate-related risks are identified, measured, managed, monitored and reported while focusing on insurability, underwriting and investments. Allstate has been able to adapt to increased catastrophe risk through actions that include: • Purchasing multi-year reinsurance protection as well as aggregate coverage, giving Allstate protection in years with extreme losses across multiple risk types • Limiting new business for our personal lines auto and property insurance in areas most exposed to hurricanes, including coastal areas in Southern and Eastern states • Implementing Tropical Cyclone and/or Wind/Hail deductibles or exclusions where appropriate

			• Partnering with federal and state governments for over 25 years to create programs to help provide protection for insureds most exposed to climate change through the establishment of entities like Florida Citizens, the Florida Hurricane Catastrophe Fund, the Texas Windpool Insurance Association, the California Earthquake Authority, as well as leading industry initiatives through the founding of Protecting America.org • Limiting coverage exposure for existing and new risks as hurricanes/tropical storms imminently approach landfall In this context 'portfolio coverage' is based on the total value of investments for which short- and long-term potential exposures to environmental and climate-related risks are monitored.

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset owner)	Yes	Minority of the portfolio	Allstate Investments assesses water-related risks in investments that could potentially be impacted. As it relates to our agriculture investments, we seek water security for our permanent crop investments both domestically and abroad. As it relates to our forestry investments, we consider climate change (e.g. rainfall and temperature) and the impact it may have on biological growth rates going forward. In this context 'portfolio coverage' is based on the total value of investments for which short- and long-term potential exposures to environmental and climate-related risks are monitored.

Insurance underwriting (Insurance company)	Yes	Minority of the portfolio	For the peril of flooding, Allstate reviews exposure to storm surge from hurricanes as part of our semi-annual modeling and annual projection processes. This information is likewise a consideration for pricing for the Net Cost of Reinsurance for the auto lines of business, as well as an input for the underwriting risk model which is leveraged for determination of the cost of capital. There are also a small number of Flood property exposures which were added to the Allstate portfolio with the acquisition of National General in early 2021. These risks are handled in a manner consistent with the auto lines of business which cover flood. 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 requiring other deductibles or exclusions where appropriate. We monitor experience closely to ensure trends are reflected in our pricing, thus mitigating our exposure and aligning pricing with risk. In this context 'portfolio coverage' is based on the total value of investments for which short- and long-term potential exposures to environmental and climate-related risks are monitored.
Other products and services, please specify			

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset owner)	Yes	Minority of the portfolio	Allstate Investments assesses forest-related risks in investments that could potentially be impacted.

Insurance underwriting (Insurance company)	Not applicable		Allstate’s underwriting portfolio is almost entirely comprised of personal lines risks for which there would be no exposure to forests-related risks and opportunities.
Other products and services, please specify			

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Investing (Asset owner)	Yes, for some	The implementation of our Responsible Investing Policy encourages our investment professionals to request ESG policies from 3rd party money managers and General Partners. We review information related to climate risk from our partners and 3rd party data providers. Allstate collects MSCI data for all investees with MSCI ESG Ratings. Allstate also uses public MSCI data to help inform key issues related to private companies who do not have public ratings. This data is included in our assessment of potential exposures to environmental risks, including climate change. The data can also be used by analysts to engage with management teams on certain issues that may not align with our values or may present future risks to those investments. The success of this engagement is measured by the proportion of higher-rated companies within the portfolio, as we aim to consider ESG issues that may influence investment performance and align with our values. Our coverage is dependent upon the availability of MSCI’s ESG Ratings reports, which is typically limited to public companies.

		The proportion of investees is determined based on the value of investments with MSCI information ($53.6 billion) divided by our total portfolio value ($94.2 billion) = 57%.
Insurance underwriting (Insurance company)	Yes, for some	No climate-related data is requested directly from those seeking insurance coverage; however, some 3rd party data which is climate-related is used as a determination in underwriting.
Other products and services, please specify		

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 & Primary climate-related risk driver

Current regulation

Regulation and supervision of climate-related risk in the financial sector

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

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

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial implications related to regulatory risks can vary. As of Dec. 31, 2020, 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.

(1% of $2 billion = $20 million)

Cost of response to risk

1,337,000

Description of response and explanation of cost calculation

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.

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 2020, Allstate spent $1.3 million to support the efforts of IBHS.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Capital adequacy and risk-weighted assets

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

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

430,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial implications related to regulatory risks can vary. As of Dec. 31, 2020, 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.

Allstate has disclosed hurricane risk tolerance targets at $2 billion, which measures less than a 1% likelihood of annual aggregate catastrophe losses from hurricanes and earthquakes, excluding other catastrophe losses and, net of reinsurance. Our current hurricane catastrophe losses are within such target. The average losses of past 3 years (2018, 2019 and 2020) are $430 million.

Cost of response to risk

425,000,000

Description of response and explanation of cost calculation

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 basis 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 policies. 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 achieving appropriate risk-adjusted 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.

The total cost of our catastrophe reinsurance program during 2020 was $425 million.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

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 had not been mitigated properly.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Allstate defines severe weather losses from events including rain, hail, and tornado as chronic catastrophe loss. These are not caused by, but could be made worse by, climate change. The average of severe weather catastrophe losses (such as rain, wind/hail and tornadoes) of past 3 years (2018, 2019 and 2020) are $2.1 billion. These losses are differentiated from severe weather events resulting from Hurricane and earthquake (Acute risk).

Cost of response to risk

425,000,000

Description of response and explanation of cost calculation

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.

The total cost of our catastrophe reinsurance program during 2020 was $425 million.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation

Shifts in consumer preferences

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Reputational risk

Company-specific description

Increased scientific 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. In doing so, we enhance our reputation and win 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

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

447,910,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

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 and long term. Allstate also recognizes that a decrease in the 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 $44,791,000,000)

Cost of response to risk

500,000

Description of response and explanation of cost calculation

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 image 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 a critical topic for both Allstate and our stakeholders. 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.

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. We estimate this cost to be approximately $500,000 for management of ESG activities and consulting fees.

Comment

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

Reputational benefits resulting in increased demand for goods/services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

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

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

447,910,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Opp1 – Reputational

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 $44,791,000,000 = $447,910,000)

Cost to realize opportunity

45,000

Strategy to realize opportunity and explanation of cost calculation

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.

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 approximately $45,000.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Enhanced financial performance of investee companies as a result of being able to access new markets and develop new products to meet green consumer demand

Primary potential financial impact

Increased portfolio value due to upward revaluation of assets

Company-specific description

One of the ways we can provide security and protection for our customers is through our activities as an institutional investor. As of December 31, 2020, we managed a $94.2 billion investment portfolio. As a steward of this portfolio, Allstate understands that environmental, social and governance (ESG) issues may influence investment performance. Allstate’s investment analysis and decision-making processes consider these issues along with our values.

We’ve directly invested across energy transition as a key theme within our infrastructure portfolio since 2017. We made our first direct investment in that year and increased exposure in subsequent years through both fund and direct investment.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

200,000,000

Potential financial impact figure – maximum (currency)

300,000,000

Explanation of financial impact figure

Assuming a $500M portfolio focused on opportunities related to climate change and energy transition, we estimate expected return multiples to range from 1.4-1.6x but this can vary based on risk profile of investment opportunity and duration of hold period and disclosed the expected dollars using this assumption ($500M*0.4 = $200M or *0.6=$300M)

We are targeting a variety of opportunities across the risk spectrum in the climate change and energy transition theme. This amount will also range based on the investment opportunity set and our investment pacing.

Cost to realize opportunity

500,000,000

Strategy to realize opportunity and explanation of cost calculation

As part of our investment process, we source new opportunities with qualified managers in strategies we believe provide appropriate risk-adjusted returns. The due diligence process on climate and energy transition theme is consistent with the process for our other private asset classes. By developing long-term relationships with experienced managers, we have opportunity to invest in funds and direct opportunities.

Our cost is based on a potential investment amount. We utilize existing teams to source, underwrite, due diligence, and manage the existing and new opportunities, so a portion of salary is a cost of pursuing this strategy. In addition, we pay asset management fees and incentive fees to our sponsors, but these can vary.
Estimated cost to realize investment opportunity: $500 million in investment plus portion of staff salary and fees to managers (to be determined).

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify Customized scenario analysis as a part of our Strategic Planning process	Allstate's Catastrophe Modeling and Analytics Team (CMAT) and Pricing Groups monitor climate change information as part of their analysis of weather-related trends. Models developed internally and by third-party vendors are used along with our own historical data in assessing property insurance exposure to catastrophe losses. Our projections for hurricane activity include climate variables such as sea surface temperatures. Losses and changes in exposure are analyzed and reported to senior leaders each quarter. Additionally, our internal stress tests focus on predicting business continuity, resiliency, and solvency through analysis of a variety of catastrophe measures and scenarios. Allstate uses quantitative scenarios to explore the impacts of stress events which may include elevated weather catastrophes. This is done, at a minimum, annually during the strategic planning process, and is often done more than once a year for various climate-related presentations. For example, during the 2020 annual strategic planning process we analyzed scenarios that combine financial risks associated with the pandemic with the potential for a period of elevated catastrophes. In addition to annual strategic planning, we periodically review other climate-related scenarios, such as wildfire-related scenarios, which we reviewed and analyzed in 2021. This analysis explores scenario impacts on metrics including, but not limited to, Return on Economic Capital, Net Income, Investment Total Return, Deployable Capital, and Debt-to-Capital ratio. In the case of these specific scenarios run during the 2020 strategic planning process, the catastrophe component is an Extremely Low Frequency Scenario (ELFS) that combines the following events: • Aggregation of tornado / hail losses one standard deviation above plan • Two major hurricane landfalls

	• Wildfire losses totaling $1B, close to combined losses in 2017/8 before subrogation recoveries The CMAT also partners with our Investment group to model mortgage and real estate portfolios under consideration. For commercial real estate, we classify our investments based upon their modeled exposure to certain catastrophe risks and incorporate these risks in our underwriting and insurance practices. The portfolio is geographically diversified with modest exposure to coastal properties and areas of California most prone to wildfires due to deliberate underwriting around wildfire, flood and hurricane exposure. Time Horizons: Climate-related risks are observed over a long-term time horizon (7-30 years) to effectively plan for potential catastrophes. Areas considered: Our scenario analysis influences various key risk categories across the company such as investments, financial, operational, strategic execution, culture and insurance. Results: Our Strategic Planning process considers the impact of weather and climate and the related impact on our insurance and non-insurance businesses. These scenarios and topics are discussed with the Allstate Board of Directors as part of the planning process. We use scenario analysis to inform our risk management and capital deployment actions. Case Study: For the past several years, we have steadily increased agricultural and timber holdings in the investment portfolio. We take both a short- and long-term view when considering the risks inherent in this portfolio, including climate-related risks. For example, Allstate is a partial owner of farmland in water-stressed areas such as California and Australia. We are working with our partners on ways to mitigate associated risks.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	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. In addition, Allstate offers Milewise, a “pay-per-mile” personal auto insurance product which invites drivers to “Drive Less. Save More” and may decrease total miles driven and result in lower total emissions. Management of the Commercial Real Estate portfolio reflects potential impacts of climate change to commercial real estate investments.
Supply chain and/or value chain	Yes	At Allstate, environmental and social leadership in our purchasing decisions helps us demonstrate Our Shared Purpose. Under our Chief Procurement Officer, the Sustainability Sourcing Lead is dedicated to overseeing our sustainable procurement strategy that evaluates, tracks, and mitigates ESG risk exposure, increasing visibility and transparency in the supply chain. By understanding how suppliers are managing factors such as GHG emissions, waste, regulatory compliance and cybersecurity, we can better articulate Allstate’s expectations. By actively managing these risks, we enhance our reputation and align procurement decisions with environmental and social

		responsibility, which increases the confidence of stakeholders who depend on Allstate's performance.
Investment in R&D	Yes	Allstate's long-term strategy includes investments in technology, data, and analytics to further drive efficiencies in our operations and the products we offer our customers. 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 incorporate traffic flows and further support system efficiencies. Two personal auto insurance products developed by Allstate, called Drivewise and Milewise, are changing the landscape of auto insurance and offering customers greater transparency and pricing sophistication, thanks to significant developments in technology and data analytics. We've launched Avail, a peer-to-peer car sharing platform that connects drivers and car owners, providing a protected car sharing experience conveniently located where people live, work and travel. Allstate is also supporting the adoption of different transportation modes by providing insurance solutions to ride hailing providers such as Uber.
Operations	Yes	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 shareholders, 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.

		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.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	Climate-related risks and opportunities factor into our financial planning process for the elements listed. Examples below: Revenues: The insurance industry is exposed to climate-related risks, such as catastrophes and severe weather events which may subject our P&C business to significant losses. These risks could impact our revenues in a variety of ways. For example, 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. The time horizon for climate-related revenue risks is long-term (7-30 years, as defined in 2.1a of this CDP report). Liabilities: Increases in frequency or severity of natural catastrophes have a direct impact on our insurance liabilities. For example, there may be increased frequency or 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

	Provisions or general reserves Claims reserves	automobile and Homeowners insurance, reinsurance coverages as well as the value of our investment portfolio. Due to significant variability associated with future changing climate conditions we are unable to predict the impact climate change will have on our business. The time horizon for climate-related liability risks is long-term (7-30 years, as defined in 2.1a of this CDP report). Case Study: Impact of rising sea levels, increased flooding, and hurricane exposure on Florida real estate, and potential impacts factored into planning A. Expected impacts of increasing temperatures by 2050: 1) Hurricanes – Lower frequency but increasing severity. Average loss is similar with increased volatility 2) Flooding – increased precipitation and sea levels more storm surge with hurricane events, more localized ’100 year’ floods B. Evaluation of potential risks within the social/economic system 1) Allstate has direct exposure to hurricanes through our products 2) Some risk is mitigated by passing to reinsurers. The Florida Hurricane Cat Fund (FHCF) and other state-specific wind pools expose us to some credit risk and assessment exposure 3) Flood exposure is covered by the National Flood Insurance Program (NFIP), for which we administer claims 4) Poor customer experience with NFIP can expose us to reputation risk 5) Increasing costs of direct damage coverage suppress existing property values 6) May lead to secondary exposure in certain assets, such as State/Municipal debt The time horizon for these climate-related revenue risks is long-term (7-30 years, as defined in 2.1a of this CDP report).

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Investing (Asset owner)	Sustainable/Responsible Investment Policy	All of the portfolio	In June 2020, Allstate's Investment Management Committee adopted our Responsible Investing Policy. The policy outlines our expectations for investment professionals to incorporate and consider ESG factors, subject to client investment policy requirements, when making investment decisions and requesting our external money managers to do the same. The policy applies across all asset classes in our investment portfolio. We expect our investment professionals to refrain from making certain types of investments that may result in significant ESG-related risks and consult with the RIC, as needed, on any related asset selection decisions. In addition to our Responsible Investing Policy, our Investment Management Guidelines state that investment managers' analysis and decision-making should consider ESG issues alongside Allstate's values and reputation when assessing the risk/return trade-off of a particular investment. Investment

			managers are expected to act in accordance with the letter and the spirit of the guidelines, subject to client investment policy requirements. In 2020 and 2021, we provided training to our investment professionals on our Responsible Investing Policy and related ESG information, which will be offered every year. We also incorporated tools for ESG and climate-related data into our processes and trained the Investments team on their use. In 2021, we began using ESG data feeds and analysis from expert research firms to assess our assets, exposures and ESG risks. We prohibit investing in certain entities whose activities are fundamentally inconsistent with Allstate's values or are likely to result in reputational or other significant risks. These restrictions include: investments in companies that predominantly conduct business in the civilian firearms industry; or majority ownership interest or control of a company that operates a coal or other mine (either directly or through a subsidiary) or provides services to those mines. The Allstate Investments' Responsible Investing Policy covers this topic and Investment Guidelines restrict investments in majority equity in coal-related investments. Additionally, there have been no new private direct equity coal investments since 2017. Coverage determination: We typically apply policies based on client-by-client objectives; as a majority of our clients are internal to Allstate we have applied the policy to those clients' portfolios. We understand that ESG issues may influence investment performance and therefore should be a consideration in the investment process. Integration of ESG factors and strategy into management of internal pension plan assets is under review, as different regulatory considerations apply.

Insurance underwriting (Insurance company)	Risk policy Insurance underwriting policy	All of the portfolio	Allstate works to understand climate risks that affect our insurance products and assets. Allstate's Catastrophe Modeling and Analytics Team and pricing groups monitor climate change information and update leadership regularly. We manage climate-related risks and opportunities within our Enterprise Risk and Return Management (ERRM) framework, which applies risk-return principles, governance, modeling and analytics, while maintaining our strong foundation of financial strength, building strategic value, and optimizing return per unit of risk. Climate-related risks are identified, measured, managed, monitored and reported while focusing on insurability, underwriting and investments. Allstate has been able to adapt to increased catastrophe risk through actions that include: • Purchasing multi-year reinsurance protection as well as aggregate coverage, giving Allstate protection in years with extreme losses across multiple risk types • Limiting new business for our personal lines auto and property insurance in areas most exposed to hurricanes, including coastal areas in Southern and Eastern states • Implementing Tropical Cyclone and/or Wind/Hail deductibles or exclusions where appropriate • Partnering with federal and state governments for over 25 years to create programs to help provide protection for insureds most exposed to climate change through the establishment of entities like Florida Citizens, the Florida Hurricane Catastrophe Fund, the Texas Windpool Insurance Association, the California Earthquake Authority, as well as leading industry initiatives through the founding of Protecting America.org • Limiting coverage exposure for existing and new risks as hurricanes/tropical storms imminently approach landfall The following walkthrough has been provided to demonstrate one way the previously

			identified coverage restrictions would apply, namely in the case of Tropical Cyclone Deductibles (TCDs). Allstate's Texas Homeowners product requires policies to be written on an ex-wind basis if they are in a designated coastal zone, except for select ZIP codes within the zone. Those ZIP codes still restrict coverage, though, unless the insured property is a minimum stated distance from the coast. For any policy which can be written with wind coverage, a mandatory TCD is enforced. Those areas of the state which allow wind coverage were selected based on an analysis of Allstate's corporate risk tolerance. Allstate's corporate risk tolerance is, in part, guided by anticipated exposure to future hurricane risk. This framework results in different restrictions by state and/or line of business but is directly informed by consideration of climate-related issues.
Other products and services, please specify			

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Investing (Asset owner)	New business/investment for new projects	Allstate Investments' maintains investment guidelines that defines prohibited types of investments, which are typically entities whose activities are fundamentally inconsistent with Allstate's values or are likely to result in reputational or other significant risks. These prohibitions include: investments in companies that predominantly conduct business in the civilian firearms industry; or majority ownership interest or control of a company that operates a coal or other mine (either directly or through a subsidiary) or provides services to those mines.

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for all assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Review asset manager's climate-related policies	Allstate requests ESG policies for external managers during the selection process.

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

Year target was set

2010

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2007

Covered emissions in base year (metric tons CO2e)

188,715

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

66

Target year

2020

Targeted reduction from base year (%)

20

Covered emissions in target year (metric tons CO2e) [auto-calculated]

150,972

Covered emissions in reporting year (metric tons CO2e)

99,667

% of target achieved [auto-calculated]

235.932490793

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

In 2010 Allstate set a goal to achieve a 20% absolute energy-use reduction within our owned portfolio (approximately 39% of all locations at the time) against our 2007 baseline by 2020. Thanks to efforts across the enterprise, we surpassed that 2020 goal in 2014. We have cut energy use beyond our original targets and continue to reduce our greenhouse gas (GHG) emissions.

(Note: Percentages are calculated based on changes in energy consumption (btu) over time and therefore differ from changes in emissions over time. Base year emissions have been adjusted to reflect structural changes.)

Now, we've set our sights on a science-based target, and have engaged with a consultant to evaluate options for goal-setting. Allstate intends to have its science-based target (SBT) scenarios for Scope 1 and 2 emissions completed during the second half of 2021. Scope 3 SBT scenarios are focused on the climate impact of our investment portfolio. Allstate intends to also complete its initial Scope 3 review during the second half of 2021 and plans to submit its intent to establish an emissions reduction target based on the Guidance for Financial Institutions from the Science Based Targets Initiative (SBTI-FI), focused on the IPCC guidance consistent with a well-below 2°C pathway, by the end of 2021.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

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 initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	2	2,777
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Low-carbon energy consumption

Other, please specify

Wind and solar via RECs

Estimated annual CO2e savings (metric tonnes CO2e)

1,727

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

52,000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

In 2019 Allstate committed to purchasing RECs to cover 100% of electricity use at our corporate headquarters in Northbrook, Illinois and in 2020 we increased this commitment to also include 100% of electricity use at our Irving, Texas facilities.

In FY20 we purchased RECs covering 41,734 MWH of electricity and an estimated 19,679 MT CO2e in GHG emissions. By deducting the 17,952 MT CO2 covered by RECs in FY19, we estimate the ‘additional’ FY20 emissions from RECs at 1,727 MT CO2e. (19,679-17,592=1,727).

Initiative category & Initiative type

Transportation
Company fleet vehicle replacement

Estimated annual CO2e savings (metric tonnes CO2e)

1,050

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

260,000

Investment required (unit currency – as specified in C0.4)

2,424,000

Payback period

4-10 years

Estimated lifetime of the initiative

3-5 years

Comment

Allstate operates a fleet of about 3,300 sedans and SUVs to support the business travel requirements of the Claims, Distribution and Service Businesses teams.

A few years ago, we started to use more hybrid vehicles to improve our fuel economy and reduce CO2 output. We incentivize employees to choose the hybrid sedan by lowering the associated personal use fee. In 2019, we moved to only hybrid offerings in the US and Canada, and as of Q2 2021 have a fleet comprising about 67% hybrid.

The data provided here is based upon a net increase of 606 hybrid vehicles from 2019 to 2020.

C4.3c

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

Method	Comment
Employee engagement	We incentivize employees to choose the hybrid sedan for fleet vehicle use by lowering the associated personal use fee. We educate employees about the importance of reducing paper and energy use and easy ways to save paper and energy. Printing usage and purchasing is reviewed almost daily by management. In 2018 we implemented a “Follow Me Print” program, which links all print jobs to employee badges. To have documents printed, the employee scans their badge at the printer. If a print job is not retrieved within 72 hours, it disappears from the system. In 2020, the number of abandoned and deleted print jobs equated to about 1,508,253 sheets, or 3,017 reams of paper. Employees are also 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 that turn off equipment when not in use. Our flexible work policy also helps drive emissions reductions by offering compressed and part-time work schedules, telecommuting, home-based work, job sharing and flexible starting times. In addition, we held Earth Day events, which promoted energy efficiency and other sustainability-related activities. This year’s event included a “print-free day” to discourage employees from printing unnecessarily.

Internal incentives/recognition programs	In 2010, Allstate set a goal to reduce energy use by 20% by 2020 for Allstate-owned facilities (compared with our 2007 baseline) and we achieved this goal in 2014. Allstate has continued to maintain the 20% reduction goal for the past seven years and is currently setting a science-based target inclusive of our Scope 1, 2 and 3 emissions. Allstate intends to have its science-based target (SBT) scenarios for Scope 1 and 2 emissions completed during the second half of 2021. Scope 3 SBT scenarios are focused on the climate impact of our investment portfolio. Allstate intends to also complete its initial Scope 3 review during the second half of 2021 and plans to submit its intent to establish an emissions reduction target based on the Guidance for Financial Institutions from the Science Based Targets Initiative (SBTI-FI), focused on the IPCC guidance consistent with a well-below 2°C pathway, by the end of 2021. 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, incentives for achieving corporate and performance goals include risk and return management of all risks, including those affected by climate change.
Dedicated budget for other emissions reduction activities	For several years Allstate committed to purchasing RECs to cover 10% of electricity use at our corporate headquarters in Northbrook, Illinois and in 2018 we increased this commitment to 100%. In 2020 we expanded this to also cover 100% of electricity use at our Irving, TX facilities.
Other Customer engagement	We encourage electronic customer communications to help cut costs and reduce our footprint and theirs. Allstate has three paperless initiatives for customers: eSignature, ePolicy and eBill. Customers can sign up for these free services through MyAccount, our online customer self-service hub. Since 2015, Allstate has invested $9.5 million toward helping customers become more paperless by providing an improved digital experience and redesigning documents so they require fewer pages. Over 49.7% of customer policies are enrolled in ePolicy, and nearly 44.9% of customer policies are enrolled in eBill. New business trends higher toward digital adoption, where 68.7% of new customers are enrolled in ePolicy and 49.5% are enrolled in eBill.

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?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

We offer policyholders the Homeowners Policy Green Improvement Reimbursement Endorsement. If purchased, it allows a customer to replace damaged or destroyed appliances and equipment with more energy-efficient items and be reimbursed by Allstate for the additional cost. The reimbursement applies to certain categories of Energy Star®-rated products such as: washers and refrigerators; computers and other electronics; heating and cooling equipment; and certain plumbing and building equipment. These products are designed to save electricity or water, reducing a home's environmental impact while lowering homeowners' utility bills. The Homeowners Policy Green Improvement Reimbursement Endorsement is available in most states.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Internal Allstate Classification

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

Asset classes/ product types

Insurance underwriting

Property & Casualty

Comment

Level of aggregation

Product

Description of product/Group of products

Pay-per-mile coverage is auto insurance based primarily on the miles a customer drives. Consumers want personalized products and services that give them more control over cost and usage, and we're staying on top of this trend. Milewise, Allstate's pay-per-mile auto insurance, is available in 17 states and will expand in the coming year. Milewise gives customers more control over their auto insurance costs with the same great coverage and claim service from Allstate. As customers looked for more flexible products during the pandemic, Milewise saw 442% year-over-year growth. With companies offering their workers continued telecommuting options, customers are gravitating toward insurance that can accommodate their new driving habits.

Milewise incents customers to drive less (and subsequently emit less CO_2) by providing real-time savings to those customers. The less you drive, the less you pay because customers of this product pay only for the miles they drive.

Our average Milewise customer drives approximately 4,500 miles/year in comparison 11,000 miles/year of an average driver. This is approximately 60% less.

The average car emits about 6 tons of carbon dioxide every year. By our estimates, a 60% reduction in miles driven would save 2.4 tons of CO2 from being emitted into the atmosphere.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Internal Allstate Classification

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

Asset classes/ product types

Insurance underwriting

Property & Casualty

Comment

Level of aggregation

Product

Description of product/Group of products

Using telematics, the science of collecting data through sensors in a vehicle, we've redefined insurance. Our Drivewise product personalizes the auto experience and provides customers insights into their behavior to promote and reward safe driving. Drivewise is available in 50 states and the District of Columbia. Allstate was the first major U.S. insurer to bring to market a mobile app to collect data for a telematics-based insurance program. As of Dec. 31, 2020, Allstate had over 1.7 million Drivewise connections.

Drivewise incents customers to drive more safely (and subsequently more slowly, emitting less CO2) by providing real-time savings to those customers. The more safely you drive, the less you pay, and the lower the carbon impacts due to greater mileage efficiency.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Internal Allstate Classification

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

Asset classes/ product types

Insurance underwriting

Property & Casualty

Comment

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)

58,691

Comment

Scope 2 (location-based)

Base year start

January 1, 2007

Base year end

December 31, 2007

Base year emissions (metric tons CO2e)

178,015

Comment

Scope 2 (market-based)

Base year start

January 1, 2015

Base year end

December 31, 2015

Base year emissions (metric tons CO2e)

114,396

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate 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?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

20,849

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?

Reporting year

Scope 2, location-based

77,818

Scope 2, market-based (if applicable)

59,274

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 gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

348,769

Emissions calculation methodology

Emissions associated with Allstate's purchased goods and services were estimated by multiplying category spend by the supply chain emission factors developed and published by the EPA in 2020. These emission factors cover all categories of goods and services in the US economy and are intended for quantifying emissions from purchased goods and services using the spend-based method defined in the GHG Protocol Scope 3 guidance. (https://cfpub.epa.gov/si/si_public_record_Report.cfm?dirEntryId=349324&Lab=CESER)

A spend category is mapped to a commodity factor if the goods or services purchased can be clearly distinguished. If the exact commodity factor cannot be determined, the emission factor based on the suppliers' industry is applied. These emission factors are adjusted for inflation.

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

0

Please explain

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

21,736

Emissions calculation methodology

Emissions associated with Allstate's capital goods were estimated by multiplying spend on capitalized assets by the supply chain emission factors developed and published by the EPA in 2020. These emission factors cover all categories of goods and services in the US economy and are intended for quantifying emissions from purchased goods (capitalized or not) and services using the spend-based method defined in the GHG Protocol Scope 3 guidance. (https://cfpub.epa.gov/si/si_public_record_Report.cfm?dirEntryId=349324&Lab=CESER)

A spend category is mapped to a commodity factor if the goods purchased can be clearly distinguished. If the exact commodity factor cannot be determined, the emission factor based on the suppliers' industry is applied. These emission factors are adjusted for inflation.

Spend and cradle-to-gate emissions associated with Carbon Neutral carpet & flooring purchases during the reporting year are excluded from the EEIO analysis. Allstate purchased 8,919 square meters of Carbon Neutral Flooring from Interface, which has corresponding retirement of 93 metric tons of CO2e. These estimated offsets by Interface were based in part on the US EPA Greenhouse Gas Equivalencies Calculator. The certificate number is US04062021-0231.

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

0

Please explain

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

Evaluation status

Relevant, calculated

Metric tonnes CO2e

21,058

Emissions calculation methodology

Emissions were calculated for fuel-and-energy-related activities (not included in Scope 1 or 2) by totaling activity data for each Scope 1 fuel type and electricity consumption by country. These totals were multiplied by their relevant specific emission factors from UK Defra / DECC 2020 Conversion Factors for Company Reporting.

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

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

12,351

Emissions calculation methodology

Emissions associated with Allstate’s third-party logistics, postage, shipping, warehousing and storage providers were estimated by multiplying spend by the EPA 2020 supply chain emission factors. These emission factors are intended for quantifying emissions from purchased goods and services using the spend-based method defined in the GHG Protocol Scope 3 guidance.

(https://cfpub.epa.gov/si/si_public_record_Report.cfm?dirEntryId=349324&Lab=CESER)

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

0

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3.77

Emissions calculation methodology

This waste figure represents waste emissions from waste disposed via landfilling, recycling and composting. Data on waste quantity are obtained and reported from our Northbrook, IL facilities.

Emissions are calculated using methodologies and emission factors from the EPA’s Waste Reduction Model (WARM), version 15, October 2020. The WARM method has been adjusted to align with the GHG Protocol's Corporate Value Chain (Scope 3) Standard, based on emissions for transport to the waste management facility only for recycling and composting, and including fugitive emissions for landfilled waste.

GHG emissions per ton of mixed MSW landfilled (MTCO2e) = 0.52

GHG emissions per ton of mixed MSW recycled or composted (MT CO2e) = 0.02

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

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7,823

Emissions calculation methodology

Air travel: Emissions from air travel are calculated using data on distance traveled categorized into long, medium and short haul.

Personal mileage: Mobile expense claims of employees are used to estimate business mileage and assumed via passenger cars.

Car rental: Total distance traveled by mode of transport was obtained to calculate business travel emissions. Emission factors used for air and ground travel came from US EPA Emission factors (US EPA 2020, Emission factors for Greenhouse gas inventories, Version 26 March 2020). Hotel stay: 2020 travel data includes number of hotel room nights to which DEFRA emission factors were applied to calculate associated emissions.

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

94

Please explain

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. Emissions associated with hotel stay is also included.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

82,932

Emissions calculation methodology

To estimate the employee commuting emissions for 2020, the average emissions per employee per day for Northbrook employees from FY2019 was assumed to be the same for FY2020 and applied to the total headcount and number of days from January 1 to March 14, 2020 (pre-lockdown). The same factor was also used to calculate the emissions of employees who made office visits during lockdown or from March 15 to December 31, 2020.

Emissions from remote workers are calculated by estimating their electricity and natural gas usage while working. The number of remote workers in 2020 was multiplied by natural gas and electricity intensities to estimate energy consumption. Emission factors applied to natural gas were taken from US EPA 2020 (Emission factors for Greenhouse gas inventories, Version 26 March 2020) while emissions associated with electricity use were calculated using IEA 2020, Green-e 2020 and eGRID2019 factors.

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

0

Please explain

This category includes emissions from the transportation of employees between their homes and worksites. Emissions from employee commuting may arise from travel by: automobile, bus, rail, air or other modes of transportation.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

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

Please explain

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

Please explain

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

Please explain

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

Please explain

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

Please explain

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

Please explain

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.

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

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

0.0000017888

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

80,123

Metric denominator

unit total revenue

Metric denominator: Unit total

44,791,000

Scope 2 figure used

Market-based

% change from previous year

30

Direction of change

Decreased

Reason for change

GHG emissions per unit total revenue of 0.000001788819 decreased by 30% in FY2020 when compared with the previous reporting year. The change is driven by a decrease in Scope 1 & 2 market-based emissions of 29% and an increase in unit total revenue of 0.26%.

The reduction in Scope 1 & 2 market-based emissions is driven by a combination of emissions reduction initiatives (renewable energy purchases) and COVID related changes.

In 2020 there were also REC purchases covering 3,554 MT CO2e related to an expansion of our REC purchase program to include our Irving, TX facilities starting in June 2020. This in part resulted in a net increase of 1,727 in additional emissions reductions from FY19 to FY20 for Scope 1 and 2.

Additionally, we saw a reduction in mobile fleet emissions as most fleet vehicles were not used for 9 months in 2020 and emissions from electricity and natural gas energy use were reduced due to lower building occupancies during the Covid-19 pandemic.

C7. Emissions breakdowns

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	1,727	Decreased	1.52	In 2019 Allstate committed to purchasing RECs to cover 100% of electricity use at our corporate headquarters in Northbrook, Illinois and in 2020 we increased this commitment to also include 100% of electricity use at our Irving, Texas facilities. The 41,734 RECs purchased in FY20 reflected 19,679 MT CO2e. In FY19 33,709 RECs were purchased which reflected 17,952 MT CO2e. Therefore the additional RECs purchased in FY20 reflects 1,727 MT CO2e in 'additional' emissions (19,679-17,592=1,727). This represents a 1.52% reduction from FY19 Scope 1 & 2 combined market-based emissions. [(-1,727/113,460)*100=-1.52%].
Other emissions reduction activities	1,050	Decreased	0.93	In FY20 Allstate replaced 606 fleet vehicles with hybrids, resulting in an estimated savings of 119,601 gallons of motor gasoline, or 1,050 MT CO2e. This represents a 0.93% reduction from FY19 Scope 1 & 2 combined market-based emissions. [(-1050/113,460)*100=-0.93%].
Divestment				

Acquisitions				
Mergers				
Change in output	22,960	Decreased	20	Due to the COVID-19 pandemic all of Allstate's non-essential workers began working from home beginning March 15, 2020. The work-from-home policy was in place through the remainder of 2020. This resulted in a drop in energy use for electricity, heating, and cooling due to reduced building occupancies. In addition, Allstate's fleet vehicles and jets were minimally used during the same period. Scope 1 emissions decreased 47% from FY19 primarily due to reduced mobile emissions from fleet vehicles and jet aircraft (78% and 77% respectively). Stationary emissions went down 7% from FY19 largely due to reduced natural gas use in buildings. Scope 2 emissions decreased 20% from FY19 primarily due to reduced electricity use and also an increase in renewable energy credits (RECs). Overall Scope 1&2 market-based emissions decreased by 29.4%
Change in methodology	7,600	Decreased	7	In 2020, Allstate updated the emission factors for electricity usage which resulted in a decrease of 7,600 metric tons of Scope 2 CO2e. This decrease of 7,600 MT CO2e of Scope 1 and 2 emissions compared to the 2019 inventory, or a decrease of 7% compared to 2019, was calculated as follows: (7,600 MT decrease in Scope 1 and 2 emissions divided by 113,460 total Scope 1 and 2 emissions from 2019) = 7% decrease. The above calculations use market-based figure for Scope 2 emissions. [(7,600/113,460)*100 = 6.7%].

Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

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?

Market-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 undertook this energy-related activity in the reporting year
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	No

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 (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0.3	107,041	107,041
Consumption of purchased or acquired electricity		41,734	140,693	182,427
Total energy consumption		41,734	247,734	289,468

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 emissions, and attach the relevant statements.

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 FY2020 Allstate Final.pdf

Page/ section reference

1

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 2 emissions and attach the relevant statements.

Scope 2 approach

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 FY2020 Allstate Final.pdf

Page/ section reference

1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

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 FY2020 Allstate Final.pdf

Page/ section reference

1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

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

Scope 3 category

Scope 3: Business travel

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 FY2020 Allstate Final.pdf

Page/section reference

1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

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?

CDP Verification Statement FY2020 Allstate Final.pdf

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, Limited Assurance	We have elected to also have our Scope 1 year on year change in emissions verified so that we can make comparisons used for identifying increases or decreases in emissions, and progress towards our goals. It is also used for verification purposes. These additional data points are verified on an annual basis, and for Scope 1 includes 100% of our operations. The Scope 1 emissions are reported in question C6.1 and included in the Year on Year change in Scope 1 and 2 combined in question C7.9a. 1
C6. Emissions data	Year on year change in	ISO 14064-3, Limited Assurance	We have elected to also have our Scope 2 year on year change in emissions verified so that we can make comparisons used for identifying increases or decreases in emissions, and progress towards our goals. It is also used for verification purposes. These additional data points are

	emissions (Scope 2)		verified on an annual basis, and for Scope 2 includes 100% of our operations. 1
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISO 14064-3, Limited Assurance	We have elected to also have our Scope 1 and 2 year on year change in emissions verified so that we can make comparisons used for identifying increases or decreases in emissions, and progress towards our goals. It is also used for verification purposes. The Scope 1 and 2 emissions are reported in questions C6.1 and C6.3 and included in the Year on Year change in Scope 1 and 2 combined in question C7.9a. These additional data points are verified on an annual basis, and for Scope 1 and 2 includes 100% of our operations. The assurance statement referencing these data points is attached. 1
C6. Emissions data	Year on year change in emissions (Scope 3)	ISO 14064-3, Limited Assurance	We have elected to also have our Scope 3 year on year change in emissions verified so that we can make comparisons used for identifying increases or decreases in emissions, and progress towards our goals. It is also used for verification purposes. These additional data points are verified on an annual basis, and for Scope 3 includes only Business Travel. The Scope 3 emissions are reported in questions C6.5. The assurance statement referencing these data points is attached. 1

[1]CDP Verification Statement FY2020 Allstate Final.pdf

C11. Carbon pricing

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
Yes, our customers
Yes, our investee companies

C12.1a

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

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

% of suppliers by number

100

% total procurement spend (direct and indirect)

12

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We screen suppliers for ethical and sustainable practices and help them adopt similar behaviors, by asking all suppliers sustainability-related questions (including if they disclose their environmental performance via the CDP Climate questionnaire), during the RFx (i.e. request for proposal) process. 100% of the 154 RFx events conducted by Allstate in 2020 included these questions, impacting 100% of all procurement spend for those events. Figures are reported for this question as we believe they best reflect our efforts to engage with all suppliers on sustainability issues.

We are evolving our category, sourcing and supplier management processes by integrating ESG criteria into our end to end procurement processes, including RFx events, supplier contracts, supplier performance assessment scorecards, as well as developing and leveraging sustainability KPIs and metrics.

In 2020 the RFx transactions managed by Sourcing & Procurement Solutions engaged 1520 suppliers (27%) of our total supply chain) which represented 12% of our 2020 procurement spend.

By understanding how suppliers are managing climate-related risks, we can better articulate our expectations. By managing these risks, we align procurement decisions with environmental and social responsibility, increasing stakeholder confidence.

Impact of engagement, including measures of success

Allstate relies on more than 5,630 third-party suppliers to provide us goods and services. illustrating the role that the Sourcing & Procurement Solutions organization can have in driving higher degrees of sustainability within the organization.

In 2020, Allstate’s sustainable procurement activities included offering our employees rental cars from a leading car rental company whose leadership has its own set of core values that align with Allstate’s. The car rental company provides hybrid vehicles for companies that want to encourage—and in some cases require—the traveling employee to rent a hybrid because of the lower impact that it has on our environment.

An additional example is the windshield recycling program of a popular windshield repair company. During FY2020 the company recycled 34,416 tons of glass, which represents a decrease of 16% from FY2019 due to the decline in claims due to the pandemic. The company's current goal is to recycle over 90% of the windshield materials in 2021, resulting in reduced GHG impacts due to avoided emissions in the manufacturing of new glass.

Comment

Environmental and social leadership in our purchasing decisions helps us demonstrate Our Shared Purpose. In 2018 our Chief Procurement Officer established a full-time position dedicated to overseeing our sustainable procurement process. In this role, the Sustainable Procurement Lead facilitates Allstate's sustainable procurement strategy that evaluates, tracks, and mitigates ESG risk exposure, increasing visibility and transparency in our supply chain.

In 2020, Allstate appointed its first-ever Chief Sustainability Officer.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

2

% total procurement spend (direct and indirect)

14

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

In 2020 we joined CDP Supply Chain to enable us to measure and manage supplier emissions impact, increasing visibility and transparency in our supply chain. Of 126 suppliers invited to participate in the CDP Climate questionnaire, 107 disclosed their environmental data. This is an 85% response rate vs a 68% response among all CDP members.

The 107 disclosing suppliers represent 13.9% of our 2020 spend.

Suppliers are selected for participation in the program based on the following criteria:

1) Annual spend
2) Segmentation & classification
3) Carbon intensity
4) Small businesses or first-time responders
5) Invitation history

Data collected during our inaugural year enabled us to establish an emissions inventory for our supply chain, to inform areas of supplier progress and improvement, identify collaborative opportunities, and report our progress to investors and our customers.

Impact of engagement, including measures of success

We have an enterprise goal to increase the number of disclosing suppliers by 10-20% over the 2020 baseline of 107 suppliers.

CDP performance is a component of Allstate's Supplier Performance Assessment Scorecard. Suppliers will be rated annually on their CDP performance.

Comment

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Other, please specify

Collaborate with select strategic suppliers on emissions reduction projects that generate mutual business value

% of suppliers by number

0.05

% total procurement spend (direct and indirect)

1.4

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

As part of a pilot project, we are engaging with a select group of suppliers to improve their CDP score and to explore the viability of emissions reduction projects proposed by each of the selected suppliers.

Suppliers are selected for participation in the program based on the following criteria:
1) Annual spend
2) Segmentation & classification
3) Carbon intensity
4) Small businesses or first-time responders
5) Invitation history.

Impact of engagement, including measures of success

The supplier performance assessment process is being enhanced; supplier CDP scores/results will be integrated into the Supplier Performance Assessment scorecard. Suppliers will be rated on their level of CDP engagement, emissions reduction activities and their CDP score.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Engagement & incentivization (changing customer behavior)

Details of engagement

Offer financial incentives for customers who reduce your downstream emissions (Scope 3) and/or exposure to carbon-related assets

% of customers by number

50

% of customer - related Scope 3 emissions as reported in C6.5

Portfolio coverage (total or outstanding)

Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

Allstate's Milewise®, available to approximately half of U.S. drivers as of Dec. 31, 2020, enables consumers to customize their insurance and pay based on the number of miles they drive. Allstate insures more customers and cars through pay-per-mile than any other company.

Impact of engagement, including measures of success

Providing financial incentives to our customers for driving less results in reduced carbon emissions.

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investee companies.

Type of engagement

Information collection (Understanding investee behavior)

Details of engagement

Included climate change in investee selection / management mechanism

% of investees by number

57

% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b

Portfolio coverage

Majority of the portfolio

Rationale for the coverage of your engagement

Allstate collects MSCI data for all investees with MSCI ESG Ratings. Our coverage is dependent upon the availability of MSCI's ESG Ratings reports, which is typically limited to public companies.

The proportion of investees was determined based on the value of investments with MSCI information ($53.6 billion) divided by our total portfolio value ($94.2 billion) = 57%.

Impact of engagement, including measures of success

Allstate uses public MSCI data to help inform key issues related to private companies who do not have public ratings. This data is included in our assessment of potential exposures to environmental risks, including climate change. The data can also be used by analysts to engage with management teams on certain issues that may not align with our values or may present future risks to those investments. The success of this engagement is measured by the proportion of higher-rated companies within the portfolio, as we aim to consider ESG issues that may influence investment performance and align with our values.

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 engages lawmakers on issues relating to flood insurance and the NFIP. This engagement began prior to 2017 and is expected to continue through 2021 and beyond. The purpose of this engagement is to advocate for 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. Last Congress, Allstate supported H.R. 3111, the National Flood Insurance Program Administrative Reform Act of 2019, which passed the House Financial Services Committee in 2019 but did not move further before the session ended. Allstate is focused legislatively on reauthorization of the NFIP and reforms of the program.
Adaptation or resilience	Support	Allstate also actively engages federal and 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 2021 and beyond. The purpose of this engagement is to help protect consumers	Allstate supports legislation to mitigate future loss from flood as part of broader NFIP reform. For example, we support H.R. 3161, the Flood Mapping Modernization and Homeowner Empowerment Pilot Program Act of 2021, and S. 2153, the

		from fraud and mitigate catastrophes losses.	Repeatedly Flooded Communities Preparation Act.

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 seeks to advance business interests in developing and implementing solutions needed to power economic growth worldwide, mitigate greenhouse gas emissions, and build climate resilient infrastructure. The Chamber supports modernizing the nation's infrastructure; establishing dedicated federal funding to encourage pre-disaster mitigation; and increasing coordination and integration between government officials involved in resilience.

How have you influenced, or are you attempting to influence their position?

Allstate has influenced the US Chamber of Commerce's general position in support of actions to encourage greater resiliency.

C12.3d

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

No

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 impacts 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 catastrophes.

The Allstate Foundation supports efforts by agency owners and their local non-profits to prepare communities for disasters by providing emergency kits and other tools. These 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.

In addition, an Allstate officer served on the board of the American Council of Life Insurers (ACLI) in 2020. ACLI advocates on behalf of 280 member companies dedicated to providing products and services that promote consumers’ 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’s Sustainability Council consists of representatives from key functions across the enterprise, including but not limited to, Law & Regulation, Government Affairs, Real Estate & Administration, Investments, Products, Supply Chain and Risk Management. The council studies company policies and practices and their impact on the environment, reviews the policies and engagement of the trade organizations Allstate engages with, and takes into consideration issues related to climate change to ensure consistency with the company's overall climate change strategy. Should inconsistencies arise, the Sustainability Council addresses them with the Government Affairs division of our Law department. Allstate's Government Affairs division of Law & Regulation owns Allstate's advocacy relationships. Additionally, since 2018, Allstate's chief risk officer has conducted an annual risk and return assessment of Allstate's political activities to ensure appropriate oversight and management of Allstate's political activities.

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

2020_Allstate_Sustainability_Report.pdf

Page/Section reference

Page 5 – Governance
Page 58 – Risk & Opportunities
Page 58 – Strategy
Page 68 – Emissions figures & targets

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Allstate 2020 Sustainability Report

Publication

In mainstream reports

Status

Complete

Attach the document

Allstate 2021 Annual Report-Proxy.pdf

Page/Section reference

Page 19 – Governance
Page 12 – Risk & Opportunities
Page 12 – Strategy
Page 13 - Emissions targets

Content elements

Governance
Strategy

Risks & opportunities

Comment

Allstate Annual Report & Proxy Statement

Publication

In voluntary communications

Status

Complete

Attach the document

Allstate Sust Info - 3BL July 2021.docx

Page/Section reference

Allstate sustainability disclosure on 3BL - Page 1

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Allstate sustainability disclosure on 3BL: https://www.3blmedia.com/News/Allstate-Reports-Commitments-Inclusive-Diversity-Equity-Climate-Change-Mitigation

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

Allstate TCFD_2020.pdf

Page/Section reference

Entire document is climate/GHG-related

Page 2 – Governance

Page 6 – Risk & Opportunities

Page 3 – Strategy

Page 8 - Emissions figures

Page 8 - Emissions targets

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Allstate 2020 TCFD Report

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework		
Industry initiative	Ceres	Allstate is a member of Ceres
Commitment		

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Investing (Asset owner)	Yes	Category 15 "Investment" total absolute emissions	We evaluated our investment portfolio in detail to understand our exposure to sectors with higher risk to climate change. As part of this analysis we analyzed the relative comparison to peer companies as well as duration considerations for positions more sensitive to climate risk. In 2010, Allstate set a goal to achieve a 20% absolute energy-use reduction within our owned real estate portfolio (approximately 39% of all locations at the time) against our 2007 baseline by 2020. Thanks to efforts across the enterprise, we surpassed that 2020 goal in 2014 and have maintained it for over six years.

			As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2021. Allstate intends to have its SBT scenarios for Scope 1 and 2 emissions completed during the second half of 2021. Scope 3 SBT scenarios focus on the climate impact of our investment portfolio. Allstate intends to also complete our initial Scope 3 review during the second half of 2021 and plans to submit our intent to establish an emissions reduction target based on the Guidance for Financial Institutions from the Science Based Targets Initiative (SBTI-FI), focused on the IPCC guidance consistent with a well-below 2°C pathway, by the end of 2021. A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target, and we are currently considering the feasibility of expanding our Scope 3 emissions disclosure to include emissions from investments.
Insurance underwriting (Insurance company)	Yes	Category 15 "Investment" total absolute emissions	In 2010, Allstate set a goal to achieve a 20% absolute energy-use reduction within our owned real estate portfolio (approximately 39% of all locations at the time) against our 2007 baseline by 2020. Thanks to efforts across the enterprise, we surpassed that 2020 goal in 2014 and have maintained it for over six years. As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2021. Allstate intends to have its SBT scenarios for Scope 1 and 2 emissions completed during the second half of 2021. Scope 3 SBT scenarios focus on the climate impact of our

			investment portfolio. Allstate intends to also complete our initial Scope 3 review during the second half of 2021 and plans to submit our intent to establish an emissions reduction target based on the Guidance for Financial Institutions from the Science Based Targets Initiative (SBTI-FI), focused on the IPCC guidance consistent with a well-below 2°C pathway, by the end of 2021. A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target. We have not yet determined if portfolio emissions related to insurance underwriting will be included.
Other products and services, please specify			

C-FS14.1a

(C-FS14.1a) What are your organization’s Scope 3 portfolio emissions? (Category 15 “Investments” total emissions)

Category 15 (Investments)

Evaluation status

Relevant, not yet calculated

Please explain

We evaluated our investment portfolio in detail to understand our exposure to sectors with higher risk to climate change. As part of this analysis we analyzed the relative comparison to peer companies as well as duration considerations for positions more sensitive to climate risk.

In 2010, Allstate set a goal to achieve a 20% absolute energy-use reduction within our owned real estate portfolio (approximately 39% of all locations at the time) against our 2007 baseline by 2020. Thanks to efforts across the enterprise, we surpassed that 2020 goal in 2014 and have maintained it for over six years.

As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2021.

Allstate intends to have its SBT scenarios for Scope 1 and 2 emissions completed during the second half of 2021. Scope 3 SBT scenarios focus on the climate impact of our investment portfolio. Allstate intends to also complete our initial Scope 3 review during the second half of 2021 and plans to submit our intent to establish an emissions reduction target based on the Guidance for Financial Institutions from the Science Based Targets Initiative (SBTI-FI), focused on the IPCC guidance consistent with a well-below 2°C pathway, by the end of 2021.

A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target, and we are currently considering the feasibility of expanding our Scope 3 emissions disclosure to include emissions from investments.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	None of the above, but we plan to do this in the next 2 years	

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain

Investing (Asset owner)	Yes	We evaluated our investment portfolio in detail to understand our exposure to sectors with higher risk to climate change. As part of this analysis we analyzed the relative comparison to peer companies as well as duration considerations for positions more sensitive to climate risk. In 2010, Allstate set a goal to achieve a 20% absolute energy-use reduction within our owned real estate portfolio (approximately 39% of all locations at the time) against our 2007 baseline by 2020. Thanks to efforts across the enterprise, we surpassed that 2020 goal in 2014 and have maintained it for over six years. As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2021. Allstate intends to have its SBT scenarios for Scope 1 and 2 emissions completed during the second half of 2021. Scope 3 SBT scenarios focus on the climate impact of our investment portfolio. Allstate intends to also complete our initial Scope 3 review during the second half of 2021 and plans to submit our intent to establish an emissions reduction target based on the Guidance for Financial Institutions from the Science Based Targets Initiative (SBTI-FI), focused on the IPCC guidance consistent with a well-below 2°C pathway, by the end of 2021. A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target, and we are currently considering the feasibility of expanding our Scope 3 emissions disclosure to include emissions from investments.
Insurance underwriting (Insurance company)	Yes	In 2010, Allstate set a goal to achieve a 20% absolute energy-use reduction within our owned real estate portfolio (approximately 39% of all locations at the time) against our 2007 baseline by 2020. Thanks to efforts across the enterprise, we surpassed that 2020 goal in 2014 and have maintained it for over six years.

		As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2021. A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target. We have not yet determined if portfolio emissions from insurance underwriting will be included.
Other products and services, please specify		

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Investing (Asset owner)	No	
Insurance underwriting (Insurance company)	No	

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Investing (Asset owner)	No	
Insurance underwriting (Insurance company)	No	

C15. 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.

Allstate intends to further align its disclosures with the recommendations of the TCFD by completing scenario analysis work already underway. Allstate intends to have its science-based target (SBT) scenarios for Scope 1 and 2 emissions completed during the second half of 2021. Scope 3 SBT scenarios are focused on the climate impact of our investment portfolio. Allstate intends to also complete its initial Scope 3 review during the second half of 2021 and plans to submit its intent to establish an emissions reduction target based on the Guidance for Financial Institutions from the Science Based Targets Initiative (SBTI-FI), focused on the IPCC guidance consistent with a well-below 2°C pathway, by the end of 2021.

C15.1

(C15.1) 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)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

The Allstate Corp. is one of the largest publicly held personal lines insurers in the United States. Allstate was founded in 1931 and became a publicly traded company in 1993. Allstate helps customers realize their hopes and dreams by providing the best products and services to protect them from life’s uncertainties and prepare them for the future. The company delivers substantially more value than the competition by reinventing protection to improve customers' lives. 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"). The Allstate brand is widely known through the "You're in good hands with Allstate®" slogan. Allstate was listed among Fortune Magazine's World's Most Admired Companies (2021), Newsweek's America's Most Responsible Companies (2021), and named to the World's Most Ethical Companies® list for the seventh year in a row and earned placement on the Dow Jones Sustainability Indices (2020) for the third year in a row. Allstate is also a member of the CDP "A List" for Climate Change.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	44,791,000,000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Verizon Communications Inc.

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

4,663

Uncertainty (±%)

Major sources of emissions

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Emissions associated with Allstate's purchased goods and services were estimated by multiplying category spend by the supply chain emission factors developed and published by the EPA in 2020. These emission factors cover all categories of goods and services in the US economy, and are intended for quantifying emissions from purchased goods and services using the spend-based method defined in the GHG Protocol Scope 3 guidance. (https://cfpub.epa.gov/si/si_public_record_Report.cfm?dirEntryId=349324&Lab=CESER)

A spend category is mapped to a commodity factor if the goods or services purchased can be clearly distinguished. If the exact commodity factor cannot be determined, the emission factor based on the suppliers' industry is applied. These emission factors are adjusted for inflation.

Requesting member

Prudential Financial, Inc.

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

0.14

Uncertainty (±%)

Major sources of emissions

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Emissions associated with Allstate's purchased goods and services were estimated by multiplying category spend by the supply chain emission factors developed and published by the EPA in 2020. These emission factors cover all categories of goods and services in the US economy, and are intended for quantifying emissions from purchased goods and services using the spend-based method defined in the GHG Protocol

Scope 3 guidance. (https://cfpub.epa.gov/si/si_public_record_Report.cfm?dirEntryId=349324&Lab=CESER)

A spend category is mapped to a commodity factor if the goods or services purchased can be clearly distinguished. If the exact commodity factor cannot be determined, the emission factor based on the suppliers' industry is applied. These emission factors are adjusted for inflation.

Requesting member

Arm Ltd.

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We are currently obtaining the data for Arm.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms