



Sustainability Report

WE ARE THE
GOOD HANDS[®]



WE ARE THE **GOOD** HANDS[®] **COMPANY**

We are the Good Hands[®]. We help 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.

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OUR SHARED PURPOSE

Our Shared Purpose is our guide to what it means to be an Allstater. At its heart are six Leadership Principles that define the behaviors we all need to embrace to be successful. We built these principles on the belief that every Allstater is a leader and can be a force for good for our customers, communities, society and the world.

We live our values every day. Our values represent who we are and how we conduct ourselves — not just as employees, but as people, leaders, decision makers and members of society. They define our culture and what it means to be an Allstater. They are non-negotiable. It's about doing the right thing in the right way at the right time.

Our Leadership Principles

- + We're here to serve.
- + We win together.
- + We drive results.
- + We're transparent.
- + We continuously get better.
- + We develop each other.

Our Values

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

Our Operating Principles

- + Put the customer at the center of all our actions.
- + Use consumer insights, data, technology and people to better serve customers and generate growth.
- + Execute well-considered decisions with precision and speed.
- + Focus relentlessly on those few things that provide the greatest impact.
- + Be a learning organization that leverages successes, learns from failures and continuously improves.
- + Provide employees, agency owners, financial specialists and licensed sales professionals fulfilling opportunities, personal growth and performance-based rewards.
- + Take an enterprise view of our people and processes, and work as a single team to advance Allstate rather than our individual interests.

Our Priorities

- + Customer focus
- + Operational excellence
- + Enterprise risk and return
- + Sustainable growth
- + Capital management



LEADERSHIP MESSAGES

We're building a different kind of company, one that will thrive now and help create a better future. It means being a force for good and stepping up to help where our skills and resources are needed. Allstaters live up to the Good Hands® promise and our commitment to take sustainability to the next level. We're using innovation to solve corporate and societal challenges, and never waver from upholding the highest ethical standards.



Tom Wilson
Chairman, President and
Chief Executive Officer

Letter from Tom Wilson

Welcome to the many faceted world of Allstate. We believe sustainable businesses create profits, provide meaningful work for employees and are a force for good in their local communities. These responsibilities, embedded in Our Shared Purpose, serve as guideposts throughout the organization.

Allstate's story is about today, tomorrow and long into the future. We are a purpose-driven company, powered by purpose-driven people. Allstate's purpose is to protect people from life's uncertainties and prepare them for the future.

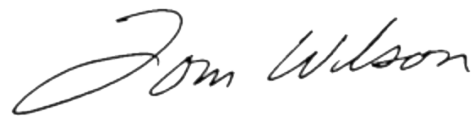
We are building a different kind of company, one that will thrive now and help create a better future.

At Allstate, we believe businesses play a vital role in society. Businesses create prosperity by harnessing ideas, people and resources. Profits are one measure of how effectively businesses harness the resources we borrow from society. We also create dignity through meaningful work where people can realize their full potential and purpose in life. Business must also be a force for good, using our capabilities and resources to improve communities.

Allstate delivers on all of these components of sustainability. Our operating performance is strong, as you can see from our financial reports. Allstate's Board of Directors receives extremely high governance ratings and is engaged, transparent and responsive to shareholders as described in our award winning Annual Proxy Statement. We help employees pursue their purpose in life through fair compensation, inclusive diversity and personal growth.

Allstate is a force for good in society through empowering youth and victims of domestic violence. We support thousands of nonprofits in conjunction with Allstate agencies in local communities throughout America. This sustainability report provides information on this and more on ethics, environmental practices, inclusive diversity and social impact.

Take some time to discover all of the ways that we here at Allstate are a force for good. We're proud to share our story.



Tom Wilson, Chairman, President and Chief Executive Officer

Vicky Dinges,
Senior Vice President,
Corporate Responsibility



Letter from Vicky Dinges

As Allstaters, we are the Good Hands® people, and every day, we live into the Good Hands® promise through our caring, compassion and commitment to our customers and society.

We never waiver from upholding the highest of ethical standards. For the fourth year in a row, we've been recognized as one of the "World's Most Ethical Companies" by Ethisphere. We were also named to Fortune magazine's 2017 "Change the World" list.

We are using innovation to solve corporate and societal challenges, and never waver from upholding the highest ethical standards.

When it comes to being a force for good, we believe that corporations can and should do more to better society.

We know that, on their own, governments, social service agencies and nonprofits simply do not have all the resources they need to meet the growing needs of our communities. We also know the corporate sector has much to give — in ways far more valuable than financial support. We can lend our knowledge and experience — our innovative thinking and leadership — to find solutions to society's toughest problems.

One of my priorities this past year has been to stay in touch with Allstate's many stakeholders and seek out different perspectives so we can remain relevant. To that end, we conducted a robust sustainability materiality assessment. It gave us an opportunity to learn about what's important to people both within and outside the walls of Allstate.

We learned you'd like to know more about how we:

- + Strengthen local communities in meaningful ways
- + Ensure the protection of our customers' privacy and personal information
- + Take care of and develop our employees
- + Tackle climate change

Our sustainability council has created a roadmap to guide our journey. It touches every part of the business — including how we:

- + Invest
- + Reduce our carbon footprint and paper use
- + Manage our supply chain

In the report, you'll see the personal side of our commitment through inspiring stories of Allstaters doing good. You'll discover the many ways our employees give back and learn about Allstate's agency force and the role it plays in the health of communities across America.

We're helping our next generation of leaders — our youth — build skills like persistence and confidence to improve their likelihood of success in life. We're also tackling domestic violence and helping more survivors break free and stay free from abuse through economic empowerment.

Allstaters live up to the Good Hands® promise and our commitment to take sustainability to the next level.

The "Good Hands®" is not just a slogan for us. It's who we are — it drives our purpose as a company and as individuals. We protect people from life's uncertainties and prepare them for the future so they can realize their hopes and dreams. Whether the action is great or small, we're passionate about making the world a better and more humane place.



Victoria Dinges, Senior Vice President, Corporate Responsibility

BUSINESS PROFILE

Allstate is more than an insurance company. We're a growing network of small businesses with a team of trusted advisors in communities across the country. We provide total household solutions and deliver a best-in-class customer experience. Allstate's 82,900 employees and members of the agency force strive to make communities stronger, lives safer and futures brighter.

Allstate is more than an insurance company. We are a growing network of small businesses with a team of trusted advisors in communities across the country.

Allstate helps families protect the things that are most important to them. Our business aims to help build resilient communities, not only through our products and services, but also through our commitment to corporate responsibility.

Founded in 1931, Allstate became a publicly traded company in 1993 and fully independent in 1995, when it was spun off from Sears Holdings Corp. Today, we are one of the largest publicly held personal lines property and casualty insurers in America. We are listed on the New York Stock Exchange under the trading symbol ALL and are widely known through the "You're In Good Hands With Allstate®" slogan.



Markets Served

Allstate is always refining product offerings, marketing outreach and customer service based on careful research.

When purchasing insurance or any other product or service, consumers have more choices than ever. We serve four distinct consumer segments with differentiated preferences (local advice and assistance versus self-service) and brand recognition (brand-neutral versus brand-sensitive).

While we primarily serve U.S. and Canadian markets, our global operational presence extends with our subsidiaries Allstate Northern Ireland and Allstate Solutions Private Limited in India. These global entities are critical to developing innovative technologies and business solutions for The Allstate Corporation. Each of our subsidiaries tailors its corporate responsibility approach to its unique needs and regional issues within our larger platform of Allstate priorities, strategic vision and [Global Code of Business Conduct](#).

The Allstate Family of Companies

- + **The Allstate Corporation** is one of the largest publicly held personal lines insurers in the United States. Allstate conducts business in the United States and Canada through Allstate Insurance Company and other subsidiaries.
- + **Allstate** brand auto, homeowners and other personal lines insurance products are sold primarily through Allstate exclusive agencies, serving brand-sensitive customers who prefer local personalized advice and service.
- + **Allstate Northern Ireland Limited** is a technology company that provides core IT competencies, programming, operations support, integration services and risk analytics to Allstate and its subsidiaries.
- + **Allstate Canada** offers Allstate brand products through employee producers and differently branded products through brokers working in five provinces (Ontario, Quebec, Alberta, New Brunswick and Nova Scotia).
- + **Encompass** brand auto, homeowners, umbrella and other insurance products are distributed through independent agencies that serve consumers who prefer personal advice and assistance from an independent advisor and are brand neutral.
- + **Answer Financial** serves self-directed, brand-neutral consumers who want a choice between insurance carriers, offering comparison quotes for auto and homeowners insurance from approximately 25 insurance companies through its website and over the phone.
- + **Esurance** sells auto, homeowners and other personal lines insurance products to self-directed, brand-sensitive consumers primarily online and through contact centers.
- + **Allstate Solutions Private Limited** provides software development, software testing, business process offshoring and management, technology support, analytics and other IT-enabled services to Allstate and its subsidiaries.
- + **Arity** is a technology company that uses data science and predictive analytics to transform massive amounts of data into actionable insights. From data collection to risk scoring, Arity offers solutions to help keep drivers and customers safe, secure and on the road.
- + **SquareTrade** is a highly rated protection plan provider trusted by millions of customers for its fast and efficient service. SquareTrade protects mobile devices, laptops, tablets and other consumer electronics and appliances from malfunctions, accidental damage and life's frequent mishaps.

Financial Performance

Financial strength enables Allstate to grow our business and keep our promises to stakeholders through good and bad economic conditions.

To be an authentic, responsible company, Allstate is committed to both profits and purpose. We know our financial standing provides us the means to invest in our people, but we also know that providing our people the opportunity to pursue their purpose contributes to our combined prosperity. And it is our purpose-driven people who make Allstate a purpose-driven company, a combination that is a powerful force for good — for our communities and the world.

We stand out among our industry peers for our strong financial performance. We had \$38.5 billion in revenues in 2017, a 5.4% increase from \$36.5 billion in 2016. Allstate held \$28.9 billion in capital resources at year-end 2017 and manages \$83 billion in assets in our well-diversified investment portfolio. For more detailed information on our investment portfolio, see our [Responsible Investment](#) section.

Allstate is striving to be a purpose-driven company powered by purpose-driven people — a combination that is a powerful force for good — for our communities and the world.

During 2017, we continued to invest in initiatives that help make communities safer and stronger, including \$47 million given by The Allstate Foundation, Allstate and its employees, agency owners and agency staff.



For more detailed financial information, see our [2017 Prosperity Report](#).

Awards and Recognition

Allstate is committed to being an industry leader and values innovation.

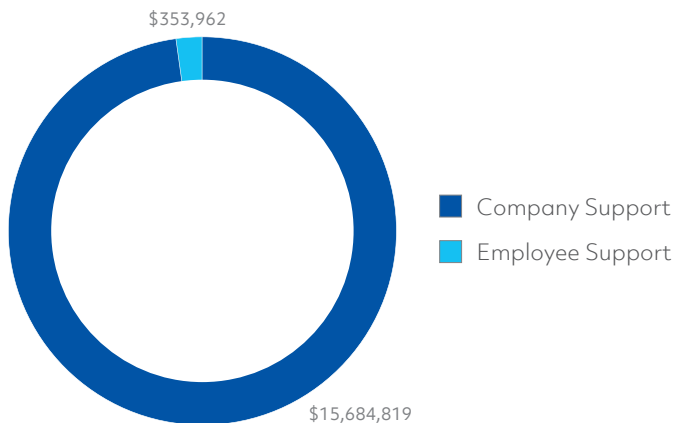
Allstate is recognized as an employer of choice and as a corporate champion for leadership in ethics, diversity, innovation and corporate responsibility. You can find an updated list of Allstate's accolades in the [Allstate Newsroom](#).

PUBLIC POLICY

Corporate Involvement in Public Policy

Allstate is actively involved in public policy advocacy at the state and federal levels. Extensive state-based regulation of insurance, the importance of a fair court system to our customers, and the priority we place on personal safety and property protection combine to compel Allstate to seek to shape sound public policy. By participating in the development of good public policy and offering ideas and resources in this arena, we help our customers protect themselves from life's uncertainties and prepare for the future.

SUPPORT OF PUBLIC POLICY INITIATIVES



Board Oversight and Contribution Governance

Allstate maintains a rigorous oversight process for its advocacy efforts. In addition to complying with public disclosure laws at the state and national levels, we maintain internal guidelines and procedures that govern our public advocacy and political activities. Proposals are developed by subject matter experts and personnel within the Government and Industry Relations group for contributions to candidates as well as public policy involvement. With regard to corporate contributions to candidates, our General Counsel and the Senior Vice President for Government and Industry Relations determine the candidates and committees to which our support is offered. These contributions are subject to further oversight by the company's Board of Directors.

Subject matter experts and government relations professionals in the company are responsible for working with organizations and associations that the company supports. Proposals related to the company's involvement in public policy and candidate contributions are reviewed by the Senior Leadership Team and reports are presented to the Board annually. In addition to the company's internal guidelines and procedures governing public advocacy and political activities, direct corporate political contributions are made as permitted under federal, state and local laws to help elect candidates whose views and positions will improve the insurance market place for the corporation, the insurance industry and the insurance consumer.

Allstate’s use of corporate resources in the public policy arena is consistent with the company’s strategic vision of reinventing protection and retirement for the consumer and is not based upon the personal views of any individual member of management or the Board of Directors. The specific deployment of corporate resources is presented formally to the Board each year and is always guided by the principle of what is best for the interests of our shareholders, employees, agencies and customers.

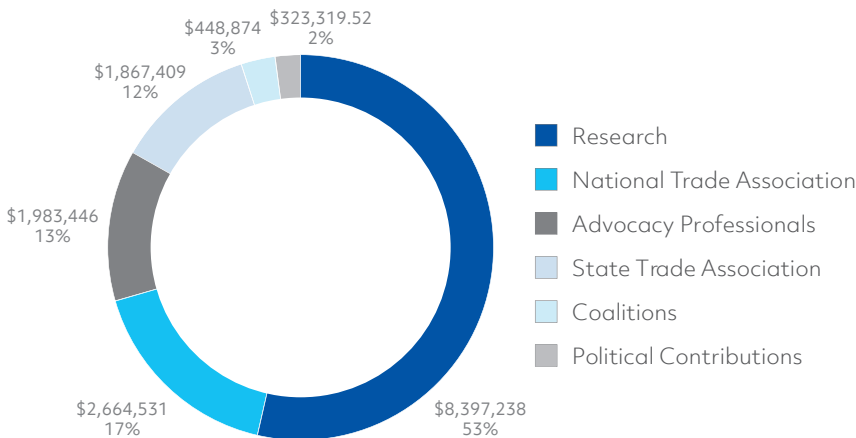
Allstate is actively involved in public policy advocacy at the state and federal levels. By participating in the development of good public policy, we help our customers protect themselves from life’s uncertainties and prepare for the future.

Overview of Expenditures

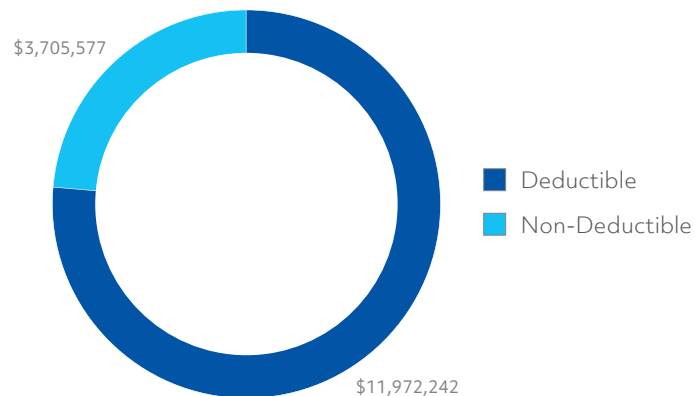
Allstate supports candidates for public office, research associations, coalitions, industry trade associations, nonprofit organizations, advocacy professionals and other groups to advance key priorities. The priorities include topics such as ensuring a healthy regulatory system, promoting fiscal responsibility, fostering market innovation, and promoting safety and security (such as teen safe driving and natural catastrophe management). We may not agree with every position taken by a specific organization, candidate or committee.

In 2017, the company’s efforts in this arena utilized approximately \$15.7 million in corporate funds, which represents 0.04% of revenues. In addition, for the same period, the employee-funded political action committees contributed approximately \$353,962 to a wide variety of political organizations and candidates.

2017 OVERVIEW OF EXPENDITURES



2017 DEDUCTIBLE EXPENSES AND NON-DEDUCTIBLE (LOBBYING /POLITICAL CONTRIBUTIONS) EXPENSES



As part of our public policy efforts, the company supports various organizations, including those that may engage in lobbying activities, and contributes to candidates and political committees. Our resources are allocated among the following categories: research, coalitions, national trade associations, state trade associations, advocacy professionals and corporate political contributions. This report describes each of the categories and the amount we spend in each category. We devote nearly 50% of these corporate resources toward research. Approximately 76% of the total company support was directed to tax deductible, non-lobbying endeavors.

Organizations and Initiatives We Support

Research

Allstate supports research groups and other organizations that provide information that is used to shape public policy debate and inform consumers and businesses about key issues affecting insurance consumers. Our support is largely focused on improving safety on roads and in homes and combating insurance fraud. In 2017, Allstate provided nearly \$8.4 million to research organizations such as the National Insurance Crime Bureau and the Insurance Institute for Highway Safety (see the list of major organizations that Allstate supported in 2017 within this report). The Insurance Institute for Business and Home Safety envisions 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.

Coalitions

Allstate partners with advocacy organizations and other coalitions throughout the country to promote various public policy positions. In 2017, Allstate provided about \$449,000 to coalitions, with \$74,000 (16%) attributed to lobbying efforts.

Throughout our history, we have also endeavored to make roads safer. We were pioneers in the advocacy of mandatory seat belts and airbags in cars. Today, many of our employees and agencies devote significant time every day to promote safer driving, working with community groups, parents, teen drivers, schools and national organizations. Allstate provides significant human and financial resources to organizations that save lives, prevent injuries, and reduce losses caused by crashes on the nation's highways. For example, Allstate supports the Advocates for Highway and Auto Safety, a champion in the effort to save the lives of drivers and passengers.



National and State Trade Associations

Allstate contributes to groups that advocate meaningful change for insurance consumers, nationally and in individual states. In 2017, Allstate provided almost \$2.7 million to national trade associations, with approximately \$848,000 (31%) attributed to lobbying efforts and just under \$1.9 million to state trade associations, with approximately \$465,000 (25%) attributed to lobbying efforts.

We are also working on building a better insurance regulatory system. The insurance industry currently operates under a different set of regulations in each of the 50 states and the District of Columbia. At the same time, the Federal Insurance Office and other federal agencies are becoming more actively involved in insurance regulatory matters. This patchwork system makes it difficult and expensive to develop innovative products for customers and for Allstate exclusive agencies to operate as efficiently as possible. We believe it is imperative to modernize and improve the regulatory system for insurance companies and consumers. The company therefore supports organizations working for reforms that will help ensure a healthy regulatory system with more uniformity and consistency.

Allstate also supports reforms to our civil justice system to keep pace with changes in technology and address lawsuit abuse. This advocacy includes changes for dealing with electronic document discovery, third party-financed litigation and state-specific challenges. In addition, Allstate advocates for sound theories of civil recovery and supports a fair court system.

Advocacy Professionals

Allstate engages advocacy professionals to help promote public policy positions that affect our stakeholders and our ability to efficiently and effectively operate and compete in the marketplace. Allstate's government relations team works with these advocacy professionals, along with the trade associations and other organizations described above, to help ensure that policymakers understand the company's position on legislative and regulatory matters. Those matters cover a wide range of issues, including personal safety and security, property protection, civil justice reform, fraud prevention and regulatory modernization.

The major organizations that Allstate supported in 2017 include:

- + **Advocates for Highway and Auto Safety:** Advocates for safe driving initiatives, including a common sense approach to graduated driver licensing and ways to reduce distracted driving to protect those most important to us — our children.
- + **America's Health Insurance Plans:** Advocates for public policies that expand access to affordable health care coverage to all Americans through a competitive marketplace that fosters choice, quality and innovation.
- + **American Council of Life Insurers:** Represents more than 300 legal reserve life insurance and fraternal benefit society member companies operating in the United States.
- + **Association of National Advertisers:** Provides leadership that advances marketing excellence and shapes the future of the industry.

- + **Ceres:** Advocates for sustainability leadership. Works towards accelerating and expanding the adoption of sustainable business practices and solutions to build a healthy global economy.
- + **Certified Automotive Parts Association:** Improves the marketplace for consumers through certification and advocacy of quality replacement auto parts.
- + **Coalition Against Insurance Fraud:** An alliance speaking for consumers, insurance companies, government agencies and others that provides information, research, data, services and insight.
- + **Financial Services Roundtable:** Protects and promotes economic vitality and the integrity of its members and the U.S. financial system.
- + **Florida Chamber of Commerce:** Encourages a business-friendly climate that allows job creators to do what they do best — create private-sector jobs and contribute to Florida's economy.
- + **Insurance Information Institute:** Improves public understanding of insurance — what it does and how it works. Recognized by media, governments, regulatory organizations, universities and the public as a primary source of information and analysis concerning insurance.
- + **Insurance Institute for Business & Home Safety:** Strives to reduce the social and economic effects of natural disasters, with a unique, state-of-the-art, multi-risk applied research and training facility.
- + **Insurance Institute for Highway Safety:** Aims to improve motor vehicle safety through its premier research facility.
- + **Insurance Research Council:** An independent, nonprofit research organization that examines important public policy matters that affect insurers, customers and the general public.
- + **Medical Advocacy Recovery Coalition:** Supports commonsense reforms to enhance efficiencies in the current Medicare Secondary Payer policy.
- + **National Insurance Crime Bureau:** Leads a united effort by insurers, law enforcement agencies, and representatives of the public to prevent and combat insurance fraud and crime through data analytics, investigations, training, legislative advocacy and public awareness.
- + **New York Insurance Association:** Promotes an insurance market that is viable and strong in order to better serve the insuring public. Serves as a resource for the property and casualty insurance industry, public policymakers, the media, and the public.
- + **Personal Insurance Federation of California:** Keeps personal insurance affordable and available for California consumers through state government advocacy and political action.
- + **Quality Parts Coalition:** Develops and promotes legislative change to U.S. design patent law to preserve competition and to ensure the availability of quality, lower-cost alternative collision repair parts for consumers.
- + **Texas Coalition for Affordable Insurance Solutions:** Works towards a stable and competitive insurance marketplace to best serve the industry and the consumer.
- + **The Rand Corporation:** Conducts nonpartisan research dedicated to improving policy decision-making.
- + **U.S. Chamber of Commerce:** Represents the interests of more than three million businesses of all sizes, sectors and regions, and advocates for pro-business policies that create jobs and grow our economy.

Contributions to Candidates and Committees

Corporate Contributions

Allstate contributed a little more than \$323,000, representing 2.1% of its total public policy expenditures of approximately \$15.2 million to state candidates for public office, political parties, political committees and other entities organized and operating under 26 U.S.C. Section 527.

ALLPAC and MIALLPAC Contributions

The Allstate Insurance Company Political Action Committee (ALLPAC) is a voluntary, nonpartisan political action committee (PAC) comprising eligible individual employees. These personal contributions support candidates for federal and state office who support the competitive marketplace and understand and bring attention to the issues of importance to our industry generally and the Allstate group of companies specifically. In 2017, ALLPAC had 558 members, contributing a total of \$354,561, with an average contribution of approximately \$635 per participant.

ALLPAC contributions to candidates are governed by a Board of Directors composed of company employees. Candidates receiving PAC contributions must demonstrate one or all of the following: a commitment to free enterprise and a competitive marketplace, sound judgment on issues of concern to our industry, a supportive voting record, and viability as a candidate. During 2017, ALLPAC contributed a total of \$349,462 to state and federal candidates for public office as well as political committees.

The Michigan Allstate Insurance Company Political Action Committee (MIALLPAC) is a Michigan-only PAC funded by eligible Allstate employees and abides by the same practices and procedures as ALLPAC. During 2017, MIALLPAC had 18 members who contributed a total of \$16,602, with an average contribution of \$922 per participant. MIALLPAC contributed a total of \$4,500 to state candidates and political committees in 2017.

Grassroots Lobbying

Allstate leverages an intranet-based system, called Advocate for Good, as a means to engage interested agency owners and employees through grassroots activism on important public policy initiatives. Through the company's grassroots platform, Allstate agency owners and employees can communicate directly with elected federal and state officials on public policy matters that are important to Allstate and our customers. Participation in Advocate for Good activism and relationship identification is completely voluntary.



MATERIALITY & STAKEHOLDER ENGAGEMENT

Stakeholder Engagement

We continually seek stakeholder input to ensure we are focusing on what matters most.

Stakeholder inclusiveness is a core principle of Global Reporting Initiative (GRI) sustainability reports, and we do our best to identify all of Allstate's stakeholders and respond to their expectations and interests. We regularly engage the following groups: agency owners, financial specialists, customers and consumers, employees, investors, nongovernmental organizations (NGOs), opinion leaders, policymakers and suppliers.

We identify stakeholder groups through senior leaders, our sustainability council, feedback from employees and by mapping the full scope of our impacts, from suppliers to consumers. We select stakeholders according to their knowledge and understanding of our company as a whole, orientation relative to or within the financial services industry and the extent to which they can impact or be impacted by Allstate. For our 2015 sustainability materiality assessment, we engaged our stakeholders through interviews, surveys and industry research.

We have many other ongoing engagement efforts. Our annual reputation study surveys customers, consumers, investors, agency owners, employees, policymakers and opinion leaders. In partnership with the Reputation Institute, we collect feedback from 8,000 individuals across these seven stakeholder groups, identify key topics and develop strategies to address gaps. There are also stakeholder-specific avenues for engagement. We go into further detail about these within the topic sections for [community](#), [employees](#) and [suppliers](#).

Materiality Assessment Process

Our 2015 sustainability materiality assessment followed GRI guidelines. It begins with topic identification, followed by a prioritization of the resulting topics and concludes with an internal validation session.

Topic Identification

Because our industry is dynamic and rapidly evolving, Allstate is committed to refreshing our materiality assessment every few years. Our most recent assessment began with an exploration of potentially relevant topics to Allstate and our stakeholders. We collected the list of topics by compiling sector-specific and public lists provided by transparency-focused sustainability organizations, including GRI and the Sustainability Accounting Standards Board (SASB). We also reviewed peers, industry research and other publicly available resources.

Topic Prioritization

After collecting a preliminary list of sustainability topics relating to the insurance industry, we engaged our internal and external stakeholders. Then we assessed evidence of each stakeholder’s concern for a given topic. We ultimately translated this information into the matrix pictured to the right.

Topic Validation

After finalizing the critical topics identified by our stakeholders, we hosted a validation session. During this session and after multiple one-on-one conversations, the Allstate Sustainability Council reviewed the results of the prioritization, offered comments and confirmed the findings.



Key Findings from Materiality Assessment

This assessment gave us valuable feedback about what matters most to Allstate and our stakeholders.

It resulted in the following matrix, which maps critical topics in order of their relative priority to Allstate and to external stakeholders. We monitor, manage and report on each one of these topics.

ALLSTATE MATERIALITY: RELATIVE PRIORITY OF TOPICS



TOPIC	DRIVING STAKEHOLDER GROUPS	FEEDBACK
Risk & Climate	Investors, opinion leaders, NGOs, agencies, Allstate	Climate change has the potential to affect Allstate's profitability due to the increasing number of weather-related catastrophic events. These events could increase the number of claims and affect the stability of Allstate's investment portfolio. The rising number of claims could impact customer experience. Further, accurate integration of climate change into risk modeling continues to be important for the industry. Allstate has an opportunity to contribute to climate change mitigation by using the extensive climate-related data that it collects to promote sustainable policies and by expanding the number of sustainable investments the company makes through its portfolio.
Community	NGOs, agencies, Allstate	While reputation is important to any company, it is particularly important to Allstate since the company promises to be there during some of the most trying times of customers' lives. Because Allstate believes in being a force for good in its communities, the company is better positioned to achieve its social impact goals and substantially improve trust with stakeholders — driving shared value.
Privacy & Information Security	Opinion leaders, agencies, Allstate	Privacy and information security are linked to Allstate's reputation and commitment to ethics and integrity. Allstate should continue to train employees on data security and privacy practices; to promote flexible, risk-based legislation and serve as a leader in its approach to cybersecurity for stakeholders.
Workforce & Inclusive Diversity	Opinion leaders, agencies, Allstate	Finding innovative ways to overcome the shortage of science, technology, engineering and math (STEM) professionals and adapt to an increasingly diverse world is vital to the future of Allstate's workforce. Generational differences also present new challenges; Allstate has an opportunity to further align corporate activity and messaging with the importance millennials place on corporate responsibility. Allstate should continue to emphasize retention by promoting professional development and engagement opportunities. It is important for the company to also provide agency owners and financial specialists with the support they need to maintain a healthy talent pipeline.

Allstate's Value Chain

The value chain map illustrates the full scope of Allstate's impacts and operations, as well as all potential stakeholder groups.



Topic Boundaries

The table below outlines the scope of 14 topics included in our 2015 materiality assessment and where Allstate's positive or negative impacts occur with respect to each.

TOPIC	INTERNAL	EXTERNAL
ENVIRONMENT		
Risk & Climate	Allstate business, claims, investments	Agencies, customers, investors
Energy, Emissions & Waste	Building operations	The environment
SOCIETY		
Community	Allstate business	Agencies, communities, customers, NGOs
Privacy & Information Security	Allstate business	Agencies, customers, suppliers
Financial Inclusion	—	Communities
Sustainable Procurement	Allstate business	Suppliers
BUSINESS PRACTICES		
Governance	Allstate business	Agencies, investors
Ethics & Integrity	Claims, employees	Agencies, investors
Claims & Product Innovation	Allstate business	Agencies, customers, investors
Public Policy	Allstate business	Investors, regulators
Responsible Investment	Investments	Communities, the environment, investors
WORKFORCE		
Agency Engagement	Allstate business	Agencies, communities
Employee Health & Safety	Employees	—
Workforce & Inclusive Diversity	Employees	—

WE ARE THE **GOOD** HANDS[®]

PRIVACY & INFORMATION SECURITY

In today's world of hyperconnectivity and big data, customer privacy and data security have been thrust into the collective conscience. We recognize how the quality of Allstate's security program impacts our reputation and customers' trust in us. We sell a promise to help customers live a good life even in times of uncertainty, which includes protecting their information. By carefully and responsibly handling their data, we can advance our reputation among consumers, driving strong business relationships and creating shared value.

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WHAT PRIVACY & INFORMATION SECURITY MEAN TO ALLSTATE

Allstate's promise to help customers live a good life includes our commitment to protect personal information. We take careful and vigorous measures to help ensure everything we share, acquire, collect, retain, store and process is protected and private. We safeguard personal information and protect it from unauthorized or accidental access, disclosure or misuse.

ALLSTATE PRIVACY AND SECURITY PROGRAMS

We have robust teams and programs to manage our privacy and information security risks.

Information security protects all information, including personal and nonpersonal information — such as trade secrets and material nonpublic information — while privacy is focused on the personal information of individuals. Privacy and information security are governed separately within Allstate, though the two teams work closely together. Privacy has been identified as an area of operational risk and falls under the oversight of the [Operational Risk Council](#), formed in 2017. The Operational Risk Council is overseen by the Enterprise Risk and Return Council.

Allstate's information security program, including our policies and standards, is developed, monitored, managed and updated by the Allstate Information Security team under the direction of the Allstate Chief Information Security Officer and the Information Security Council (ISC).

The ISC is led by the Chief Information Security Officer, who is also the Senior Vice President of Information Security. The ISC is comprised of cross-functional, high-level leaders from across Allstate — including the Chief Privacy Officer. The ISC is charged with monitoring, making mitigation decisions and escalating information security risk as part of Allstate's formal governance structure. The ISC actively monitors information security risk and, as a decision-based forum, has the authority to direct mitigation or escalate risks that are outside established tolerances. The Operating Committee has directed that the ISC will have delegated authority from the Enterprise Risk and Return Council for information security risk oversight.

The decisions and escalations of the ISC are guided by the Allstate Information Security Strategy and the [National Institute of Standards and Technology](#) Cybersecurity framework. Allstate leverages a risk-based approach in establishing our information security program, which maps to both the NIST Cybersecurity Framework as well as [ISO 27001](#), with support from other standards and best practices.

Our information security practices have been and continue to be subject to both internal and external audits.



Privacy at Allstate

The Allstate privacy team, along with its policies and programs, is managed by the Chief Privacy Officer, who is also the Chief Ethics and Compliance Officer. The privacy team works with liaisons and experts across the enterprise to communicate with and educate employees on our privacy practices, and act as our front line for privacy. In 2017, Allstate updated our internal privacy policy to better align with the standards and supporting documents from the Allstate Information Security department. In 2018 and looking into 2019, Allstate is working to develop stand-alone guidelines, specific to privacy, aligned to standards from the [NIST](#) framework and Privacy by Design. [Privacy by Design](#) is an approach to design that builds trust and minimizes risk to personal information during the development phase of a technological tool or process.

The privacy team also works to ensure that third-party risk assessments are done for entities or applications that store or capture personal information and that privacy impacts of proposed process changes are evaluated.

If Allstate suspects that personal identifiable information may have been compromised, the privacy team is responsible for the incident response: the investigation, notification, response and corrective action. If necessary, the incident and response may be escalated up to the Operational Risk Council and the Board of Directors. The privacy team and other leaders help make sure that Allstate remains in compliance with the growing body of regulation that applies to the personal information for which Allstate is responsible.



POLICIES

Employees are trained on Allstate policies, and our external privacy statements are transparent and accessible for stakeholders.

Allstate has implemented an Annual Compliance Confirmation, meaning every employee must complete two mandatory training courses a year and agree to follow the appropriate company policies. One such course is the Information Security & Privacy Refresher course, which educates employees on the security and privacy policies, standards and processes. All employees must agree to the following:

- + Our updated Global Code of Business Conduct, with specific sections and examples for protecting restricted or confidential information, including personal information.
- + Our Enterprise Information Security Policy, Information Technology Usage Policy, Enterprise Security Standards or the appropriate subsidiary information security policies and standards. These documents govern our operations and help ensure company data is not shared or altered inappropriately.

Because Allstate agency owners and their staff are not Allstate employees, they are not covered in the Annual Compliance Confirmation process. We provide specific cybersecurity training for new agency staff as well as key cybersecurity responsibilities for all agency users every year. Agents are also required to maintain a written information security policy for each agency.



Allstate has clear customer privacy requirements as detailed in our Privacy Policy Statement (for Allstate insurance companies):

- + We do not sell our customers' personal or medical information to anyone.
- + We do not share our customers' information with nonaffiliate companies that could use it to contact our customers about their own products and services, unless permitted pursuant to a joint marketing agreement.
- + We require persons or organizations that represent or assist us in servicing our customers' policies and claims to keep their information confidential.
- + We require our employees to protect our customers' personal information and keep it confidential.

Please see our [Privacy Policy Statement](#) for more on how Allstate protects customers' personal information.

TRAINING

Training employees to maximize the value of these controls is a critical and complementary part of our cybersecurity management.

Investing in a strong, integrated digital enterprise system with appropriate security controls is just one way we protect Allstate data. We understand that our policies can only be effective when we communicate these controls with our team. Our Annual Compliance Confirmation provides foundational education for all employees regarding their responsibilities and basic policies; 100% of our global employees complete mandatory compliance confirmation and the associated training annually. The training also provides further detail about risks identified over the last 12 months as specifically relevant in the company or worldwide. We use a personal approach to engage employees.

Our dedicated security marketing communications and security education teams collaborate on a year-round internal campaign to convey messages about strong security practices, such as password security and traveling safely. Our dedicated security education team also operates phishing simulations with real-time feedback and training for the employees who fall for the attempt and notifies leadership when an employee falls for the attempt multiple times.

Additionally, we provide on-demand and topic-specific training, allowing us to customize programs to current issues. We offer more advanced and specialized training to employees in higher-risk roles. For example, users who may access HIPAA-protected health information or developers working with payment card information receive additional training on secure practices.

We evaluate our training results using four levels, tracking metrics across survey responses, test and assessment results, performance trends and impact on the business or return on investment.

If employees have a privacy or security incident to bring to the attention of senior leadership, they can alert members of the Information Security team via the new CyberSOC hotline and email addresses. Additionally, there are phone numbers and email addresses in the [Global Code of Business Conduct](#) where they can make a report.



SECURITY IN OUR SUPPLY CHAIN

Our security and privacy requirements extend to suppliers who have access to, store or use Allstate data.

Allstate emphasizes the importance of customer privacy and data security with suppliers through our procurement standards, practices and contracts. We have established a security assessment program for our suppliers, which could result in on-site assessments for critical suppliers. We also require all contingent workers who have access to our network to take a training course on Allstate's security policies.



HIGHLIGHT STORY

Privacy Awareness Campaign

In January 2018, Allstate launched a campaign to raise awareness about the importance of protecting personal information within the Allstate family of companies. We held an event to encourage employees to follow and engage with the Enterprise Business Conduct community on internal social media. Nearly 200 people participated in the sweepstakes and shared privacy tips, such as locking up their computers when leaving their workspaces, creating strong passwords, properly shredding documents and being aware of one's surroundings when accessing personal information.

We also published a profile of an Allstate Privacy Risk Assessor in our internal Allstate newsletter series "What does an Allstate do?" The series generates an average of 2,000 page views.



HIGHLIGHT STORY

Security Awareness Campaign

The Security Awareness Campaign is a yearlong effort featuring monthly topics. It introduces new awareness videos and includes monthly sweepstakes, which receive up to 3,000 views and 300 employee entrants. In addition to these engagement methods, Allstate provides a tool kit to communicators and partners throughout the company to extend the reach of the security messaging team. The tool kit contains slides, posters, infographics, key messages and links to relevant educational material (such as microlearning courses, quick reference guides or games) that leaders can use to educate their teams on security.



HIGHLIGHT STORY

Building the Cybersecurity Workforce of the Future

Allstate is redefining the skills and competencies we need to take our security team into the future. We are building learning paths to help our existing workforce (both within security and those in other departments who may be interested in a career change) understand what they can do to own their career and grow. We've created a skills inventory tool to help Allstaters assess their skills and proficiency. This tool helps employees better leverage our learning path offerings and helps Allstate identify skill gaps to address.

We also offer reskilling opportunities to help Allstate remain competitive and build an internal pipeline of cybersecurity talent. We hosted the first such workshop in late 2017, with the graduates completing it in early 2018. Through the workshop, current Allstate employees are training for new roles as Allstate Application Security Engineers. We also delivered our first three learning paths in 2017 and expect the work to continue to grow through 2018 and beyond.



WE ARE THE **GOOD** HANDS[®]

ETHICS & INTEGRITY

Integrity is central to our business, and we're proud of our reputation as one of the World's Most Ethical Companies[®]; Ethisphere has recognized Allstate each of the last four years for high ethical standards in our business practices and values-based leadership. We have built this legacy on the sturdy foundation of our core values: integrity, honesty, caring, inclusive diversity, engagement, superior performance and accountability.

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WHAT ETHICS & INTEGRITY MEAN AT ALLSTATE

Doing what's right for our customers begins and ends with operating to the highest ethical standards. Allstate maintains governance practices that prevent unethical behavior — including anti-competitive behaviors and anti-corruption — and requires compliance with regulatory and voluntary codes.

GLOBAL CODE OF BUSINESS CONDUCT

Operating with integrity is critical to fostering lasting relationships with our customers, attracting new ones, making sure Allstate is a great place to work and enhancing our bottom line.



Allstate's [Global Code of Business Conduct](#) (updated in 2017), published in English and French, outlines the values that are core to who we are and what we do. They define our culture and our beliefs, and set forth expectations for how we conduct our work. In addition to our Global Code of Business Conduct, we have policies for:

- + Anti-corruption/bribery
- + Antitrust/competition
- + Confidential information
- + Conflicts of interest
- + Data privacy (e.g., employees, customers, consumers)
- + Diversity/discrimination/ equal employment opportunity
- + Fair dealing (fair business practices)
- + Fair employment
- + Gifts and entertainment
- + Information security
- + Insider trading
- + Intellectual property
- + Misconduct investigations
- + Non-retaliation
- + Political contributions, activities and lobbying
- + Procurement integrity/ dealing with suppliers/ supply chain oversight
- + Protecting company assets
- + Records management and retention
- + Social media
- + Workplace harassment
- + Workplace health and safety

TRAINING AND COMMUNICATION

Ethical behavior begins with our most senior leaders and cascades down the organization through annual training, which is a condition of employment.

Board of Directors

Our Board of Directors receives specialized ethics and decision-making education. In addition, we provide them with education on topics such as insider trading, cybersecurity, conflicts of interest and regulatory developments.

Managers

All managers undergo training on ethics and compliance. Allstate launched an ethics training course for new leaders in 2017 as part of the New Leader Development Studio (NLDS). Additionally, an Ethical Leadership Toolkit is available on the company intranet site, including monthly Ethical Dilemmas for managers to discuss with their teams and resources for ethical decision-making. We focus manager training on creating an environment where employees feel comfortable handling reports, preventing retaliation and speaking up when they observe unethical behavior.

To measure the impact of our training, we:

- + Document manager feedback
- + Track misconduct
- + Survey employees annually to measure Allstate's culture of ethics

Our Integrity Index survey is one of the primary drivers of feedback within our ethics and compliance initiatives. The Chief Ethics and Compliance Officer (CECO) presents results to each senior leader in face-to-face meetings. At this meeting, we identify areas of strength and of opportunity, and many of our business areas develop their own customized solutions to address them.





Employees

We distribute our Global Code of Business Conduct to all our employees and subsidiaries with accompanying training. We conduct ethics and compliance training as a standard part of onboarding and on an annual basis, and we monitor its effectiveness through internal measures. In 2017, 100% of our employees completed ethics and compliance training on our Global Code of Business Conduct — a condition of employment at Allstate — through our Annual Compliance Confirmation process.

In addition to Global Code of Business Conduct training, select employees undergo risk-specific training that addresses topics such as anti-corruption, conflicts of interest, data privacy, equal opportunity, insider trading, procurement, social media, workplace harassment and money laundering as appropriate for their roles.

Suppliers

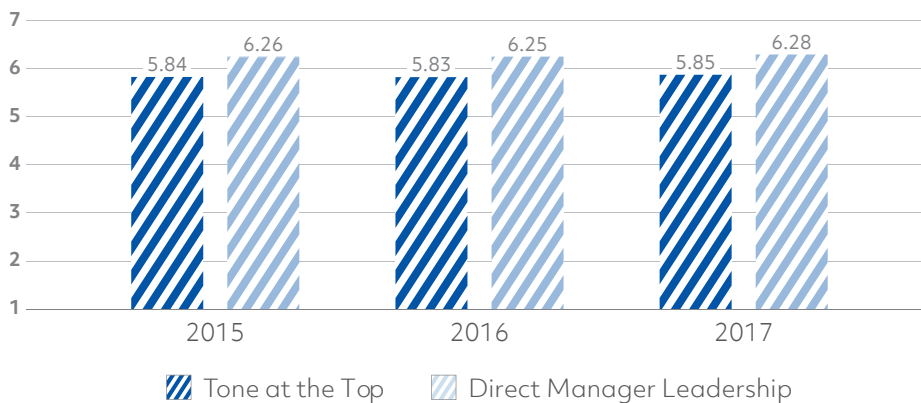
All suppliers doing business with Allstate must adhere to our Supplier Code of Conduct, which outlines our expectations for human rights, environmental stewardship, diversity and inclusion, child labor and more. We comply with the UK Modern Slavery Act and post our Slavery and Human Trafficking Statement on the Allstate Northern Ireland and Allstate external websites. We do background checks on our largest suppliers and on any supplier handling Allstate data.

Integrity Index Survey

The Integrity Index Survey, conducted by the CEB Compliance and Ethics Leadership Council, gives employees a chance to provide feedback that influences company strategy as well as to address important cultural issues. CEB administers the annual survey to roughly 16,000 randomly selected employees. The survey is anonymous and confidential, and results are used to compare year-over-year effectiveness of Allstate's ethics and compliance program.

The survey evaluates employee perceptions of the honesty, integrity and ethical actions of both senior leadership ("Tone at the Top") and their direct managers ("Direct Manager Leadership").

EMPLOYEE PERCEPTION OF SENIOR LEADER AND DIRECT MANAGER ETHICS*

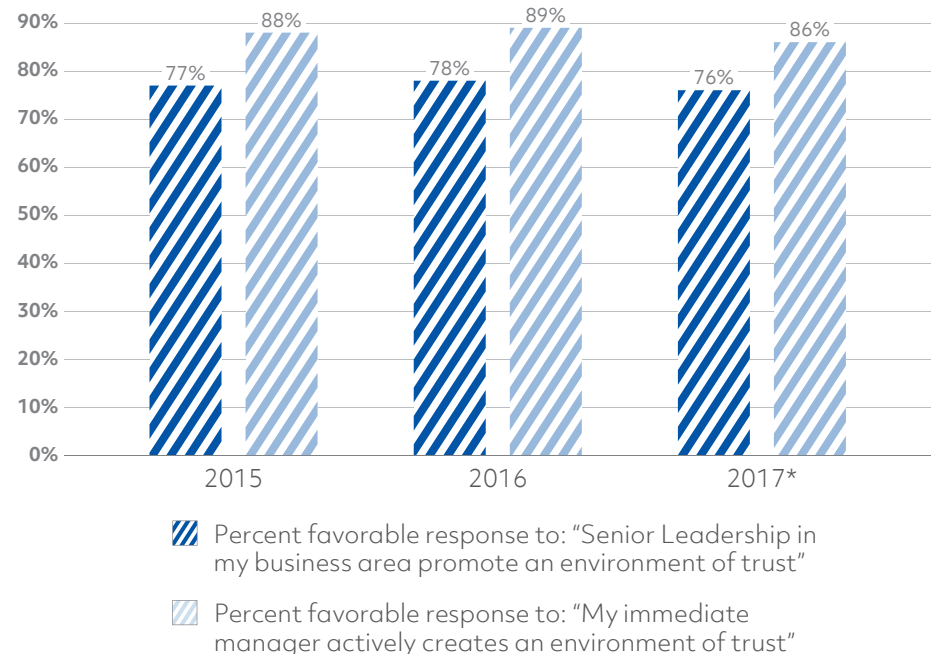


*Data based on a 7-point scale

Inspire Survey Results

Allstate's environment of trust is one of the nine most significant drivers of engagement, retention and satisfaction; that's why we conduct the annual Inspire employee engagement survey measuring what percent of employees feel that senior leadership and their immediate managers create an environment of trust. We received an 86% favorable score (considered "exceptional" performance) on our 2018 Inspire survey for our environment of trust, as measured by employees' experience with their immediate manager.

EMPLOYEE PERCEPTION OF ENVIRONMENT OF TRUST



*Due to revisions in the survey format, "My immediate manager actively creates an environment of trust" results are from Q2 2018

REPORTING CONCERNS

The Allstate Speak Up Process strongly encourages employees to report any activity that causes concern.

Anyone may report any illegal, unethical conduct or regulatory compliance concerns by:

- + Contacting their manager, another manager or a Human Resources representative
- + Calling the Allstate i-Report Line: 1-800-706-9855, a 24/7 toll-free number
- + Using the Allstate i-Report website: www.allstatei-report.alertline.com

If an employee wishes to report concerns that someone's personal information may have been breached, misused, accessed or disclosed without proper authorization, they can email privacyincidentmanagement@allstate.com, or contact AIS-CSIRT@allstate.com to report Allstate information security concerns. An email to contact the audit committee is also available in our [investor resources](#).

When reporting concerns, employees can choose to remain anonymous where the law permits. In 2017, approximately 38% of our employees who filed reports through our hotline did so anonymously. Our Speak Up Process details our expectations of managers at Allstate, who may receive a report from another employee. These expectations include encouraging employees to "speak up," responding to every allegation promptly and respectfully thanking the employee for bringing the concern to their attention. Allstate policy and the Global Code of Business Conduct prohibit any form of retaliation for reporting a workplace or ethical concern.

Allstate investigates all reports to determine whether the allegation is substantiated. If necessary, Human Resources and local leadership will determine the appropriate action or discipline. Reports regarding matters of integrity are immediately escalated to our investigative team and are included in reports to the Board of Directors.

Allstate will not discuss the case or disciplinary actions with anyone other than the disciplined employee. A Human Resources representative follows up with the reporter to confirm that the case has been investigated, handled and closed. We track employee-submitted reports in our case management system, which records and logs reports and related investigations. The Board of Directors is made aware of substantiated concerns.

GOVERNANCE

Allstate has a robust management structure and oversight for our ethics and compliance team, as well as its evaluations and processes.

In 2017, we had over 400 Allstaters across the enterprise involved in ethics, regulatory and compliance initiatives, with the Chief Ethics and Compliance Officer (CECO) overseeing our program. Our CECO is responsible for the company's code of conduct, ensuring appropriate ethics and compliance budgeting and integrity investigations. The CECO meets with the Board of Directors or the Audit Committee of the Board twice per year and reports on the company's performance and initiatives. The CECO is also involved in procurement oversight.

Operating with integrity is critical to our business. To prevent unethical behavior, we have established a robust management structure and oversight for our ethics and compliance team.

We also have a cross-functional Internal Controls and Compliance Committee comprised of executives. The committee convenes quarterly to discuss management topics related to audits, ethics, privacy and regulatory compliance including performance, education, risk and culture.

Risk Assessments

Allstate conducts risk assessments at the enterprise and business unit level. We assess risks related to:

- + Anti-corruption and bribery
- + Antitrust and competition
- + Conflicts of interest
- + Data privacy laws and regulations relevant to employee, customer or consumer data
- + Financial integrity and fraud
- + Gifts and entertainment
- + Information technology security
- + Insider trading
- + Money laundering
- + Political contributions, activities and lobbying
- + Procurement integrity, dealing with suppliers and supply chain oversight

The CECO and their staff partner with each business unit to ensure they have appropriate resources and support to fulfill their ethics and compliance requirements and complete any role-specific needs.



RECOGNITION

In 2018, Allstate was again named as one of the World's Most Ethical Companies® by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices.

Integrity is central to our business, and we are proud of the reputation we have earned. Our success is grounded in the sturdy foundation of our core values.

2018 marked our fourth consecutive year of recognition. The “World's Most Ethical Companies” designation recognizes organizations that significantly influence the way business is conducted by fostering a culture of ethics and transparency at every level. To qualify, companies are scored in five categories: ethics and compliance, corporate citizenship and responsibility, a culture of ethics, governance and leadership, and innovation and reputation.

HIGHLIGHT STORY

Global Code of Business Conduct Video

One Code, One Family. That's the idea behind the Global Code of Business Conduct, a new road map for acting ethically when confronted with any number of situations at any of the Allstate family of companies. The Global Code of Business Conduct was launched to employees in May 2017.



GOOD WORK, GUARANTEED GOVERNANCE

We bring out the good by cultivating exceptional corporate governance through our long-standing commitment to exemplary ethics, integrity and transparency. Allstate's three cornerstones of corporate governance — dialogue, transparency and responsiveness — drive Allstate's success, define our expectations for employees and inform the actions of our Board of Directors.

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WHAT GOVERNANCE MEANS TO ALLSTATE

Allstate follows leading corporate management practices, with clear lines of accountability, for the benefit of our employees, customers, stockholders and other stakeholders. Allstate meets or exceeds the six corporate governance principles set out by the Investor Stewardship Group for U.S.-listed companies.

CORPORATE GOVERNANCE STRUCTURE

The primary role and responsibility of the Board is to oversee the company's affairs for the benefit of stockholders.

Board Composition

Our Board selects nominees based on their diverse skills and experience and believes each Director should be well-versed in certain core competencies including strategic oversight, stockholder advocacy, corporate governance and leadership. This diversity of experience and expertise facilitates robust and thoughtful decision-making on Allstate's Board. The Board screens all potential candidates for conflicts of interest, and all Directors are independent, except the CEO. The Board believes that a mix of long- and short-tenured Directors ensures an appropriate balance of views and insights and allows the Board as a whole to benefit from the historical and institutional knowledge that longer-tenured Directors possess and the fresh perspectives contributed by newer Directors.

Allstate's Board has 10 members, seven of whom joined the Board in the past five years. Thomas Wilson serves as the company's Chairman of the Board and Allstate's CEO and President. Mr. Wilson has been Chairman since May 2008 and CEO since January 2007. Judith A. Spriester has been our Independent Lead Director since May 2015.

Among many responsibilities, the Independent Lead Director is the liaison between the Chairman and the independent Directors, chairs executive sessions of the independent Directors, shapes agendas and information provided to the Board, and presides at all Board meetings at which the Chairman is not present.

Board Effectiveness

The primary role and responsibility of the Board is to oversee the affairs of the company for the benefit of the stockholders. As the highest authority within the company, they are responsible for selecting executive leadership that manage and operate Allstate effectively and responsibly. The Board provides counsel and direction to the executive leadership of the company and monitors their performance. Their responsibilities include, but are not limited to, oversight of the company's strategy, business performance, compensation programs and shareholder advocacy. The Board also regularly reviews the company's significant risk exposures and how those exposures are managed. The Board houses five sub-committees: audit, compensation and succession, nominating and governance, risk and return, and executive. For a more detailed description of the duties and responsibilities of each individual committee, please see pages 26–27 of Allstate's [2018 Proxy Statement](#).

Enterprise Risk and Return Management

The Risk-Return Committee of the Board oversees our Enterprise Risk and Return Management (ERRM) framework as well as management's design and implementation of ERRM, including integration with strategy and operations. The framework is further supported by strong organizational commitment at the senior management level which includes an executive management committee structure, an enterprise Chief Risk Officer (CRO) and business unit CROs.

Our Board of Directors brings a diversity of experience and expertise, facilitating robust and thoughtful oversight of our strategy, business performance, compensation programs and shareholder engagement efforts.

Allstate uses a principle-based approach to ERRM focusing on measurement, transparency and dialogue. We regularly measure, monitor and report on the major categories of enterprise risk: insurance, financial, investment, operational and strategic. Our risk-return principles define how we operate and guide decision-making around risk and return. These principles state that our priority is to protect solvency, comply with laws, maintain a supportive political and regulatory environment, and act with integrity, and protect information assets and technology. Building upon this foundation, we strive to build strategic value and optimize risk and return.

Diversity

The Board believes that Directors should act on behalf of all stockholders, should not represent the interests of particular constituents and should reflect a diversity of background, expertise and perspective arising from gender, age, experience, ethnicity, skills and viewpoints. As of year-end 2017, Allstate had five non-executive Directors who brought gender or ethnic diversity to the Board.

Accountability

With input from the lead Director, the Nominating and Governance Committee annually reviews, and recommends for approval by the Board, the criteria and processes to be used to evaluate the performance of the Board as a whole, and each committee. The contributions and performance of each individual Director are evaluated annually by the lead Director, the Chair and the chair of the Nominating and Governance Committee. We utilize an ongoing Board and committee self-evaluation process, including at the end of each regularly scheduled in-person meeting. Please see page 17 of the [2018 Proxy Statement](#) for more information.

Executive Compensation

Executive compensation programs are designed with assistance from an independent consultant, to be aligned with our strategy, key performance metrics and total shareholder returns. The executive compensation programs deliver pay in accordance with corporate, business unit and individual performance. A large percentage of total target compensation is at risk through long-term equity awards and annual cash incentive awards. These awards are linked to performance measures that correlate with long-term stockholder value creation. These programs have consistently received high stockholder support, as reflected by the stockholder advisory vote with 93% support for each of the last three years.

Shareholder Engagement

Allstate has a proactive practice of discussing corporate governance issues with significant stockholders throughout the year. Such discussions are held before the annual meeting, during stockholder voting and after the annual meeting, and they include our lead Director, chair of the Nominating and Governance Committee, Chair of the Board and other committee chairs or Directors as necessary. Each Board committee reviews relevant feedback and determines if additional discussion or actions are necessary by the respective committee or full Board. During 2017, Allstate reached out to stockholders representing approximately 38% of outstanding shares.

Succession Planning

Allstate's Board discusses management succession at least four times a year. Discussions cover the CEO and other senior executive roles and include a broader discussion on organizational health. The Board has regular and direct exposure to senior leadership and high potential officers through informal meetings held throughout the year.

Long-Term Strategy

Since the pace of economic change continues to accelerate, a diligent Board must simultaneously focus on current performance and long-term strategy. As part of strategic planning, the Board reviews Allstate's relative competitive positioning and alternatives to maximize profitable growth. In 2017, the Board devoted significant time to Allstate's strategy and how to effectively capture opportunities presented by changes in the automobile industry, including autonomous vehicle technology and ride-sharing. Long-term growth was enhanced through existing businesses and the creation of new businesses.

For more information on Allstate's corporate governance, visit our [Investor Hub](#).

GOVERNANCE OF SUSTAINABILITY

Our commitment to transparency gives Allstate the opportunity to demonstrate our governance and management of the topics our internal and external stakeholders deem most material.

[Click here](#) to learn more about our 2015 sustainability materiality assessment. Because of the assessment, Allstate is focused on four topics significant to both Allstate and our stakeholders — [Community, Workforce and Inclusive Diversity](#), [Risk and Climate](#) and [Privacy and Information Security](#). In response, our report now focuses on these four topics with detailed information designed to answer the questions of all interested stakeholder groups.

While the Board of Directors is responsible for the overall performance of Allstate, the following three bodies of leadership directly guide Allstate's corporate responsibility and sustainability efforts:

Our CEO and Select Executive Leaders

These individuals provide counsel, strategic oversight and direction to the groups below.

The Corporate Responsibility and Sustainability Team

Residing in Allstate's Corporate Relations department, the corporate responsibility and sustainability team — in partnership with The Allstate Foundation and corporate citizenship team — manages sustainability, environmental reporting, strategic philanthropy, corporate sponsorships

and grants, employee engagement and companywide volunteer service. They regularly report to our senior executives on sustainability trends and initiatives. In addition, the corporate responsibility and sustainability team briefs the Board of Directors on the status of Allstate's corporate responsibility efforts.

The Allstate Sustainability Council

Allstate has maintained a Sustainability Council since 2007. The council, which meets up to three times annually, represents each of the following departments within Allstate:

- + Allstate Brand Operations
- + Accounting Services
- + Administration and Real Estate
- + Agency Operations
- + Allstate Technology and Strategic Ventures
- + Claims
- + Corporate Relations
- + Enterprise Risk and Return Management
- + Human Resources
- + Investments
- + Marketing
- + Product
- + Sourcing and Procurement

This cross-functional council reviews opportunities regarding operational efficiency, climate change and employee-focused sustainability initiatives. Allstate's senior vice president of corporate responsibility leads the council and updates senior executives on its activity annually.

BRING OUT THE **GOOD** COMMUNITY

At Allstate, we promise to help our customers live a good life every day. That promise starts in the communities where we live, work and serve. We're a growing network of small businesses with a team of trusted advisors across the country. Our employees, agency owners and agency staff strive to make communities stronger, lives safer and futures brighter, by giving our time and resources to support causes and organizations. Caring and innovation are woven into the fabric of our Allstate story. We are here to serve.

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WHAT COMMUNITY MEANS TO ALLSTATE

For Allstate employees, agency owners and agency staff, community presence means making an impact. We bring good to people's lives in times of need and strengthen communities and the nonprofits that serve them. We use our community platforms to build our reputation as a company that cares and advocates for social issues, ensuring our communications reflect our corporate purpose and speak to Allstater's individual roles in giving back.



LOCAL PRESENCE

Our commitment to leadership in local communities is core to Allstate's business; it makes our business stronger and helps us deliver on our goal to bring people prosperity, safety and well-being.

Allstate's involvement in local communities generates value for both our business and for our neighbors. Allstate and The Allstate Foundation's charitable grants and philanthropic efforts help foster our culture of caring and build on our 87-year legacy of helping people. Staying true to our [principle](#) to focus relentlessly on those few things that can make the most impact, we engaged Allstate stakeholders to identify the Foundation's funding priorities and signature programs, ensuring they address real community concerns.

Our community programs offer Allstate employees, agency owners and financial specialists fulfilling opportunities to give back, find their passion and get involved with organizations that address causes most important to them. In fact, our work to help communities is part of what attracts, develops and engages top talent. In turn, our dedicated and passionate workforce helps build our reputation in communities across the country. We empower agency owners by offering a rewarding opportunity to own a small business and providing support to help them succeed as trusted neighborhood leaders.

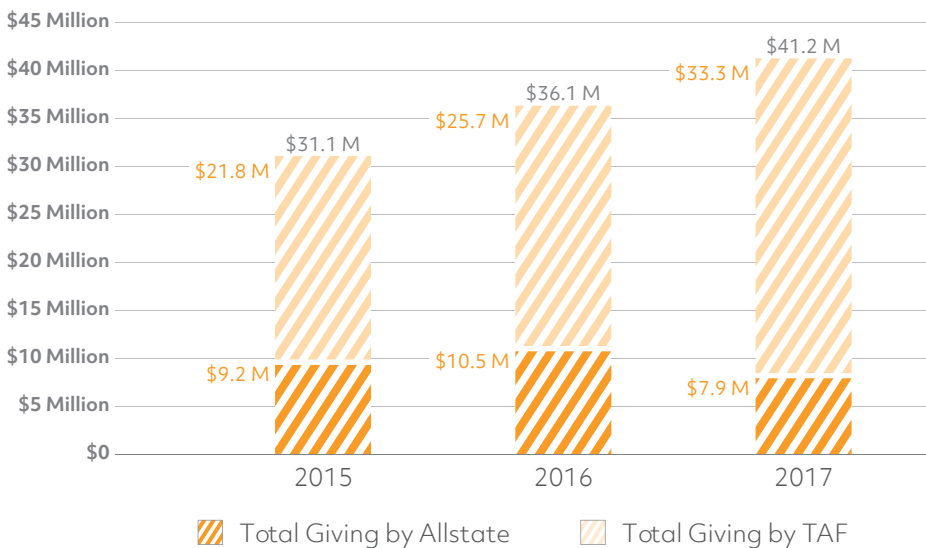
ALLSTATE GIVING

Corporate philanthropic support from Allstate, funds directed from the Allstate Foundation and donations from employees, agency owners and agency staff make a difference in communities around the country — including our hometown of Chicago.

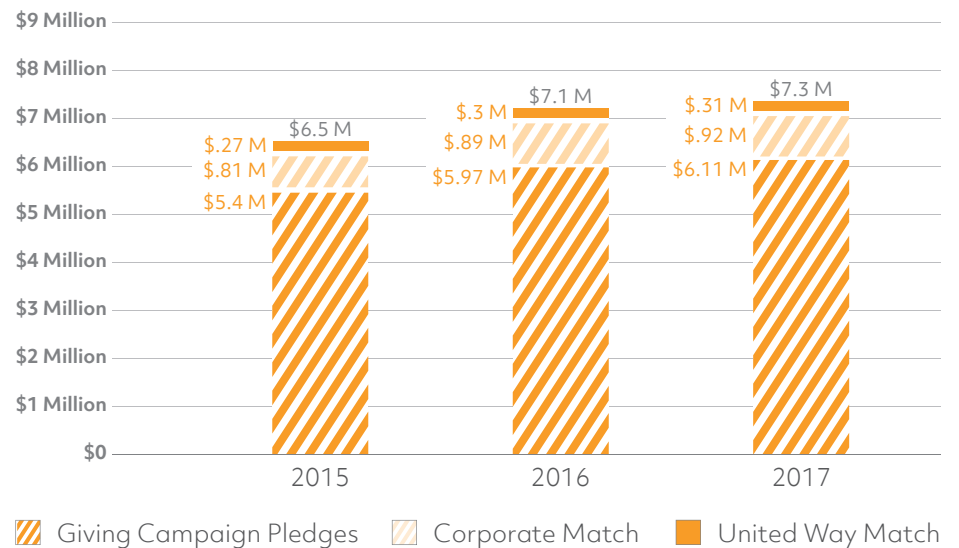
In Partnership with The Allstate Foundation

In 2017, Allstate corporate support and foundation funding combined to give more than \$41 million to communities. While the majority of Allstate community contributions come from The Allstate Foundation, additional funds directed from the corporate arm make up an important part of the work Allstate supports in communities. In partnership with the Foundation, Allstate corporate dollars support some of our strategic initiatives — such as the Helping Hands employee volunteer program and the Allstate Officer Nonprofit Board Program.

GIVING BY ALLSTATE AND THE ALLSTATE FOUNDATION



ANNUAL GIVING CAMPAIGN



Annual Giving Campaign

The Allstate Giving Campaign celebrated its 20th anniversary in 2017, a testament to Allstaters' long-standing generosity to local community partners. Since 1997, the campaign has raised \$114 million for thousands of nonprofit organizations across the country.

The 2017 Allstate Giving Campaign raised \$7.3 million from Allstate employees, agency owners and agency staff contributions with Allstate's match. For every dollar donated by Allstaters, the company provides a \$0.15 match and contributes an additional five cents to local United Way organizations across the country. In 2017, Giving Campaign donations were distributed to more than 8,000 nonprofit organizations across the country.

Hometown Presence

Empowering Chicago youth was our top priority in 2017, as Allstate continued to boldly define our leadership in our hometown. For the third year, we focused primarily on programs and partnerships that prepare youth for the challenges of life through stronger social and emotional learning (SEL) skills. It's why we're constantly seeking innovative, evidence-based programs and partners with

the ability to effectively achieve scale. In 2017, more than 400,000 youth participated directly in Allstate Foundation Good Starts Young programming in Chicago through traditional mentorship, the arts and sports, making Allstate one of the leading corporate sponsors of youth programming in Chicago.

We deepened our Chicago relationships with the community anchors and cultural institutions we support. More than providing funding, we contributed intellectual and human capital to build capacity and leadership. We support large cultural institutions that use programming to improve the SEL skills of diverse and mostly at-risk youth. These deeper relationships give us a unique perspective to better understand and eliminate the barriers preventing Chicago's at-risk youth from reaching their full potential.

We also sharpened our corporate giving focus to serve our grantees at a crucial time. Cuts in government funding put more pressure on companies to fill the gap and Allstate has risen to the challenge. Not only are we offering much-needed funds and expertise, we're also encouraging our community partners to make the most of each dollar by adopting a more enterprising approach. With a focus on measurable results, a willingness to take more risk, experiment and try new methodologies, we are helping strengthen our grantees, both for the short-term and long into the future.

THE ALLSTATE FOUNDATION PROGRAMS

Through partnerships with nonprofit organizations across the country, The Allstate Foundation brings the relationships, reputation and resources of Allstate to support innovative and lasting solutions that enhance people's well-being and prosperity.

Established in 1952, The Allstate Foundation is an independent charitable organization made possible by subsidiaries of The Allstate Corporation. The Allstate Foundation is fully funded by donations from Allstate. It invests both nationally and in the local communities where we live and work. The Allstate Foundation focuses its support on key issues enabling us to drive social change:

- + **Good Starts Young:** Inspires young leaders to gain social emotional skills and engage in service.
- + **Purple Purse:** Breaks the cycle of domestic violence through financial empowerment.
- + **Helping Hands:** Supports Allstate employee and agency owner involvement in the community with service grants.
- + **Greater Good:** Provides leadership skills to nonprofit executives to help close the nonprofit leadership gap.

Purple Purse and Good Starts Young were determined as funding priorities through an internal and external stakeholder engagement process. We conducted the process in partnership with external parties, and it was aimed at identifying potential

Allstate social programs with the most shared benefit for Allstate and the communities we serve. We asked diverse groups of consumers, agency owners and employees for their perspectives on social benefits that Allstate is uniquely positioned to deliver for the greatest impact. It is important to us that our social impact programs resonate both as addressing true community needs and as issues that fit within the Allstate brand value proposition.

The Allstate Foundation builds on our relationships, reputation and resources to support innovative and lasting solutions that enhance people's well-being and prosperity across the country.

The Allstate Foundation is led by a Board of Trustees, which is comprised of the eight highest-ranking officers of Allstate. They are responsible for setting the foundation's strategic direction, including determining desired outcomes, approving the annual budget and reviewing the results at a high level. Foundation programming and oversight of grants exceeding \$50,000 are the responsibility of the Grant Committee, made up of a cross-sectional representation of vice presidents and senior vice presidents from Allstate. Foundation staff supports day-to-day program activities and grantmaking.

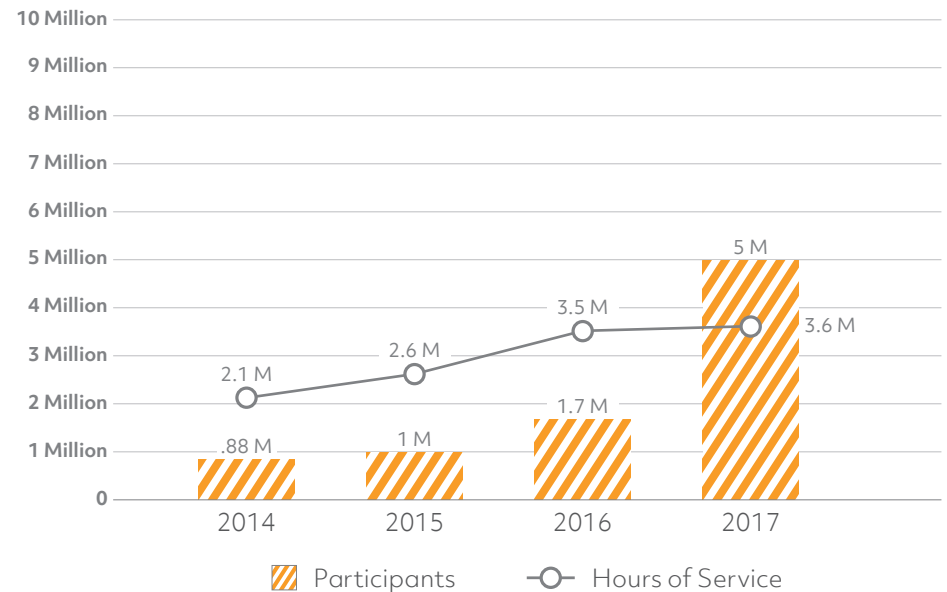
Good Starts Young: Youth Empowerment

The Allstate Foundation's Good Starts Young is about preparing youth for the future. Young people today face a more complex, economically challenging and globally connected world. The return on investing in youth is extraordinary! Good Starts Young helps young people thrive not just as students, but also as leaders, dreamers, entrepreneurs and citizens. Youth are empowered to reach their full potential, serve causes greater than themselves and make the world a better place.

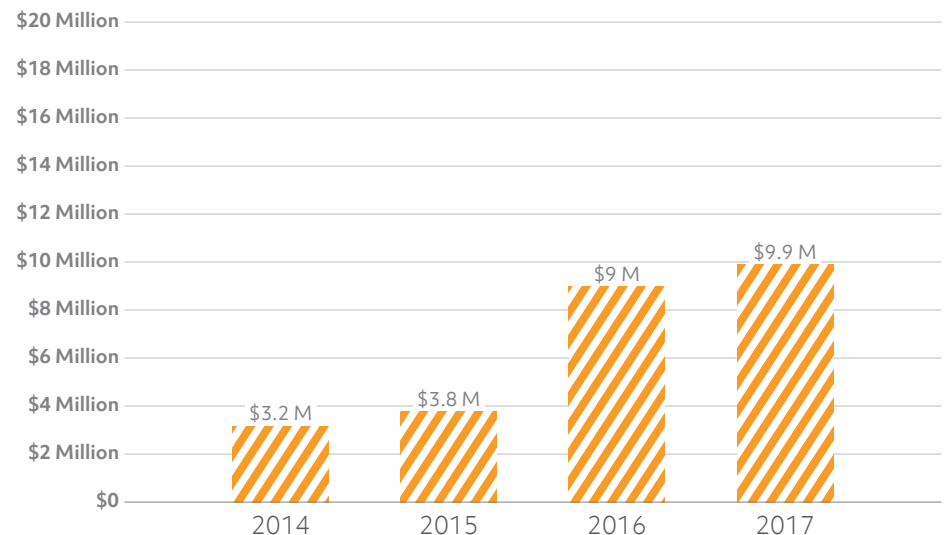
Good Starts Young is based on research that demonstrates that well-designed and well-implemented teacher-taught SEL programs can promote students' social-emotional development, behavior and academic performance. That's why SEL is at the core of Good Starts Young. It's why we partner with nonprofit organizations like WE Charity, Facing History and Ourselves and thousands of youth-serving organizations throughout the U.S.

The Allstate Foundation is the national co-title sponsor of WE, a nonprofit organization that offers service-learning programs to broaden students' understanding of social issues and help them determine how to take action to address them. Through WE, Good Starts Young supports WE Volunteer Now — a WE Schools campaign — to rally youth to identify the causes most important to them, plan and lead volunteer projects, and mobilize their peers and community members to join them in creating positive change in their schools and communities. To support their efforts, WE Volunteer Now provides grants to help cover the expenses associated with the volunteer projects.

GOOD STARTS YOUNG: PARTICIPANTS AND HOURS OF SERVICE



GOOD STARTS YOUNG: FUNDS RAISED



Purple Purse – Empowering Survivors of Domestic Violence

Thirteen years ago, we began working with survivors to help them break free from the cycle of violence. While most people think only of physical abuse when they consider domestic violence, financial abuse occurs in **99%** of all cases. It's an invisible weapon that keeps victims trapped in abusive relationships.

Since 2005, The Allstate Foundation has invested more than \$60 million to end domestic violence through financial empowerment, which translates to helping more than 1.3 million survivors.

The Allstate Foundation's Purple Purse is the longest-running national campaign focused on ending domestic violence through a proven solution: financial empowerment services for survivors. We were one of the first major corporations to address domestic violence and to focus on the role of financial abuse. Our work brings financial abuse out of the shadows and uses financial empowerment to break the cycle of domestic violence.



We are building a national movement of supporters who stand up against domestic violence and financial abuse, while providing survivors with access to the financial education and tools they need to stay safe and stand on their own.

Purple Purse incorporates all our domestic violence programs, including direct services, thought leadership and public awareness and engagement activities:

METRIC	2014	2015	2016	2017
Purple Purse: Total raised	\$2.5M	\$3.1M	\$4.1M	\$4.3M
Purple Purse: Community partners	136	160	191	221
Purple Purse Campaign results: Survivors served	196,962	197,000	216,000	370,000
Purple Purse Campaign results: Participants*	187,000	949,000	2,980,000	6,700,000

*Includes individuals who engaged with Purple Purse through a campaign activity (making a donation or buying a charm) or on social media (i.e., via clicks, likes/favorites, comments/replies, retweets/shares, follows or video/media views longer than three seconds), as well as employee and agency owner participation.

Greater Good – Nonprofit Leadership Development

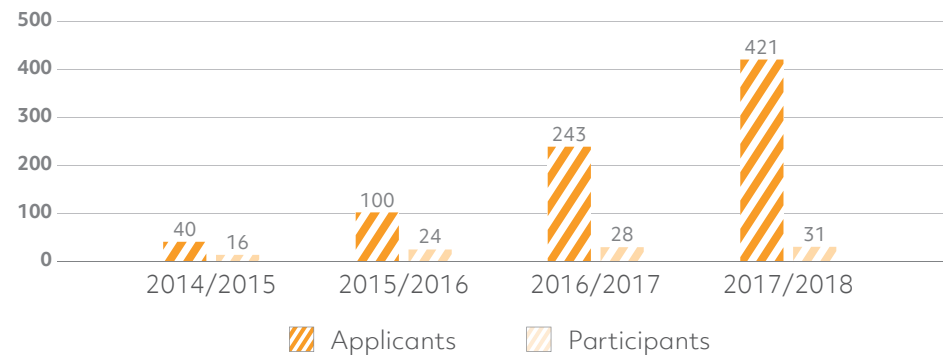
Nonprofits provide crucial, often lifesaving services that make our communities stronger, safer and more vibrant. However, nonprofits often lack the resources and tools to promote leadership development and employee retention. This can keep them from fulfilling their critical missions to empower individuals or solve vexing social issues.

Building strong communities speaks to the core of Allstate’s promise and value proposition, and developing leaders is one of our areas of strength. In 2014, The Allstate Foundation capitalized on its unique position to become a catalyst for nonprofit leadership development by partnering with Northwestern University and its Kellogg School of Management’s Center for Nonprofit Management to launch the Greater Good Nonprofit Leaders Program. Designed to develop high-potential leaders at midsize nonprofit organizations, Greater Good delivers high-quality executive education that would otherwise be out of reach due to limited program availability, budget and resource constraints.

2017 was pivotal in the evolution of the Foundation’s commitment to developing nonprofit leaders and the Greater Good program. Working with our partners at Northwestern, we developed the first-ever online nonprofit leadership development program available at no cost to every nonprofit organization and



GREATER GOOD



their employees in the nation. It provides innovative learning opportunities that will bring greater impact and scale to the program’s mission to strengthen the nonprofit sector and build more vibrant communities. The new program, called The Allstate Foundation Nonprofit Leadership Center, will launch in 2018.

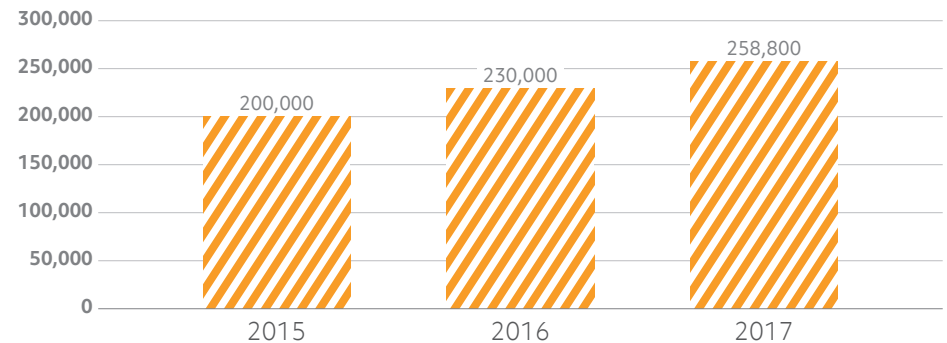
VOLUNTEERISM

Allstate's employees and agency force bring out the good by contributing time and talent to a variety of organizations through our volunteer programs.

Since 1976, our Helping Hands volunteer program has empowered Allstate agency owners and employees across the country to give back and make a difference in their communities, which we know is important to them. Every day, Allstate's spirit of bringing out the good is brought to life by an employee network of 114 Helping Hands Committees at Allstate offices. Helping Hands Committees are made up of local Allstate volunteer leaders who collaborate with colleagues and community partners to find opportunities to give back in meaningful ways. The commitment and creativity of our Helping Hands Committees powerfully connect us to local organizations — and create change at a grass-roots level.

We want to help employees and agency owners discover and follow their passions, and we offer several ways to get involved. In 2017, employees and agency owners reported 258,800 hours of community service. Allstate leaders celebrated and highlighted agency owner and financial specialist volunteerism through a recognition email that reached more than 1.4 million customers.

VOLUNTEER HOURS



Bring Out the Good Month

Our passion for giving back shows year-round — but once a year we rally together during Allstate's annual community involvement campaign to make an incredible impact on our communities. We dedicate a whole month to offering our communities and customers a helping hand. Beginning with Give Back Day in 2009, expanding to Allstate Week of Service in 2012, and growing in 2015 to Allstate Bring Out the Good Month, Allstaters volunteer in droves every April. Allstaters completed 871 volunteer projects in April 2017, and 719 Bring Out the Good Month Coordinators inspired their teams to give and volunteer to help our nonprofit partners do the most good. In total, nearly 13,000 Allstaters volunteered during our 2017 Bring Out the Good Month.

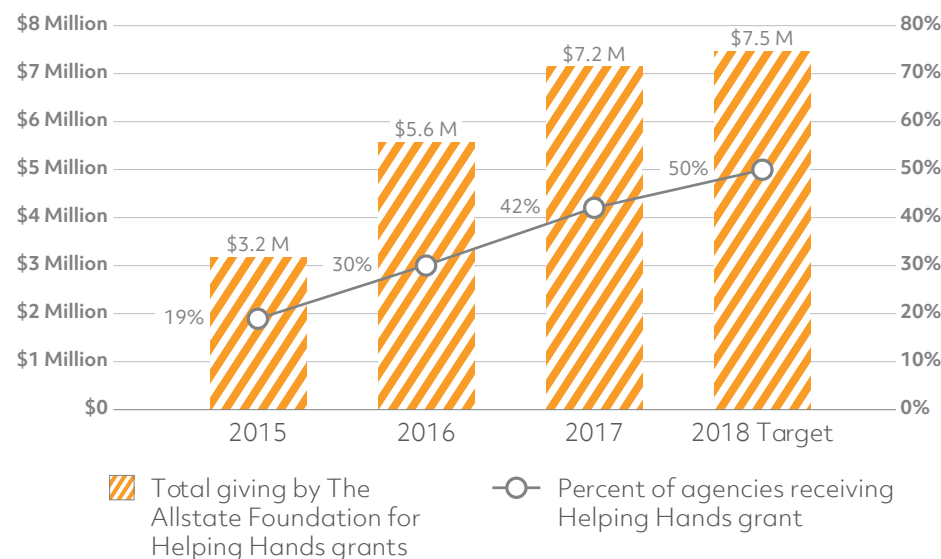
Allstate Foundation Helping Hands Grants

To celebrate and honor the impact of the involvement of our agency owners, financial specialists and employees, The Allstate Foundation provides Helping Hands grants to nonprofit or municipal organizations where employees volunteer at least 16 hours, or where agency owners volunteer four. In 2015, The Allstate Foundation set a goal to engage 50% of agencies with a Helping Hands Grant by year-end 2017. We came just short of that at 42%, but the momentum generated by the ongoing commitment of agency owners is energizing the force at levels never before seen. The vision to spread our culture of caring throughout our network of agencies has spurred increased visibility for the agency force in their communities and unparalleled excitement for the Helping Hands Grants program. We increasingly see agency owners using Allstate programming as a tool to strengthen their communities and enhance their leadership. The Allstate Foundation Trustees increased funding for the program in 2018, and we are pushing for our 50% target of agency force participation.

Allstate's employees and agency force bring out the good by contributing time, talent and funding to a variety of local and national organizations.



HELPING HANDS GRANTS



Local Presence Community Engagement Programs

We help position agency owners as local leaders by providing programs and resources for issues that matter to them and their communities. These turnkey programs focus on engagement opportunities around empowering youth and financially empowering survivors of domestic violence, as well as volunteerism, safe driving and disaster preparedness. Beyond turnkey programming, we offer agency owners one-on-one consultations to help build community involvement into their annual business plans and connect them with the programming, resources and promotional support for causes that matter most to them and their communities.

In 2017, more than 8,000 agency owners leveraged local presence programming. In addition, agency owners reported a 72% satisfaction rate with the effectiveness of the tools, resources and programs that Allstate and The Allstate Foundation offer them to build their local presence. Agency owners cited community involvement as one of the highest-ranking categories that had a positive impact on their agency, according to the Agency Relationship Survey. Our 2017 reputation data showed significant increases in the number of agency owners who believe Allstate provides them tools to be visible in the community, establish local presence and build a strong reputation.



Strengthening the Nonprofit Community

Allstate is committed to helping build resilient communities. We work toward this goal by supporting our nonprofit partners in the community, both financially and through lending our expertise and creativity. Giving our time and talent has as much impact as giving our treasure, and offers opportunities for employees to build deeper connections within their neighborhoods.

Allstate Officer Nonprofit Board Program

Allstate officers drive strong positive change by contributing their time and talent at every level of organizations in their communities. Through the Allstate Officer Nonprofit Board Program, we help our officers join the Boards of nonprofits whose missions advance our strategic social impact areas. By participating in this program, Allstate leaders expand their networks, gain valuable leadership experience and give back to the community.

In 2017, 78 Allstate officers served on the Boards of 96 organizations whose missions are aligned with Allstate priority areas of supporting survivors of domestic violence and empowering youth. Allstate officers personally support these organizations with their skills, expertise, time and charitable giving. In addition, Allstate gives a portion of our corporate philanthropic dollars to these organizations.

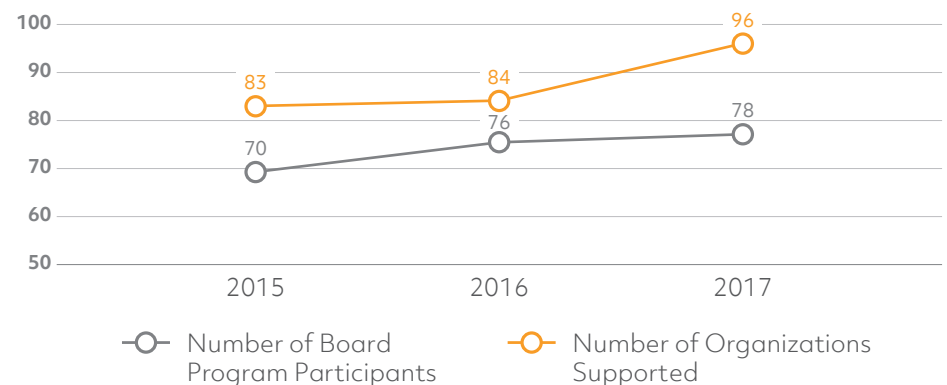
Allstate Fellows

Started in 2011, Allstate Fellows is a skills-based volunteer initiative investing in the professional development of our employees while addressing nonprofits' critical needs, like financial management and human resources. By leveraging Allstate's talent to address real-life challenges at nonprofit organizations, we empower our employees to lead the way and make an impact.

The Renewal Project

Across the United States, individuals, entrepreneurs and organizations are finding creative solutions to the country's most pressing social and economic challenges. Through the Renewal Awards and TheRenewalProject.com, Allstate is showcasing and chronicling this surge of civic innovation and grass-roots action. We are determined to find and tell the stories of pragmatic problem-solvers wherever they are — local government, nonprofit groups, small businesses, neighborhood or individuals — and in so doing, celebrate and inspire a renewed sense of community, resilience and ingenuity across America.

ALLSTATE OFFICER NONPROFIT BOARD PROGRAM



AGENCY OWNERS AND SMALL BUSINESS

Our presence in the areas where we live and work is elevated through the efforts of more than 11,530 agency owners and financial specialists, plus a broad network of Allstate independent agents.

Our efforts to create and grow small businesses are central to the success of Allstate, and we are proud to offer entrepreneurs one of the most rewarding small-business opportunities in the country. Allstate agency owners are trusted advisors for their neighbors — who seek out Allstate in times of need and uncertainty because of the local perspective, expertise and leadership that differentiate us. Our agency owners and financial specialists are part of the fabric of their communities. Those who choose Allstate share a purpose: to help prepare and protect customers from life's uncertainties.

Allstate agency owners recognize the unique benefit that only Allstate offers: They own equity in their book of business and can sell their business or pass ownership to a family member. Allstate agency owners also have the backing and support of an 87-year-old company with one of the most recognized brands. To help our agency owners thrive in today's market, we provide knowledge, skills, tools and a credible brand reputation.



- + **Staffing:** We offer agency owners a wide range of programs and resources to support them in attracting, retaining and developing their own employees. In 2017, we introduced a partnership that will enable agency owners to offer their employees benefits, if desired. With this option, plus effective agency staff recruiting materials and staff award and recognition programs, we encourage their success as small-business owners and Allstate agents.
- + **Field Sales Leaders:** Each agency owner and financial specialist receives one-on-one support from a local, dedicated consultant who can help them build a successful agency or financial practice.
- + **Dedicated teams:** The Allstate Customer Contact Centers serve as an extension of our agency locations and are available to provide customer assistance 24/7. Claims advocates are also available to agency owners so they can help customers through the process. [Innovations in our claims process](#) also help enhance the agents' ability to provide tailored, timely assistance to Allstate customers.
- + **Ongoing education:** Our best-in-class education tools and resources help agency owners and financial specialists understand the products and services they can offer customers. We also support them as small-business owners through programs like virtual mentorships, best-practice sharing and interactive workshops. Over 90% of our education is done virtually, with satisfaction levels above 90%.

- + **Marketing/advertising:** Agency owners can count on the support of Allstate's multimillion-dollar national advertising campaigns to raise awareness with prospective customers of the products and services Allstate provides. They also have access to customizable local marketing and advertising materials — including brochures, mailers and emails — and a personalized web page and social media sites.
- + **Branding:** We offer a variety of ways to help agency owners establish their brand locally — from signs to furnishings to interior design experience — to enhance the customer experience and present agencies in a professional manner.

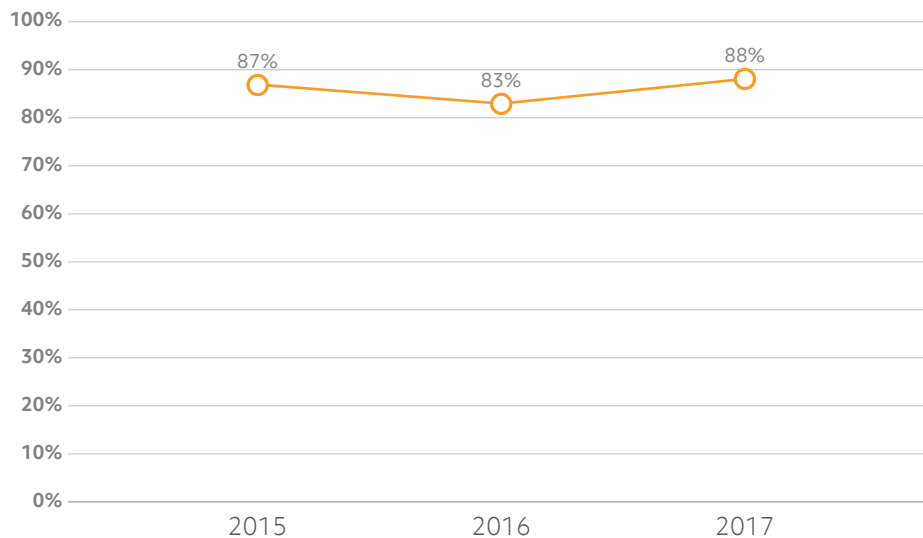


Agency Relationship Survey

Because agency owners are independent contractors who run their own businesses, they are not included in our annual employee engagement survey. Instead, we conduct an annual Agency Relationship Survey each fall that offers insight into the engagement, satisfaction, challenges and concerns of agency owners, financial specialists and independent agents. It identifies actionable opportunities to build or amplify Allstate's relationship with the agency force.

In the 2017 Agency Relationship Survey, we found that 88% of agency owners are proud to represent Allstate.

AGENCY RELATIONSHIP SURVEY:
PERCENT "PROUD TO REPRESENT ALLSTATE"



Small Businesses

We believe supporting small-business ownership boosts prosperity in our communities, and we look beyond our network of Allstate agency owners to aid other small businesses countrywide. We monitor the needs and concerns of our small-business owners through regional meetings/town halls, annual meetings, and through quarterly sessions with national and regional advisory Boards. This protects our connection to the market and positions Allstate to better understand and support the needs of all small businesses.



Small Business Barometer

The Allstate/USA Today [Small Business Barometer](#) is a tool for influencing the country's discussion about the current state of small businesses, and increasing awareness about how industry indicators — labor, capital, commodities, technology and more — influence the business climate. The Small Business Barometer combines a national survey of small-business owners with federal data to yield eight key indicators and an overall profile measure. The eight indicators are: capital, commodities, customers, innovation, technology, labor, optimism and regulations. In 2016, the survey placed an additional focus on minority business owners, and in 2017, the additional focus was on veteran-owned businesses.

Our efforts to create and grow small businesses are central to the success of Allstate.

Small Business Connection

Allstate is among six of the nation's most recognized brands that partnered to form [Small Business Connection](#) — an open access web portal with valuable information and thought leadership to help small-business owners. It provides specific insurance, legal, financial, technology, employee benefits, online marketing and office insights in one place.

HIGHLIGHT STORY

Providing Free Financial Management Curriculum for Survivors

The Allstate Foundation Purple Purse Moving Ahead curriculum, developed in partnership with the National Network to End Domestic Violence (NNEDV), covers various financial topics, including budgeting and fixing financial history, and is specific to domestic violence and financial abuse survivors. The curriculum was tested and validated by Rutgers University's School of Social Work and is available online at no cost. It is currently used by organizations in all 50 states.



HIGHLIGHT STORY

Supporting State and Regional Domestic Violence Coalitions and Services

The Purple Purse Moving Ahead Grant Program provides grants to state-level coalitions with a focus on ending domestic violence through economic empowerment of survivors. In 2017, The Allstate Foundation awarded more than \$1 million to state domestic violence coalitions through grants ranging from \$45,000 to \$75,000 to continue or develop best practices in financial empowerment for domestic violence survivors. Similarly, The Allstate Foundation Purple Purse Regional Grant Program offers funding for local financial empowerment services. For a state coalition or local nonprofit to receive a grant, it must address one of Purple Purse's focus areas: financial literacy, microloans and Individual Development Accounts, job readiness and job training or microenterprise.



HIGHLIGHT STORY

Lost Purse Short Film

Tennis champion, philanthropist and Allstate Foundation Purple Purse Ambassador Serena Williams unveiled our short film, *"Lost Purse,"* in June 2017. The video captured the reactions of unsuspecting taxi riders who encounter a purse seemingly left in the back of the cab by a previous passenger. The social experiment gives examples of domestic violence and financial abuse as the riders see threatening messages on a phone in a purse. The video aims to help raise awareness and broaden the conversation about the options available to victims of domestic violence. The video helped Purple Purse generate more than two billion media impressions in 2017 and raise awareness about the financial obstacles that keep victims trapped in abusive relationships.



HIGHLIGHT STORY

Training Domestic Violence Counselors

In 2016, the annual Allstate Foundation and NNEDV Financial Empowerment Symposium was converted into a State Expansion Training program exclusively for new state partners. We received such positive feedback on the training that in 2017, we expanded the list of attendees and broadened the scope of the content.

Training attendees included new nonprofit partners, including Alpha Chi Omega, One Love and YWCA, and, for the first time, select Allstate Against Abuse team members (agency owners) from 11 regions and employees from our largest offices. In addition to receiving “train the trainer” instruction on our curriculum and asset-building resources, the 60 attendees learned best practices from internal and external experts covering fundraising, marketing and outcome measurement, and they developed plans to help survivors at the community level. Post-event survey feedback indicates 94% of attendees would recommend the training to a colleague.



HIGHLIGHT STORY

Allstate Good Life Sprint and Stride 5K Walk/Run

For the first time, Purple Purse Challenge nonprofits were the beneficiary of the annual Allstate Good Life Sprint and Stride 5K Walk/Run in September. Nearly 2,500 employees participated in the one-day series of live and virtual events. Allstater raised more than \$37,000 by donating a minimum of \$25 for an event T-shirt. Including home office event sponsors, we raised more than \$80,000 for Purple Purse nonprofits.



HIGHLIGHT STORY

Providing Opportunities for Veterans

Allstate recognizes the value of a military background. Military experience cultivates skills which are also necessary to succeed as an Allstate agent — such as leadership, teamwork and integrity. Veterans offer an invaluable set of skills and unique experiences to an employer and are a unique fit for Allstate's small business opportunities. Veterans, like Allstate agency owners, have dedicated their lives to protecting people and families.

It can be quite a shock separating from the military and re-entering civilian life. At Allstate, we get it, and veterans are noticing. For example, veterans oftentimes struggle to convey through their resumes how their skills can translate to a civilian enterprise. There are things about their experience that a civilian hiring manager may find difficult to understand. Allstate specialists work hand-in-hand with hiring managers to improve our hiring of veterans. We partner with organizations dedicated to finding gainful employment for veterans, including Soldier for Life, Veterans Job Mission, Joining Forces for Good and Hiring Our Heroes. These partnerships continue to expand Allstate's reputation as a good place for veterans and members of the military to work.

In 2017, Allstate sponsored the Hiring Our Heroes Career Expo at the Atlanta Braves' SunTrust Park. During the fair, more than 80 veterans met Allstaters from across the region. Thanks, in part, to buzz created by local and social media, recruiters



received more than 130 resumes and identified a group of promising veteran candidates whose sales backgrounds, skills and previous experience make them good fits for successful careers with Allstate and agencies. To appeal to veterans regardless of their physical location, this year Allstate launched a virtual pre-licensing education course, offering veterans who complete the program a \$500 bonus when they start with an Allstate agency owner.

HIGHLIGHT STORY**2017 Renewal Award Winner: Lost Boyz**

Lost Boyz Inc. was one of the five winners of Allstate's 2017 Renewal Award. Lost Boyz provides employment opportunities to teens through a sports-based youth development organization focused on violence prevention. From protecting our customers to inspiring social change, Allstate brings good to life in every community we serve.



BE A FORCE FOR **GOOD**

WORKFORCE & INCLUSIVE DIVERSITY

Allstate's business strategy, culture and ability to achieve its goals depend on our people. Their skill, dedication and care define Allstate and bring out the good for our customers. We develop each other, looking for ways to challenge ourselves and coach others, so all employees can reach their potential. Because Allstate is a large employer, we understand employee engagement has a significant influence on our communities and economies. We take this responsibility seriously and want the legacy of our dynamic workforce to continue.

TALENT ATTRACTION
AND RETENTION **69**

CAREER AND LEADERSHIP
DEVELOPMENT **72**

FOCUSING ON DIVERSE TALENT **77**

WHAT WORKFORCE & INCLUSIVE DIVERSITY MEAN TO ALLSTATE

We provide employees with training, engagement, mentoring and career development; promote from within; retain existing talent; attract new employees through benefits; monitor performance on annual surveys; and, promote diversity in Allstate's leadership, employee population and suppliers by fostering an inclusive culture.

TALENT ATTRACTION AND RETENTION

Our surveys consistently show that by providing our employees with exciting career paths and educational opportunities, Allstate improves morale and engagement.

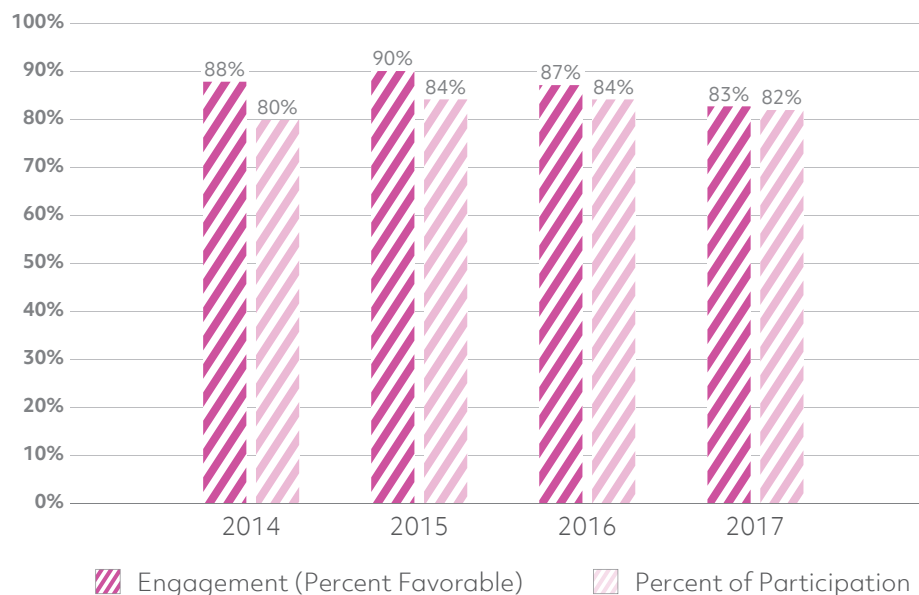
Employee Engagement

In 2017, Allstate replaced our annual employee engagement survey with a continuous listening approach to gathering feedback about employee engagement and its drivers in shorter but more frequent surveys; 82% of all employees responded in 2017. During this transition, we adjusted the survey methodology to encourage more candid responses, which may explain the change in percent favorable response in 2017. Results have been more than 80% favorable for Engagement, with over 80% participation for the last several years.

We now provide leadership with feedback about the health of our culture twice per year in the Inspire Culture survey. Leaders also get feedback about their effectiveness as managers twice a year in the Inspire Leadership survey. This more frequent survey feedback enables stronger development of our managers and our employee culture.

Additionally, we slice the data by race/ethnicity, gender and tenure to ensure that all employees have similar favorable responses and to identify opportunities to provide support for specific groups, as needed. We incorporate metrics from the Inspire survey throughout our report, including this section, as evidence of strong employee engagement and effective talent management.

EMPLOYEE ENGAGEMENT



Workforce Research

It is critical that we retain high-quality candidates to sustain an efficient and skilled workforce. Allstate identifies the strategic link between what prospective and existing employees value and what we offer in exchange for their work. Improving the retention and engagement of Allstate employees improves the organization's ability to serve our customers, agents and communities — and each other.

Allstate is enhancing our talent retention strategy by using our Workforce Insights team to address the unique needs of individual business units. Workforce Insights innovates new research platforms to inform their recommendations. These platforms are under ongoing development and piloting, but we hope to launch them across the enterprise.

Work Flexibility

Our flexible work policy consists of compressed and part-time work schedules, telecommuting, home-based work, job sharing and flexible starting times. All exempt and nonexempt employees are eligible for flexible work, based on factors such as business need, work performance and job characteristics. In 2017, 42% of Allstate employees utilized flexible work arrangements, and our employee survey found those participating in these arrangements generally reported higher levels of well-being than the overall employee

population. Flexible work arrangements were also the most frequently cited strength when employees were asked, "In what area is Allstate exceeding your expectations?" Internal data show that those in flexible work arrangements receive the same rate of pay increases and promotions as those in nonflexible arrangements.

In addition to formal flexible work arrangements, Allstate encourages managers to foster a flexible work environment where employees can deal with work-life conflicts to find the best solutions for all concerned. Being open and sympathetic brings about a culture of transparency and leads to stronger working relationships and positive feelings toward work-life balance.

Employee Life Cycle Survey Program

Our Employee Life Cycle Surveys gauge the attitudes, beliefs and behaviors of our employees so we can determine which initiatives and efforts are most important for morale. The program includes:

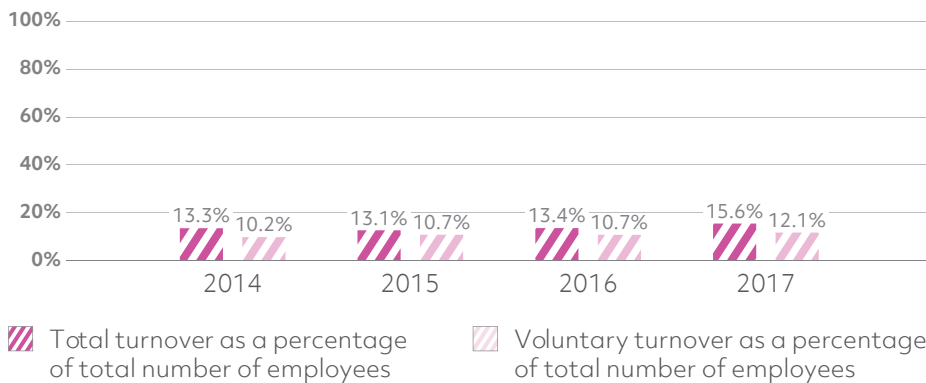
- + A 90-day retention survey to assess new hires' integration into Allstate.
- + Our nine-month Quality of Hire survey, sent to hiring managers to determine the effectiveness of the support team (talent acquisition) and the quality of the candidate hired.
- + An exit survey and interview process. When employees decide to leave Allstate, this process helps us understand what they found most compelling about Allstate's Employee Value Proposition, why they are leaving and what they plan to do.

Retention and Turnover

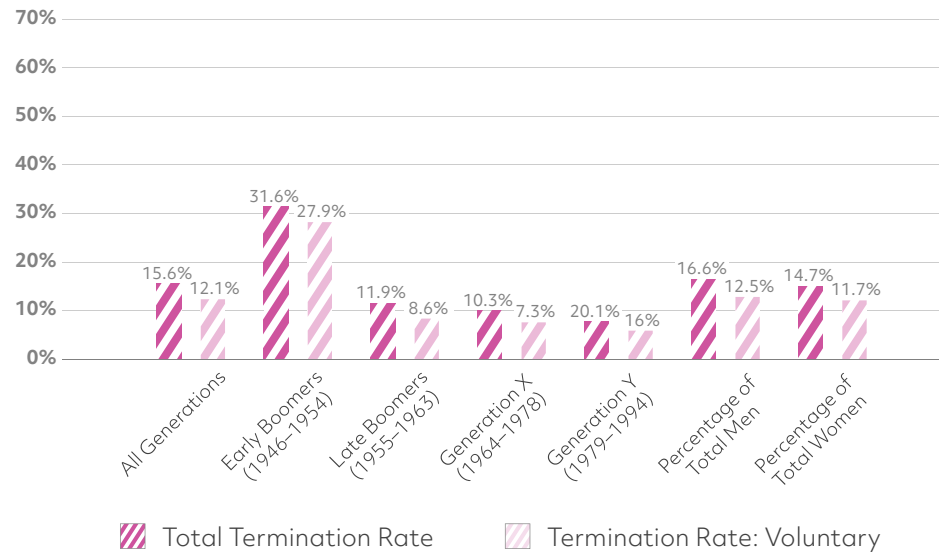
Rates of turnover are a useful barometer for the health of our workforce culture, and we monitor them carefully for insights into employee uncertainty or dissatisfaction. In addition, turnover rates impact Allstate’s financial performance, through long-term effects on intellectual and human capital. We also use this data to monitor for potential inequalities or patterns affecting minority employees.

Overall, Allstate’s metrics for the past several years closely track the Saratoga Institute benchmark of 13% overall turnover and 10% voluntary. In 2017, we saw a slight increase in both of those indicators as our Claims organization went through a transformation. This organizational change is also reflected in the gender gaps for 2017 — the related turnover was concentrated among more heavily male employee departments.

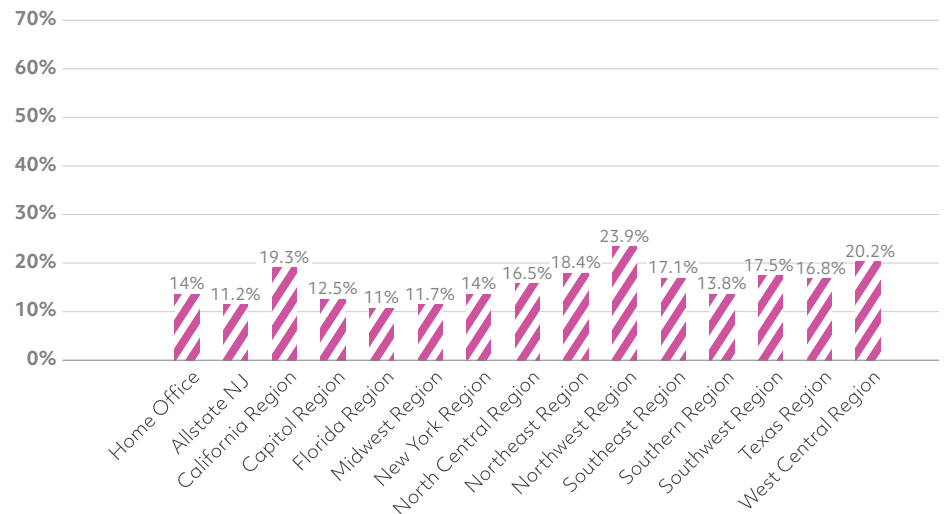
PERCENT TURNOVER: TOTAL AND VOLUNTARY



2017 TURNOVER BY AGE AND GENDER



2017 TURNOVER BY REGION



CAREER AND LEADERSHIP DEVELOPMENT

At Allstate, we expect all employees to be leaders. Our six [Leadership Principles](#) apply to every employee and form the basis for all performance and development conversations. We also believe all employees have the potential for growth; we dedicate extensive resources to developing leaders at all levels. These development programs are evaluated using key reporting measures looking at behaviors, skills and mindsets, and impact on the business. Some programs are available to all employees, while others are for select audiences. Regardless of their role, all employees have a wealth of resources at their disposal.

Career Development

Performance Management

Each employee receives an annual performance review, and performance conversations take place through the year. During quarterly “snapshots,” the employee and manager discuss goals, long-term career development and share two-way feedback. Biweekly check-ins are designed to help employees know what they’re working on and how well they’re doing to advance their performance goals.

Continued Learning

Allstate invests in training opportunities for our employees so they can be successful throughout their careers. Allstate’s integrated talent management system contains modules for:

- + Attracting and hiring new employees
- + Promoting internal advancement of current employees
- + Registering for learning opportunities such as webinars, seminars and classroom training
- + Receiving comprehensive feedback from managers, peers and teams



In addition to the modules related to career development, we offer a portal dedicated to providing employees with tools and resources to help them set career goals. It helps employees identify their strengths and opportunities, grow their networks, develop their résumés, and initiate career-related conversations with managers and peers across the company.

2017 saw decreases in completed courses and hours of learning due to the organizational change in Claims.

Tuition Reimbursement

Allstate offers tuition reimbursement to employees interested in getting a college degree, an advanced degree or an additional degree. All employees are eligible for the program, whether the degree enhances their knowledge, is job-specific or works toward a change in career. We offer up to \$5,250 per employee per year.

Enterprise Talent Market and Talent Share

With 42,860 full-time and 440 part-time global employees at Allstate, there is no better place to begin our hiring process than with our own people. Our Enterprise Talent Market philosophy and Talent Share programs support the internal advancement of our employees. When a position opens in any department across the company, Allstate employees can apply for the position.

CONTINUED LEARNING OPPORTUNITIES

METRIC	2015	2016	2017
Number of Completed Courses	272,581	326,439	279,843
Number of Unique Learners	39,327	40,956	41,934
Number of Hours of Learning	622,031	436,993	348,370

TUITION REIMBURSEMENT

METRIC	2015	2016	2017
Number of Participating Employees	957	1,181	1,064
Dollars Tuition Reimbursement Paid	\$3.3M	\$3.5M	\$3.7M

INTERNAL PLACEMENT

METRIC	2015	2016	2017
Percent Internal Placement Rate	43%	33%	43%

Department-Specific Development

While companywide training initiatives are an important part of creating a unified culture and promoting general expertise, we also recognize the need to promote department-specific expertise. Here are a few examples:

- + Our technology department provides SkillSoft technical skills training, via an online course library and online books, on topics such as Agile, Scrum, Java, VMware, Mobile Web and ITIL practices.
- + Our Life and Retirement Distribution offers development workshops that include activities such as peer networking, compensation transparency, a book club focused on leadership, and workshops that increase awareness and understanding of other business units.

Live and On-Demand Seminars

In addition to formal training, Allstate provides employees with a variety of in-house learning and development — live and streaming — throughout the year.

- + The Good Work Series celebrates the Good Work pillar of our Employee Value Proposition and focuses on nurturing an inspiring workplace culture.
- + Good Work Week is an annual themed event that renews our commitment to the Good Work Series. Internal and external speakers help employees connect their work to the company’s purpose and business results. In 2017, our Employee Resource Groups partnered to co-sponsor Good Work Week events.

- + Leaders as Teachers provides internal perspectives from Allstate executives on leadership and other topics pertinent to our business strategy.
- + Thought Leader Forum introduces an external point of view on business and leadership to accelerate development.

Effective Conversations

The Effective Conversations course is open to all employees. It takes participants through a three-step model that serves as a framework for performance, career development and engagement conversations, enabling employees to have more effective conversations with peers, direct reports and managers.

INSPIRE SURVEY

METRIC	2015	2016	2017
Inspire survey results: “At Allstate, I have the resources that I need to develop my professional skills and actively manage my career”	78%	79%	80%
Inspire survey results: “I am empowered to pursue development opportunities”	N/A	N/A	79%

Targeted Leadership Development

Top Talent

Employees we identify as being part of top talent within the company are offered additional support to ensure successful transitions as their responsibilities increase, often as they are newly promoted into management roles. Top talent programs include Power of Five, external mentoring programs, Impact Leading Others and Impact Leading Leaders.

Power of Five

The Power of Five is an effort to increase development, retention, promotion and engagement of senior, experienced and top-talent women through one-on-one mentoring. During the year, a senior leader is matched with five Director-level women who each in turn mentor five high-potential women, creating a network of mentoring relationships. The strong, and at times overwhelming, response in 2016 led to Allstate more carefully managing and limiting enrollment in 2017, to preserve the quality of the program.

POWER OF FIVE

METRIC	2015	2016	2017
Power of Five Participants	32	171	93

External Mentoring Programs

- + **Women Unlimited/IMpower:** A six-month management development program for women. IMpower includes monthly workshops, group mentoring, ongoing peer coaching and exposure to leading experts in a variety of corporate specialties. The program is intended for new managers — of people, of projects and/or of processes. It’s aimed at developing critical management competencies, including performance management, business acumen, and key networks and alliances.
- + **Women Unlimited/LEAD:** A 12-month leadership development program that includes: eight in-person workshops; three virtual sessions; on-the-job assignments; one-on-one and team mentoring by leading corporate executives; individual development planning; and networking and team-building exercises. The program is intended for mid-level female managers on the leadership track. Geared toward developing stronger strategic skills in emotional intelligence, leadership presence, influence and the priorities of leaders vs. managers.
- + **Menttium/Momentum:** A 12-month program consisting of one-on-one mentoring; access to business, professional and leadership education; and peer networking opportunities for professionals of color with at least three years of experience. Topics include: problem-solving, goal-setting, mentoring and perspective on corporate life and its universal opportunities and challenges, etc.

- + **Everwise Talent:** A 12-month professional development program that includes a six-month, one-on-one formal mentoring partnership; in-person networking events and skill-building workshops; access to their software learning engine (providing content that is relevant to individual professional goals and needs) and a personal “career concierge” to help navigate the available development options.
- + **Everwise Women:** A 12-month professional development program that includes a six-month, one-on-one formal mentoring partnership; in-person networking events and skill-building workshops; facilitated peer groups; access to their software platform providing resources curated to individual goals and needs and a personal “career concierge” to help navigate the development experience.
- + **Impact Leading Others:** Designed to prepare individual contributors for their first leadership role.
- + **Impact Leading Leaders:** Designed to prepare high-potential leaders for senior manager and Director roles.

Transitional Programs

- + **Leader Effectiveness–First Level:** Designed to develop newly promoted or newly hired leaders, Allstate’s LE-FL program follows a tiered approach to increase the amount of training provided to new leaders as they acclimate to their roles. In the first 90 days, Tier One presents foundational training pieces through a variety of delivery methods, including video, eLearning courses, microlearning courses and job aids.

Over the rest of the employee’s first year in leadership, Tier Two incorporates the New Leader Development Studio, described below, as well as the half-day and in-person Leveraging Inclusive Diversity program and other topics delivered through eLearning. In the future, Allstate hopes to launch Tier Three, focused on gaining business and financial acumen and building high-performing teams. The Leader Effectiveness-Mid Level program is to be launched in 2018.

- + **New Leader Development Studio (NLDS):** NLDS targets new leaders who are assuming direct reporting responsibilities for the first time at Allstate. Apart from covering the essential administrative functions associated with leading a team, NLDS focuses primarily on developing the self-awareness crucial to effective and inspiring leadership, paying special attention to the ability of new leaders to drive results.

Talent Pipeline Programs

- + **Executive Development Program (EDP):** Allstate’s EDP is a three-year rotational leadership development program that recruits, selects and develops experienced and diverse general management MBA candidates and helps equip them for success and to potentially become future executives of Allstate. In 2017, Allstate had 14 participants in the program.
- + **Leadership Development Program:** Allstate’s LDP is committed to continuously identifying and developing future leaders. We identify recent college graduates with high potential and help equip them for successful futures as leaders at Allstate. In 2017, there were 149 active participants in the program, in three cohorts.

FOCUSING ON DIVERSE TALENT

We know our collective differences give us fresh perspective and purpose, and we strive for a workforce that mirrors the diversity of the customers and communities we serve.

We're committed to being a force for positive change, and we've made inclusive diversity a priority at every level of Allstate. Research repeatedly demonstrates that inclusive diversity contributes to the satisfaction, creativity, innovation, problem-solving ability, engagement and community involvement of employees. Our employees and customers care deeply about how we show up in society, which means we need to deliver goods and services, employment opportunities and business results.

Operating and Governance Practices

Our corporate policies and practices related to inclusive diversity guide our leaders. Our Shared Purpose — which outlines Allstate's vision, corporate goals, values, priorities, and operating and leadership principles — highlights inclusive diversity as one of our five core values. Our employees understand the power of collectively living Our Shared Purpose and use it to guide our business pursuits. Inclusive diversity cascades through all levels of the company and is reinforced in our [Global Code of Business Conduct](#).

Allstate leverages an Enterprise Diversity Leadership Council (EDLC), Employee Resource Groups (ERGs) and Agency Owner Advisory Groups as part of our operating practices to emphasize our core value of inclusive diversity.

Enterprise Diversity Leadership Council

The Enterprise Diversity Leadership Council (EDLC) is made up of senior leaders throughout the enterprise focused on advancing inclusive diversity at Allstate. The EDLC is representative of the business, provides updates to the CEO and helps drive targeted results for inclusive diversity across the company by:

- ① **Identifying and prioritizing actions:** The EDLC was a catalyst for the creation of Market Facing Businesses/Areas of Responsibility (AOR) inclusive diversity commitments to increase visible leadership commitment and accountability.
- ② **Taking accountability for achieving target results:** The EDLC ensures inclusive diversity commitments are integrated into business objectives.
- ③ **Ensuring clarity and understanding of the business relevance of inclusive diversity:** Many best practices have emerged, including integrating communication of commitments with other business priorities; assigning officer sponsors to individual commitments; incorporating commitments into AOR goals; and ensuring ERGs are integrated and applied in the context of business priorities.

Employee Resource Groups

Employee Resource Groups (ERGs) provide an open forum where employees with a shared interest connect, develop and collaborate. Allstate supports and funds 11 ERGs, each with unique value propositions and goals.

EMPLOYEE RESOURCE GROUPS



In 2017, 7,300 Allstaters participated in at least one ERG, where employees can develop themselves professionally and share life experiences inside and outside Allstate. ERGs are aligned to the goals of inclusive diversity at Allstate, providing opportunities to support recruitment, retention and advancement of diverse talent at Allstate.

ERGs provide unique specific opportunities as well as partner and collaborate across ERGs to offer professional development workshops, recruiting events, volunteer community projects and mentoring programs, all open to members and to the Allstate community at large.

ERGs also volunteer in communities, nonprofit organizations and professional associations.

Four key elements are vital to ERG success:

- + **Careers:** Help members enhance their careers through strong professional development and serve as a talent engine for the organization.
- + **Commerce:** Help drive business results.
- + **Culture:** Have a positive impact on members by enhancing their sense of pride and knowledge.
- + **Community:** Focus externally and have an impact on their communities.

Informational reports on each of our 11 ERGs are available in the Download Center.

Agency Owner Advisory Groups

To better serve our diverse customer base, we rely on a variety of perspectives from the Agency Executive Council (AEC), National Advisory Board (NAB) and Market Operating Committees (MOC).

- + **Agency Executive Council:** The AEC includes 14 agency owners with diverse backgrounds who work with and provide thought leadership directly to Allstate's senior leadership team.
- + **National Advisory Board:** The NAB consists of 73 agency owners and 11 Exclusive Financial Specialists who represent the voice of the agency force and advise on national operational issues.
- + **Market Operating Committees:** Allstate has 14 U.S. Market Operating Committees that govern regional geographies, each of which has an Agency Advisory Council.

Inclusive Hiring

By analyzing workforce demographics, we determine the greatest opportunities to bring more diverse talent into the organization and then build recruiting and outreach strategies to target, identify and recruit qualified diverse candidates.

In recent years, Allstate has stepped up enterprise-wide diversity efforts. In 2016, all business units were required to make inclusive diversity commitments based upon their unique diversity needs. Certain business units now have a goal to present diverse candidate slates to hiring managers for 50 to 100% of identified positions or position levels, depending on the diversity needs of the business. This effort was completed with the support of Allstate's Enterprise Diversity Leadership Council.

Allstate has been developing relationships with 11 external organizations to build our diverse hiring pipeline.

- + Association of Latino Professionals for America
- + Ascend
- + National Association of Black Accountants
- + National Sales Network
- + National Society of Black Engineers
- + Society of Hispanic Professional Engineers
- + AnitaB.org
- + Tech Jobs Tour
- + National Black MBA Association
- + ChickTech
- + Lesbians Who Tech

The talent acquisition team has also partnered with exclusive agent/Exclusive Financial Specialist and licensed sales professional recruiting teams for events held by the National Sales Network and National Black MBA Association where there are opportunities for each recruiting team.

Allstate sets measurable goals for its diversity policies and practices. Each market-facing business and area of responsibility monitors progress against its inclusive diversity commitments. Data used for analysis include:

- + Top talent (engagement and retention)
- + Promotions (job assignments and promotion rates)
- + External hiring (diverse slates, hire rates, external partnerships)
- + Voluntary turnover (tenure, reason, turnover rates)

We recruit and promote diverse candidates because our differences, backgrounds, educations and cultures create an environment where unique perspectives are embraced. When Allstate advances all employees, we work harder and meet customer needs more effectively. Every voice at Allstate counts.

Performance and Pay Practices Review

Allstate takes a thorough approach to ensure fairness within our performance and compensation programs, and the Board reviews Allstate's pay fairness analyses annually.

Allstate has a comprehensive process for ensuring our compensation practices and policies are working to ensure pay equity. The Equal Pay Analysis Process compares the base salary of men and women, non-minorities and minorities within similar jobs and geographic area. It identifies situations where a statistically significant difference in salary or a 5% difference in salary exists. If pay discrepancies are identified, adjustments are made. Based on the 2017 analysis, Allstate has no evidence of systemic gender or racial pay discrimination.

Managing a Diverse Pipeline

To ensure Allstate can successfully recruit and hire diverse candidates into the future, we work with programs like Junior Achievement and One Million Degrees that encourage youth empowerment through education (including career programming and mentorship for longer-term pipeline development). For current needs within a specific talent or demographic segment (e.g., women in technology or STEM), we partner with organizations like Lesbians Who Tech and network at events like the Grace Hopper Celebration, the world's largest gathering of female technologists. We also partner with our Employee Resource Groups to encourage a more diverse referral pipeline for entry-level through executive positions.

Inclusive Diversity Training

We require all new employees to complete inclusive diversity training. We educate our recruiters, managers and hiring managers to foster inclusive hiring and value diversity in the workplace. Training covers a variety of topics, including self-awareness regarding cultural identity and unconscious bias, and provides tools to help employees create a more inclusive environment. Participants complete self-assessments on their level of cross-cultural competency.

We are committed to being a force for positive change, and we have made inclusive diversity a priority at every level of Allstate.

Additionally, we host diversity programs focused on critical topics such as gender identity and transitions, religion in the workplace and generational differences. Many of these topics, particularly unconscious bias and leveraging inclusive diversity, are embedded into other management development training and programs throughout the enterprise. To date, more than 21,000 Allstate employees have participated in inclusive diversity training.

Workforce Composition

We look at multiple factors, including but not limited to age, gender and race, to ensure Allstate's workforce is diverse.

EMPLOYEES

	2010	2011	2012	2013	2014	2015	2016	2017
TOTAL WORKFORCE								
Minority	32.8%	31.7%	31.6%	31.8%	32.9%	33.9%	34.5%	35.1%
Female	58.0%	58.6%	57.4%	56.8%	56.2%	56.2%	55.9%	56.3%
African American	15.6%	16.0%	16.2%	15.5%	15.8%	16.4%	16.3%	16.4%
Hispanic	9.0%	9.3%	9.2%	9.7%	10.2%	10.5%	10.9%	11.0%
Asian/Pacific	4.5%	4.5%	4.5%	4.7%	4.9%	4.9%	5.1%	5.5%
Native American	0.4%	0.2%	0.4%	0.4%	0.3%	0.3%	0.4%	0.3%
Two or More Races	1.3%	1.4%	1.4%	1.5%	1.7%	1.8%	1.9%	1.9%
TOTAL	32,219	30,507	32,538	30,737	31,795	32,967	33,651	32,915

TOTAL PROFESSIONALS								
Minority	26.6%	28.2%	26.7%	26.0%	27.3%	28.3%	29.0%	30.2%
Female	51.5%	53.3%	52.0%	46.6%	48.4%	48.6%	49.2%	49.8%
African American	11.8%	13.1%	12.2%	11.4%	12.5%	12.9%	13.0%	13.1%
Hispanic	6.1%	6.6%	6.5%	6.9%	6.8%	7.2%	7.5%	8.0%
Asian/Pacific	7.0%	6.7%	6.4%	6.1%	6.1%	6.4%	6.5%	7.2%
Native American	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%
Two or More Races	1.2%	1.3%	1.3%	1.3%	1.5%	1.6%	1.7%	1.7%
TOTAL	11,931	11,095	11,432	12,687	15,165	15,491	16,037	16,165

	2010	2011	2012	2013	2014	2015	2016	2017
OFFICERS AND MANAGERS								
Minority	21.8%	22.9%	23.7%	25.5%	22.1%	23.1%	22.7%	23.1%
Female	40.3%	48.4%	41.2%	47.1%	42.3%	47.8%	43.7%	43.8%
African American	9.0%	9.4%	10.4%	11.0%	9.3%	10.0%	9.3%	9.2%
Hispanic	7.2%	7.6%	7.4%	7.7%	6.6%	7.0%	6.9%	6.8%
Asian/Pacific	3.9%	4.2%	4.2%	5.1%	4.8%	4.6%	5.0%	5.5%
Native American	0.5%	0.4%	0.4%	0.4%	0.3%	0.2%	0.3%	0.4%
Two or More Races	1.2%	1.2%	1.3%	1.3%	1.2%	1.2%	1.1%	1.2%
TOTAL	7,582	8,446	9,568	7,346	4,918	5,356	5,696	5,665

SALES ASSOCIATES								
Minority	43.9%	52.3%	47.9%	44.7%	43.1%	23.5%	19.4%	15.7%
Female	49.1%	56.8%	55.5%	52.3%	44.4%	47.0%	38.2%	39.2%
African American	31.4%	19.9%	22.9%	15.3%	11.6%	10.0%	7.1%	8.4%
Hispanic	7.9%	29.2%	21.1%	24.8%	27.2%	9.5%	7.6%	3.6%
Asian/Pacific	3.3%	1.5%	1.6%	2.6%	3.1%	2.5%	2.9%	1.8%
Native American	0.2%	0.2%	0.5%	0.4%	0.3%	0.0%	0.0%	0.0%
Two or More Races	1.1%	1.2%	1.8%	1.5%	0.9%	1.5%	1.8%	1.8%
TOTAL	914	407	607	456	320	200	170	166

	2010	2011	2012	2013	2014	2015	2016	2017
OFFICE ASSOCIATES								
Minority	41.1%	41.7%	42.7%	42.8%	44.8%	46.3%	48.0%	49.0%
Female	79.5%	78.6%	77.6%	77.1%	70.9%	70.1%	71.2%	72.7%
African American	25.1%	24.6%	25.2%	23.8%	23.2%	24.0%	24.2%	25.1%
Hispanic	11.0%	12.7%	12.8%	13.9%	15.6%	16.4%	17.9%	17.7%
Asian/Pacific	3.2%	2.5%	2.8%	3.0%	3.4%	3.1%	5.0%	3.1%
Native American	0.4%	0.1%	0.4%	0.4%	0.4%	0.5%	0.3%	0.4%
Two or More Races	1.5%	1.5%	1.5%	1.7%	2.2%	2.3%	1.1%	2.7%
TOTAL	10,113	10,435	10,844	10,169	11,339	11,920	11,784	10,917

AGENCY FORCE

	2010	2011	2012	2013	2014	2015	2016	2017
Minority	18.0%	19.3%	19.4%	19.8%	20.4%	21.2%	22.1%	22.7%
Female	21.6%	23.4%	23.6%	24.2%	24.6%	25.0%	25.7%	26.1%
African American	7.2%	7.6%	7.2%	7.2%	7.2%	7.4%	7.5%	7.5%
Hispanic	6.0%	6.2%	6.4%	6.7%	7.2%	7.5%	8.1%	8.6%
Asian/Pacific	4.3%	5.0%	5.2%	5.2%	5.3%	5.5%	5.7%	5.7%
Native American	0.4%	0.5%	0.6%	0.6%	0.7%	0.6%	0.6%	0.6%
Two or More Races	—	—	0.0%	0.0%	0.1%	0.2%	0.2%	0.3%

EXCLUSIVE FINANCIAL SPECIALISTS

	2010	2011	2012	2013	2014	2015	2016	2017
Minority	—	13.6%	15.2%	14.6%	15.5%	15.4%	16.7%	18.4%
Female	—	10.8%	11.4%	11.5%	13.4%	12.4%	11.5%	13.1%
African American	—	4.6%	5.3%	5.4%	5.1%	4.6%	5.6%	5.7%
Hispanic	—	6.2%	6.7%	5.6%	6.3%	6.5%	6.7%	7.4%
Asian/Pacific	—	2.5%	2.8%	2.7%	3.0%	3.2%	3.3%	3.8%
Native American	—	0.0%	0.0%	0.3%	0.2%	0.3%	0.4%	0.4%
Two or More Races	—	—	0.4%	0.5%	0.7%	0.7%	0.8%	1.1%

BOARD DIVERSITY

	2010	2011	2012	2013	2014	2015	2016	2017
Minority	1	1	2	1	2	2	2	2
Female	3	3	3	3	3	3	3	3
African American	1	1	2	1	1	1	1	1
Hispanic	0	0	0	0	0	0	0	0
Asian/Pacific	0	0	0	0	1	1	1	1
Native American	0	0	0	0	0	0	0	0
Two or More Races	0	0	0	0	0	0	0	0
White	10	10	11	11	8	9	9	9
TOTAL	11	11	13	12	10	11	11	11

HIGHLIGHT STORY

Recognized as Being an Employer of Choice for Veterans and Military Families

Allstate is committed to helping U.S. veterans and finding ways to pay them back for their service to our country. We know that one of their challenges is finding a good job that positions them for ongoing success.

Through partnerships with organizations such as Hiring Our Heroes, Allstate is providing opportunities for veterans as Licensed Sales Professionals.

Allstate's Joining Forces for Good Licensing Program targets transitioning military (separating within 90 days), military veterans and their spouses. Through the free program, candidates undergo Property & Casualty licensing education, take their P&C exam and get job placement with Allstate agency owners.

In late 2017, Allstate was recognized by GI Jobs as a Top 10 Military Friendly Employer. GI Jobs is the premier magazine for transitioning military members, and we want to use the Allstate brand to help agency owners recruit employees for their small businesses.



HIGHLIGHT STORY

From Haiti, with Love: Allstate Careers

Joining the Allstate team means becoming part of a community of people with incredibly diverse backgrounds and perspectives. At Allstate, we know we are stronger when we foster collaboration between people who may look different on the outside, but who are all working with the same mission to better our company and the communities in which we live.



THERE'S **GOOD** TO BE DONE

RISK & CLIMATE

In 2017, the Allstate family of customers, agency owners and employees in communities around the country felt the impact of severe weather. Although our business withstood the effects of elevated natural catastrophes, we understand the need to continue to build adaptability and resiliency to climate change into our business activities.

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WHAT RISK & CLIMATE MEAN TO ALLSTATE

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.

CLIMATE CHANGE MODELING

A changing climate means we must identify risks and opportunities associated with extreme weather patterns, policy shifts and new technology.

Allstate works to understand climate risks that directly affect our insurance products and our assets. Allstate's Catastrophe Modeling Team and Pricing Groups monitor climate change information and update Product Leadership.

[We understand the need to continually build adaptability and resiliency to climate change into our business activities.](#)

Our most recent update, in May 2017, was titled "Latest Understanding of Climate Change and the Potential Impact on Allstate's Property/Casualty Insurance Operations." It had three sources: the Intergovernmental Panel on Climate Change (IPCC), the U.S. Global Change Research Program (USGCRP) and the Actuaries Climate Index committee. The IPCC and USGCRP evaluate research by climate scientists around the world and conduct robust reviews to provide balanced information to decision-makers. The Actuaries Climate Index provides an objective measure of extreme weather and sea levels over time and is updated quarterly.

Typically, these evaluations rely on a 20- to 25-year historical retrospective view, and project one to three years into the future, depending on whether the product is auto- or property-based, which aligns with Allstate's three-year strategic planning cycle. Our internal stress tests focus on predicting business continuity, resiliency and solvency through a variety of catastrophe scenarios. The Catastrophe Modeling Team also partners with our [Investment group](#) to model mortgage and real estate portfolios under consideration.

Read our full [climate change statement document](#).



GOVERNANCE

Allstate has several mechanisms to govern and manage climate change risk and to enforce accountability.

We manage our climate risks within our integrated Enterprise Risk and Return Management (ERRM) framework, which applies risk-return principles, governance, modeling and analytics and transparent management dialogue. These principles are based on three key operating components: maintaining our strong foundation of stakeholder trust and financial strength, building strategic value and optimizing return per unit of risk.

The ERRM framework provides a comprehensive view of risks and opportunities and is used by senior leaders and business managers to provide risk and return insights and drive strategic and business decisions. Allstate's risk management strategies adapt to changes in business and market environments and seek to optimize returns.

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

Oversight of ERRM is the responsibility of the full Board of Directors and the Risk and Return and Audit Committees. The Risk and Return Committee provides ERRM oversight by reviewing enterprise principles, guidelines and limits for Allstate's significant risks, and by monitoring the strategies and actions management has taken to control these risks.

Climate risks are incorporated into our integrated Enterprise Risk and Return Management framework.

Further, we design Allstate's overall executive compensation program based on performance and do not reward excessive risk-taking. There are short- and long-term incentive components. Monetary incentives for achieving corporate and performance goals include risk and return management, including managing risks affected by climate.

As a member of the corporate executive team, Allstate's Chief Procurement Officer (CPO) incorporates sustainability initiatives into Allstate's purchasing practices. Accordingly, the CPO has spearheaded a sustainability program within the Sourcing & Procurement Solutions department that will assess the environmental risks and opportunities within Allstate's supply chain and purchasing operations, including the potential to reduce emissions for Allstate's purchasing operations.

One component of the monetary incentive compensation for the CPO and program development team is based on the successful implementation of this program within the department. Material risks are regularly identified, measured, managed, monitored and reported to senior management and the Board. These risks include catastrophes and severe weather events, auto and property insurance underwriting, business continuity, disaster recovery and investment concentration and insured exposure concentration. Regulatory changes, customer behavior trends and Allstate's reputation are also considered.

The greatest areas of potential catastrophe losses due to hurricanes are major metropolitan centers along the East and Gulf coasts of the United States. We have addressed our risk of hurricane loss through actions that include:

- + Purchasing reinsurance for specific states and countrywide for our personal lines auto and property insurance in areas most exposed to hurricanes.
- + Limiting personal homeowners insurance new business writings in coastal areas in Southern and Eastern states.
- + Implementing tropical cyclone and/or wind and hail deductibles or exclusions, using facultative reinsurance where appropriate and continuing to not insure flood risk.

To further promote the accountability of Allstate's material topics, including climate change, Allstate formed a Sustainability Council in 2007 composed of a cross-section of senior leaders representing every area of the company. Council members bring 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. The council is led by Allstate's Senior Vice President of Corporate Responsibility.

The Board of Directors receives special Director education sessions on different topics and types of risk every year. In 2017, the Board requested a special Director education session on severe weather and climate risk. Accordingly, we addressed climate risk with both the Board and executive-level leaders through conversations with the ERRC.

PRODUCTS AND SERVICES

Allstate continuously evaluates our products to ensure our prices adequately reflect risks, including those related to climate change. We believe our management practices give us a strategic advantage in the marketplace.

Based on what we now know about climate change, particularly its slow rate of change from year to year, our current pricing methodologies would not result in more than a negligible amount of bias or error.

To be as responsive to changing conditions as possible, we monitor state-specific risks and scientific consensus on climate change impacts, as well as competitor trends and competitor pricing methods. We also continually evaluate our pricing methodology to identify better ways to estimate future expected loss.

To help customers decrease their household carbon footprint, we provide the Homeowners Policy Green Improvement Reimbursement Endorsement, which allows a customer to replace damaged or destroyed appliances or equipment with more energy-efficient items and be reimbursed the additional cost to replace them.



The additional reimbursement applies to certain categories of Energy Star®-rated products — such as washers and refrigerators; computers and electronics; heating and cooling equipment; and certain plumbing and building equipment. These products generally save electricity or water, reducing a home's environmental impact while lowering homeowners' utility bills. Allstate offers the Homeowners Policy Green Improvement Reimbursement Endorsement in most states.

PUBLIC ADVOCACY

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

Allstate understands that climate change will likely exacerbate the frequency and severity of natural catastrophes. Consequently, we partner with national and local organizations to better prepare and protect communities, strengthen the country's financial infrastructure to deal with major events, promote better loss prevention and mitigation through stronger building codes and sensible land use policies, and develop programs to strengthen first responders' ability to help communities recover from catastrophe. Allstate maintains critical partnerships aimed at building resilient communities. The Allstate Foundation partners with agency owners and their local nonprofits to prepare communities for disasters by providing emergency kits and other tools. These collaborative efforts increase awareness of weather-related risks and help people better protect themselves and loved ones.

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



HIGHLIGHT STORY

Allstate's National Catastrophe Team

Allstate's Innovation drives Allstate's National Catastrophe Team. Our high-tech mobile response units, equipped with satellite technology, GPS and sophisticated weather mapping systems enable teams to reach people in the field quickly and settle claims fast.



MORE THAT MATTERS

CLAIMS & PRODUCT INNOVATION

Innovation is critical to ensuring that our business successfully maneuvers the rapid global advances in business and information technology. By continuing to drive toward new product offerings and higher service efficiency, we maintain the trust of our valued customers and fulfill our promise to help them through life's uncertainties.

DIGITAL CLAIMS TRANSFORMATION **95**

PRODUCT INNOVATION **98**

WHAT INNOVATION MEANS TO ALLSTATE

We are building new, competitive and disruptive service offerings and products as we continue to increase our focus on technology and our digital transformation. We are committed to innovation in design, production and management of goods and services.

DIGITAL CLAIMS TRANSFORMATION

When something unexpected interrupts the lives of our customers, we use technology, data and analytics to restore normalcy as quickly as possible by delivering compassionate service that is fast, fair and easy.

Our customers increasingly expect quick, seamless digital interactions, so we are setting a new standard for even faster and easier claim handling while maintaining quality and accuracy. We take advantage of emerging technologies and advanced data analytics capabilities to better meet the needs of customers and make us more efficient. Digital advances in financial services now make it possible to receive payment in seconds — instead of the seven to nine days it took just one year ago with paper checks.

Allstate is committed to creating a truly differentiated claim experience for customers by leading our industry in digital transformation with an operating model that follows a Design, Perform, Measure structure. We design digital capabilities to achieve our customer experience goals, perform consistently across all locations and measure our outcomes to adjust where needed.

On Demand

Allstate is expanding our capability to estimate auto and property damage on demand and in real time.

QuickFoto® Claim

QuickFoto® Claim is revolutionizing our claim model for cars that have damage but are still drivable. The free, user-friendly app allows a customer to take photos of the car's damage and submit them directly to our team of highly trained auto technicians who can remotely calculate the estimated damage. There is no need to schedule an appointment or take the car in for a physical inspection. Customers typically receive their estimate in a matter of hours, compared to five days with our traditional process.

We are committed to creating a truly differentiated claim experience for customers by leading our industry in digital transformation.

Virtual AssistSM

We're broadening our offerings for assessing claims using photos and real-time video consultations, creating an increasingly on-demand service experience for customers and service partners. Our live video feature — available in the free, user-friendly Virtual AssistSM app — automatically routes customers to the right Allstate service provider. The Virtual AssistSM App was developed by Arity, an Allstate family company, and is helping to advance service experiences industrywide by making virtual estimating technology available to anyone. Our use of on-demand, real-time live video interactions expanded in 2017 and continues to grow in 2018.

Aerial Imaging

Allstate has been one of the leaders in aerial imaging research. We use images taken by drones, piloted airplanes or satellites to better meet the needs of our customers and make our employees safer. For example, an adjuster can look at high-resolution photos taken by drones and zoom in on the damage, rather than climbing on a customer's roof, to deliver a safer, faster claim experience. In 2017, we used aerial imaging to quickly evaluate and identify covered damage to homes and cars after hurricanes Harvey and Irma and also after the numerous wildfires in the Western United States. In some cases, we notified homeowners and opened claims before they were even aware of the damage.



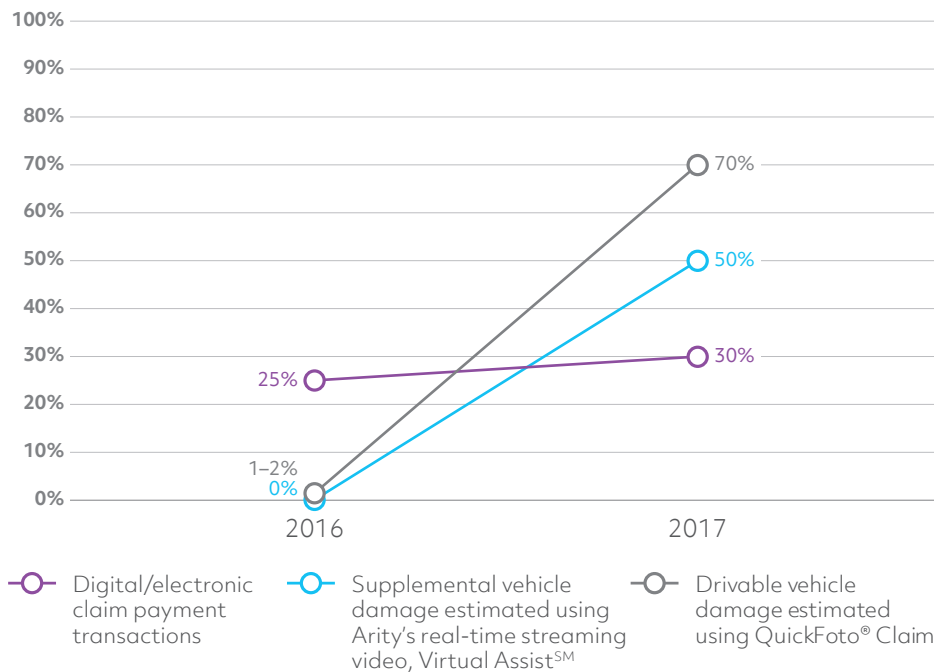
Digital Payments

Allstate provides customers and agents with faster access to claim payment funds.

Quick Card Pay

Allstate now offers one of the fastest payment methods in the industry. Our market-leading Quick Card Pay provides a nearly instantaneous payment to customers and claimants anytime, anywhere in the United States. Instead of waiting up to a week to receive a paper check in the mail, customers can get a claim payment from Allstate in real time.

CLAIMS AND PRODUCT INNOVATION



Digital Self-Service

Allstate offers customers and agents more control over the claim experience.

MyClaim

Customers have 24/7 access to claim information from any device through MyClaim Center, a new interface within MyAccount and the Allstate mobile app. Using MyClaim, customers can report a claim, check their claim status, get details about or schedule inspections and access information about coverage, deductibles and rental reservations, as well as select their payment preference, communicate with us digitally and more.

These advances improve our digital experience — giving Allstate a strategic advantage in the industry by offering our customers a seamless, helpful and personal interaction with the company, even during some of the most uncertain times in their lives.



PRODUCT INNOVATION

We are dedicated to ensuring we have products and experiences that meet evolving customer expectations, needs and market conditions.

Drivewise[®]

Telematics is the science of collecting data through sensors in the vehicle, which enables us to redefine the experience of insurance. Drivewise uses telematics to personalize the auto experience and provide consumers insights into their behaviors to promote and reward safe driving. Drivewise is available in 49 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-driven insurance program.



Milewise

Pay-per-mile coverage is a new kind of auto insurance based primarily on the miles a customer drives. Consumers today are accustomed to personalized products or 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 Texas and Oregon, and will expand into more states in the coming year. Milewise gives customers more control over their auto insurance costs with the same great coverage and claim service from Allstate.

Ride for Hire[®] and Host AdvantageSM

With the rapid growth of consumers using personal cars and homes to participate in the sharing economy, Allstate moved quickly to provide coverage options that address their needs:

- + Ride for Hire[®] provides Allstate customers driving for transportation network companies, like Uber and Lyft, an optional endorsement to help fill the gap between their personal auto policy coverage and what's provided by the Transportation Network Company's commercial policy.
- + Host AdvantageSM provides Allstate customers renting out their homes on sites like Airbnb and HomeAway coverage options to help with their personal property protection gaps.

HIGHLIGHT STORY

Big Data and Innovation

Allstate's data analytics and marketing teams collaborated on an innovative new risk management toolkit for our customers at every stage of their home ownership journey. This toolkit, which we are calling "Home IQ," provides our customers with the information they need to accurately assess risks that may exist in and around their homes — everything from the safest location to install a sump pump to information about inclement weather patterns affecting their geographical area that could lead to structural damage of their property. This new platform helps our customers better understand their risk factors, maintain their homes, be safe, and protect themselves and their families, and is another reason our customers can trust they are in good hands®.



MORE THAT MATTERS

EMPLOYEE HEALTH & SAFETY

Allstaters are the heart of our business, and as part of our ongoing mission to be an employer of choice, we take seriously our responsibility to ensure their well-being, devoting resources to employee health and safety. We offer healthy environments and an array of benefits and programs to help support Allstaters' physical health, financial security and work-life integration. Allstate also has robust safety practices, training and tools to prevent injuries.

EMPLOYEE WELLNESS 101

EMPLOYEE AND
CONTRACTOR SAFETY 105

WHAT EMPLOYEE HEALTH & SAFETY MEANS TO ALLSTATE

We understand that the safety and well-being of our workforce are a strong driver for employee engagement, retention, efficiency and our overall reputation. Allstate makes resources available to promote the satisfaction, work-life integration, health and well-being of employees. We also ensure safe working conditions, maintain a robust safety training program, and exceed global health and safety regulatory requirements.

EMPLOYEE WELLNESS

We believe people do their best work when they have a sense of well-being.

Allstate Good Life[®]

Through our [Good Life](#) well-being programs, we have learned that people are more likely to make positive choices like exercising, eating right and getting checkups when they are influenced by their peers. We have a network of more than 300 WellBeing Champions throughout our organization who are empowered to help create a culture of well-being in more than 100 Allstate offices.

In the 2017 [Inspire survey](#), 82% of Allstate employees responded favorably to the statement, “At work, I am encouraged to pursue healthy habits that will improve my overall well-being.”

Energy for Life

Our Energy for Life workshops are a central piece of our employee wellness curriculum. Energy for Life is designed to increase employee focus and purpose, and to help employees embrace new challenges with ease. The program helps employees define and live into their purpose and enable us all to achieve more together. We recently achieved the milestone of 24,204 Allstater completions over the last seven years, including 39% of active employees and 51% of managers.



Physical Health

Employees at our Northbrook, Illinois, and Irving, Texas, campuses (making up about 30% of our workforce) can visit our onsite Wellness Centers and pharmacy, which offer convenient access to treatment for minor illnesses, preventive care, physical therapy, laboratory services and ongoing condition management. We also offer online [health risk assessments](#) to provide knowledge and tools to help Allstater make health decisions that are right for them. In 2017, 81% of employees took part in the assessment process, which helped them have productive conversations with their doctors. Employees can earn a wellness incentive of up to \$200 for their Health Savings Accounts by regularly monitoring positive habits, such as activity, nutrition and sleep.

For employees who want more focus on specialized areas of health, such as fitness, weight management, pregnancy or tobacco cessation, Allstate's Good Life programming includes activities, online resources and discounts for additional support.

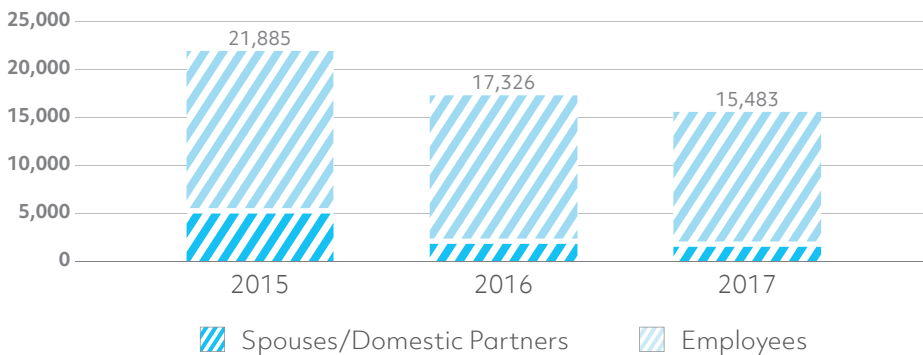
Thrive Programs

Our Good Life offerings include our Thrive programs for helping build positivity, optimism, resiliency and gratitude, and promoting healthy emotional and mental well-being for our employees. We emphasized our Thrive programs in 2017, especially as many of our Claims employees were exposed to increased stress while helping customers impacted by catastrophic events. Thrive includes onsite meditation and quarterly book clubs facilitated by our Wellbeing Champion group of over 300 employees, as well as virtual coaching, video libraries and tool kits.

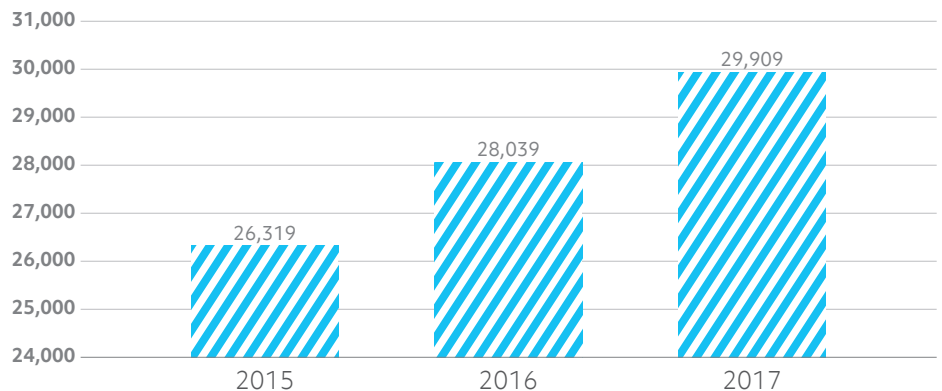
In November 2017, we featured Thrive Talk Thursdays. Speakers included corporate comedian Greg Schwem, Kelly McGonigal, Dan Harris and theatre group Erasing the Distance to perform skits of real-life scenarios about mental health including addiction, post-traumatic stress and depression. We had 4,982 employees participate in person or online. We followed up with a 12 Days of Kindness campaign in December.



ALLSTATERS EARNING \$100 WELLNESS INCENTIVE



ALLSTATERS WHO COMPLETED THE ONLINE HEALTH RISK ASSESSMENT



Work-Life Integration

We support a positive work-life integration by making it easier for employees to care for their families and themselves. Little Hands Child Development Center helps meet parents' needs at our home office in Northbrook with infant through preschool care, full-day kindergarten and summer and vacation programming. Allstate also provides employee discounts at leading child care facilities across the country.

Self-care and errand options, like massages, a hair salon, dry cleaning, a community farm share and auto services are available onsite in Northbrook. Other resources, including our Lifeworks Employee Assistance program and financial support for parents considering adopting a child, are described on our [Good Life](#) website.

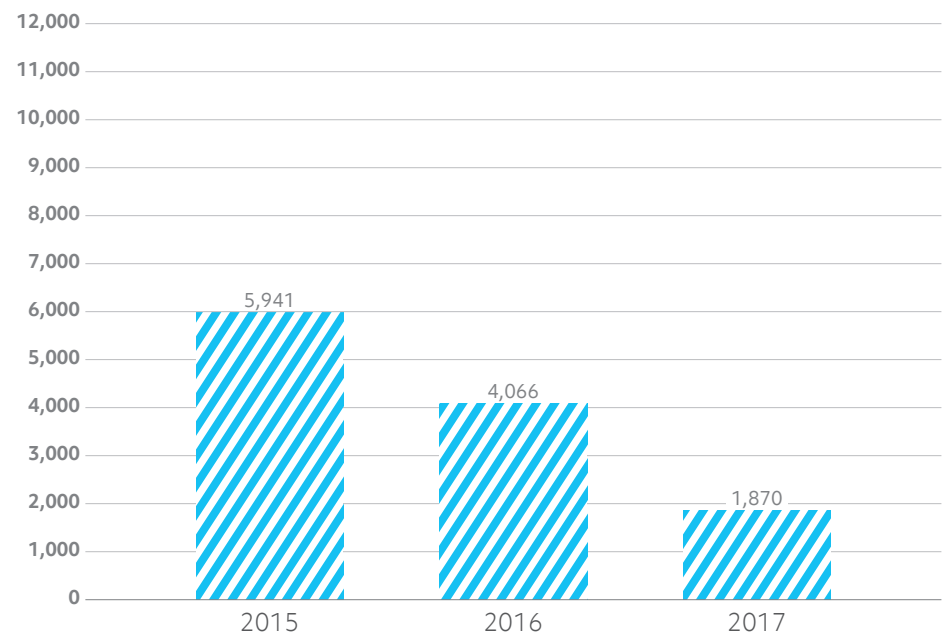
Wellness programs help build positivity, optimism, resiliency and gratitude, and promote healthy emotional, financial and mental well-being for our employees.

Financial Security

Financial well-being is just as important to supporting employees' ability to do their best work as physical well-being. [HelloWallet](#), a web and mobile application, lets employees see all their financial accounts in one place, gain insights into their finances, provides suggestions for setting priorities, and helps employees pay down debt and save. About 25% of Allstaters are using a HelloWallet account.

Allstate provided financial well-being seminars during its Fifth Annual [Financial Fitness Week](#). 1,870 employees attended and viewed sessions on personal finance, including everything from student loans and Investing 101 to how our personal history influences how we handle money. Attendance for Financial Fitness Week was limited in 2017, due to the program timing unfortunately coinciding with some of the catastrophic weather events in the fall. We will continue to offer the programming in 2018 and expect attendance to return to levels more on par with previous years.

ATTENDANCE FOR PERSONAL FINANCE SESSIONS



Healthy Building Environments

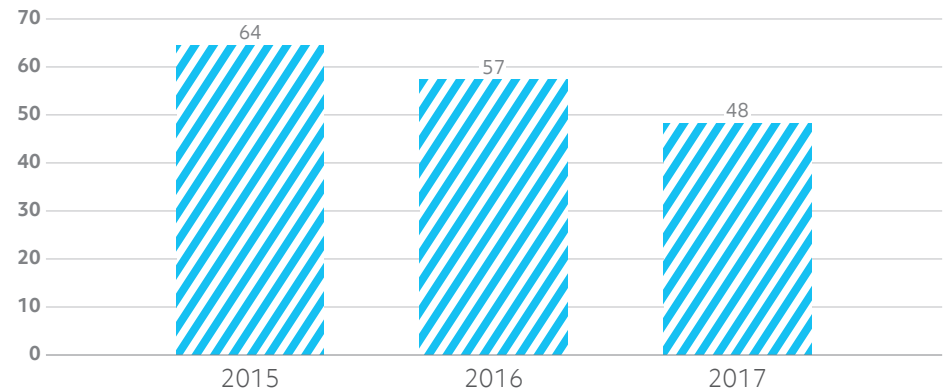
Each of us spends about 25% of our time each year at work and 90% of our time indoors. Small improvements in the overall quality of our built environments can have meaningful impacts on our health, cognitive function and well-being.

As Allstate builds new locations, we strive to align with certifications like Leadership in Energy and Environmental Design (LEED). In the meantime, we have guidelines to ensure our campuses and locations are healthy workplaces for Allstate employees and guests.

Small improvements in the overall quality of our built environments can have meaningful impacts on our health, cognitive function and well-being.

Allstate has an ongoing indoor air quality (IAQ) program. Every two to four years, we conduct IAQ surveys at each location to assure they are safe and meet Allstate's **IAQ comfort guidelines**. Allstate developed these guidelines to meet or exceed applicable Occupational Safety and Health Administration and American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) standards for indoor air quality. In 2017, we conducted 48 IAQ surveys, covering about a third of owned and leased locations larger than 5,000 square feet.

NUMBER OF IAQ SURVEYS



Other important components to indoor air quality include volatile organic compounds (VOCs) from paint, furniture, cleaning supplies and office equipment. VOCs are emitted as gases from some solids and liquids. Exposure to elevated levels of VOCs can cause headaches, fatigue and dizziness, among other symptoms. We require low-VOC paint and finishes in our interiors as well as low-emitting carpeting.

The Administration and Real Estate department leads several other initiatives to ensure a safe environment for employees and protection of the natural environment. For example, each year the team leads asbestos awareness training and spill plan control and countermeasures (SPCC) training sessions to facility-related employees. The company uses an online portal to track which employees receive safety training, how often they receive it and how well they perform.



EMPLOYEE AND CONTRACTOR SAFETY

Employee safety is a moral imperative. We want all employees, contractors and visitors to return home safely every day.

Governance

The company's approach goes beyond compliance and focuses on exceeding federal requirements. Allstate's Enterprise Workforce Safety Committee, which includes representatives from Risk Management, Administration and Real Estate, Law & Regulation, Compliance and Corporate Relations, meets regularly to discuss how to mitigate safety issues.

Employee safety is a moral imperative. Our robust safety practices, training and tools help prevent injuries and enable all employees, contractors and visitors to return home safe at the end of each day.

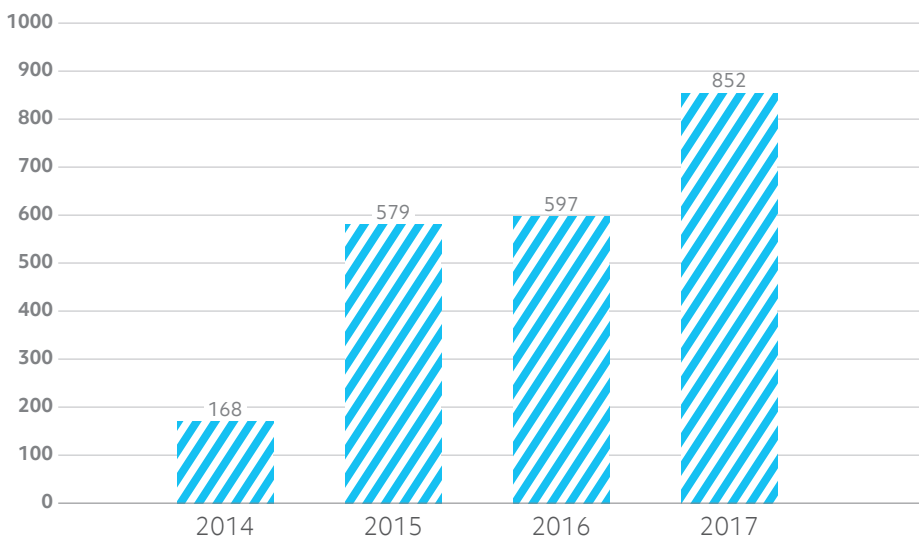
If employees have concerns, they are encouraged to contact Safety and Environmental teams, or contact Human Resources through Ask HR, a dedicated line to reach the team quickly by phone, email or chat page, or **Speak Up**, Allstate's confidential process for reporting ethical concerns.

Safety Training and Education

Our safety training provides employees the specific education they need, based on their role. While Allstate is primarily an office environment, our printing and communications center, service centers, record center and engineering employees require targeted training.

In 2017, Allstate provided targeted safety training to 752 active employees, with 852 total users, with the difference comprising employees who are no longer in the role for which the training was intended, throughout the enterprise. This exceeds OSHA, National Fire Protection Association and U.S. Environmental Protection Agency standards. Where safety issues could have catastrophic results, Allstate annually trains employees, exceeding OSHA requirements.

NUMBER OF EMPLOYEES RECEIVING SAFETY TRAINING

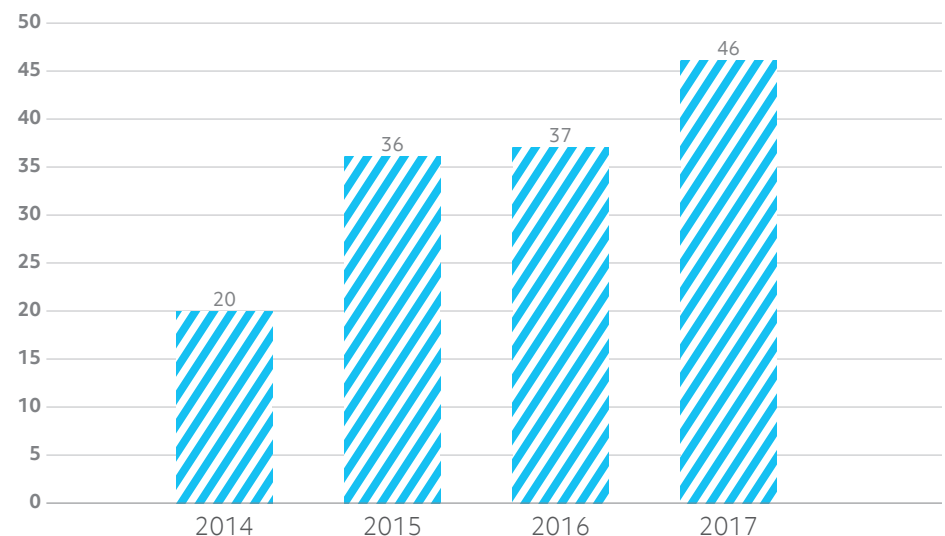


Beyond training, Allstate sends out weekly blog articles — called Safety Food for Thought — that provide valuable safety information and tips. These articles are sent to employees in a safety-required role and made available to all employees.

Monitoring and Audits

Our instructor-led online safety training ensures employees understand safe processes from beginning to end. Allstate performs and documents periodic safety observations of employees who work in high-hazard environments to ensure they correctly perform their tasks. In all large locations owned and managed with a triple net lease — where Allstate handles all aspects of the facility — the company performs annual safety site audits based on OSHA general industry guidelines.

NUMBER OF SAFETY SITE AUDITS



Safety Equipment

Allstate provides personal protective equipment at no charge to employees. All our 140 locations have working fire extinguishers and, in total, we have 344 automated external defibrillators across these locations. Portable extinguishers are evaluated annually, with additional monthly quick checks. We actively monitor the age of each piece of safety equipment and ensure that defibrillator replacement pads and batteries ship automatically before they expire. A new corporate program trains employees in CPR and how to use a defibrillator. These classes are held on request and are not required for most employees. In 2017, we trained 600 people enterprise-wide.

Contractor Safety

OSHA requires building owners to ensure safety compliance at their facilities. Accordingly, we expect all vendor partners to comply with OSHA 29CFR 1910 (construction), 1926 (general industry) and NFPA 70E (electrical safety) guidelines. These standards require protective measures to minimize risks of incidents like falls, chemical spills or fires. They also ensure safety precautions when working on ladders, stairs or in confined spaces. Compliance documentation is required from all our vendor partners as well as their associated subcontractors and is incorporated into our agreement.



MORE THAT MATTERS

RESPONSIBLE INVESTMENT

Allstate's investment decisions represent a critical part of our corporate responsibility footprint, affecting employees, customers and investors. We provide the best value to our shareholders by taking a competitive and holistic approach with our \$83 billion investment portfolio. As responsible stewards of this portfolio, Allstate understands environmental, social and corporate governance issues can influence investment performance. Allstate's analysis and decision-making process considers these issues along with Allstate's values.

CLIMATE RISK 109

RESTRICTED SECURITIES 110

SOCIALLY RESPONSIBLE INVESTMENTS 111

DIVERSE TALENT IN ASSET MANAGEMENT 112

WHAT RESPONSIBLE INVESTMENT MEANS TO ALLSTATE

We create long-term value through active portfolio management in a broad array of asset classes and geographies to ensure we can deliver on our promises to policyholders and stakeholders. Allstate factors environmental, social and governance considerations into the investment process to help ensure our long-term health and stability.

CLIMATE RISK

When evaluating our investment portfolio, we are mindful of climate change risks. We purposefully evaluate and manage our exposure to certain catastrophe risks in our commercial real estate portfolio, like those that may be impacted by climate change. When considering new investments in physical assets, including commercial real estate, we evaluate whether the risk profile is consistent with our risk appetite as determined by senior leadership.





RESTRICTED SECURITIES

Environmental, social and corporate governance issues can influence investment performance.

The Allstate Investments' Compliance department maintains a Restricted List that defines prohibited types of investments, typically entities whose activities are fundamentally inconsistent with Allstate's values or are likely to result in reputational or other significant risks for Allstate. 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.

Our policy outlines that Investment Managers' analysis and decision-making considers environmental, social and governance issues alongside Allstate's values and reputation. Investment Managers are expected to act in accordance with the letter and the spirit of this policy. If an entity is not listed on the Restricted List but the Portfolio Manager or Asset Manager believes it could potentially be considered for inclusion, the Portfolio Manager or Asset Manager must obtain approval from Risk Committee and Investment Compliance prior to entering the transaction.

SOCIALLY RESPONSIBLE INVESTMENTS

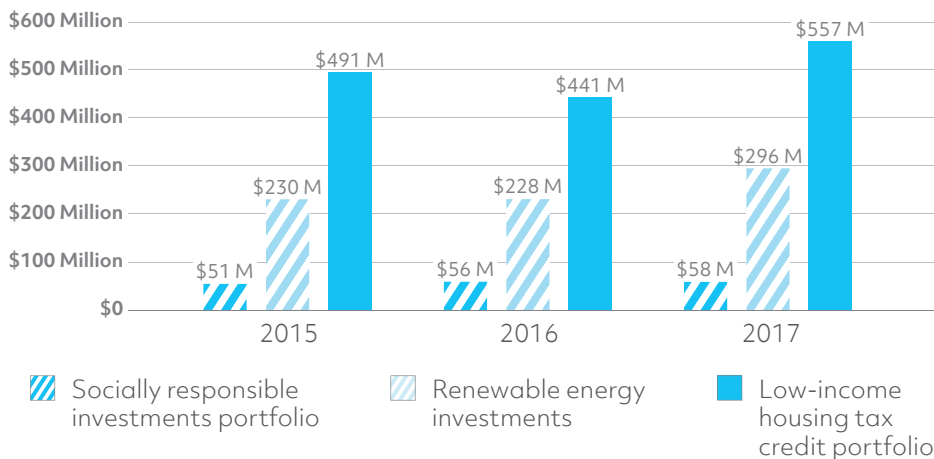
Allstate’s investment portfolio focuses on generating competitive returns while keeping risks at appropriate levels. The company is proud to weave corporate responsibility into its overall approach. The portfolio includes support of environmentally friendly and socially responsible investments with attractive risk/reward trade-offs. In 2017, our investments included a low-income-housing tax credit portfolio of \$557 million, a socially responsible investment portfolio of \$58 million and a renewable energy portfolio of \$296 million. Included in the renewable portfolio are debt and equity investments in wind, hydro and solar power, as well as geothermal projects. Allstate’s low-income-housing tax credit portfolio supports low- to moderate-income families by providing access to nearly 70,000 affordable rental housing units.

Corporate responsibility is part of our investment strategy, with portfolios that include support of environmentally friendly and socially responsible investments.

Additionally, we have an \$8.3 billion municipal bond portfolio, almost half of which has a socially responsible focus. Municipal bonds are issued by states, cities, counties and other governmental entities to fund construction projects such as schools, highways or sewer systems. Municipal bonds promote balanced risk, good long-term returns and strong after-tax benefits for Allstate, but they also support projects that benefit local communities. As of year-end 2017, Allstate’s municipal bond portfolio included investments in:

- + 88 hospitals
- + 96 colleges and universities
- + 273 local school districts
- + 8 renewable energy projects
- + 134 water and sewer projects
- + 5 affordable housing projects

SOCIALLY RESPONSIBLE INVESTMENTS

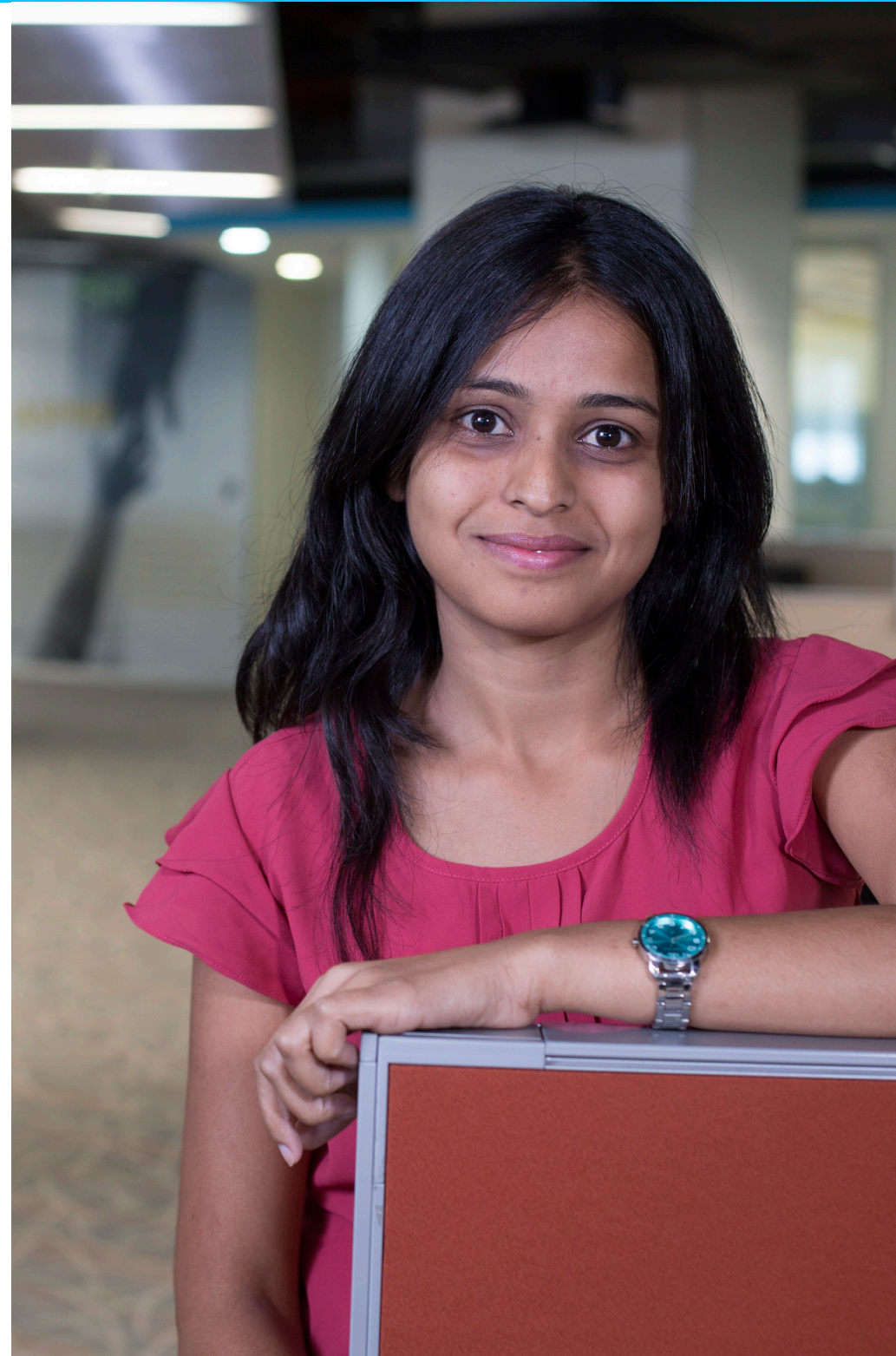


DIVERSE TALENT IN ASSET MANAGEMENT

To ensure our investment team demonstrates superior performance while addressing underrepresentation, Allstate created the Diversity Emerging Managers program.

The number of multicultural and diverse households continues to grow, shifting the United States toward a population where minorities are the majority. There's also research showing that while diverse investing teams consistently outperform less diverse ones, women and minorities are still underrepresented in the private equity and real estate private equity investment sectors. To address this, Allstate created the Diversity Emerging Managers program, whose goal is to identify the next generation of women and minority investment managers. We collaborate with GCM Grosvenor to select women- and minority-owned firms that demonstrate excellence as program participants. Allstate committed \$96.5 million of the \$100 million allocated to the program toward participating firms. We carefully assess the returns on the funds we commit for investment.

In addition to our financial commitment, the participating firms also receive development training from GCM Grosvenor that covers a wide range of topics related to operating an asset management firm, including management, finance and marketing.



HIGHLIGHT STORY

Impact Community Capital

Impact Community Capital (ICC) was founded to create a bridge between low-income communities in need of investment and insurance companies. It aims to invest policyholders' capital into profitable investments while making a positive impact. Since ICC's inception, the sum of its socially responsible investments in underserved communities has grown to more than \$1.9 billion. ICC invests in affordable housing, health care and economic development.

Since 2000, Allstate has helped ICC provide families access to more than 45,000 low-income housing units by funding ICC loans to newly constructed or rehabilitated affordable multifamily housing properties, most of which are eligible for low-income housing tax credits.



HIGHLIGHT STORY

The Perspectives Charter Schools and Allstate Partnership

In 2010, Allstate Investments began hosting students from Perspectives Charter School on the South Side of Chicago at our Northbrook, Illinois, headquarters. Over a five-day internship, up to 20 high school juniors are exposed to the range of professions at Allstate, with a focus on investing, a field often overlooked by high school students. This program enables Allstate to deepen our relationship with the Chicago community.

The students are introduced to investment concepts and what it means to trade for a large institutional investor. Through our Investing Challenge, they select stocks, track performance and present the results to the Investment Department. The students also meet diverse employees from disciplines across the company, including marketing, legal, technology, agency ownership, communications and human resources. We emphasize to interns the need to plan for their career through a strong focus on education and networking, and to plan for retirement at an early age — both of which help them achieve long-term financial health. We are proud of this unique partnership and continue to expand the reach and depth of programming each year.



HIGHLIGHT STORY

Lurie Children's Hospital

Allstate's municipal bond portfolio invested \$6 million in Lurie Children's Hospital, which serves the greater Chicago area.

The bond supported construction of new facilities that opened downtown in 2012. The location helps the hospital recruit top pediatric specialists to Chicago, improves research opportunities, and allows faster transport for critically ill newborns and for patients with chronic conditions. The hospital was constructed with 100% low-emission adhesives, sealants, paint, coating and carpets to promote good indoor air quality for patients and staff, and was recognized with a Leadership in Energy and Environmental Design (LEED) Gold certificate.



HIGHLIGHT STORY

American Municipal Power, Ohio

Allstate's municipal bond portfolio invested \$3 million in financing for the construction of three hydroelectric facilities on the Ohio River, part of American Municipal Power's **Phase 1 Hydro Project**. The plants — in Cannelton, Ind., Smithland, Ky., and Willow Island, W. Va. — are run-of-the-river facilities that do not require dams upstream and therefore cause minimal environmental impact. Run-of-the-river hydro plants use the natural potential energy of water and produce seasonal outputs, generating more energy when the river is running high (for example, in the spring) and less in the winter when the river may be frozen.

These three facilities provide more than 200 MW of greenhouse gas emission-free renewable power for towns in the Ohio River Valley — powering about 130,000 homes. The Phase 1 Hydro Project is certified as environmentally beneficial.



HIGHLIGHT STORY

Nashville Water and Sewer

Allstate's municipal bond portfolio invested \$6 million in rehabbing 70,000 linear feet of sewer and increased storage capacity for runoff during wet weather for the city of Nashville. [The project](#) is certified green, as it provides for environmentally conscious water management.

Much of the Nashville sewer system lacks the capacity to handle the current volume of sewage and stormwater. The project will update infrastructure to reduce sewer overflows, reduce health risks associated with exposure to bacteria and contaminants, and improve water quality in the Cumberland River and Davidson County's extensive network of streams, creeks and tributaries.



HIGHLIGHT STORY

Investing in the Land

To ensure we are prepared with strong capital resources in the event of a catastrophe, Allstate responsibly invests the premiums we receive from our customers. To protect our investments, we work to diversify our portfolios in innovative ways. For example, portions of the premiums from both the Property and Casualty and Life sides of our business are invested in three primary industries: global farmland, agricultural businesses and timber.

For the past seven years we have diligently developed our agricultural and timber investment portfolios and we are proud to be one of the few investors with dedicated teams in this space. Unlike our peers, we have a team of three people focused full-time on agricultural and timber investments. As a result, Allstate has an advantage over our peers and is a preferred partner. These investments have opened a myriad of business opportunities and bring Allstate into our customers' homes in exciting ways. For example, an organic dairy Allstate invests in is the exclusive provider of organic milk to Costco, and we are part owners of the largest pecan orchard and processor in the country.

We take both a short- and long-term view when considering the risks inherent in this portfolio, including the risks posed by climate change. For example, Allstate is a partial owner of large tracts of farmland in water-stressed areas like California and Australia. We are working with our partners on ways to mitigate risks



facing the land we currently support and hope to support for many years to come. When presenting investments to the Investment Committee, it is important that the team addresses risks that agriculture and timber businesses face today, as well as issues that could intensify in the next six months or six years.

MORE THAT MATTERS

FINANCIAL INCLUSION

Allstate's efforts to promote financial inclusion lie at the intersection of business and social value — generating positive feedback and helping society. We challenge ourselves to create innovative products and services to meet our customers' needs and outperform the competition. Financial inclusion is an important issue for companies providing financial services; legal and reputational considerations are an important part of our management of this material topic.

FINANCIAL LITERACY CURRICULUM 120

OFFERING COMPETITIVE PRICES 121

WHAT FINANCIAL INCLUSION MEANS TO ALLSTATE

Allstate proudly protects people against life's uncertainties, and we strive to ensure that those with limited means have the same opportunity to benefit from Good Hands® protection. We support access to financial education resources to make financial literacy attainable for all.

FINANCIAL LITERACY CURRICULUM

The Allstate Foundation Purple Purse Moving Ahead Curriculum offers a range of information from basic money and financial management principles to advanced long-term financial planning.

Allstate addresses financial inclusion through our work with survivors of domestic violence. Many survivors don't have the financial literacy and assets to escape their circumstances. As part of our Purple Purse program, we offer the Moving Ahead financial literacy curriculum free of charge to survivors and advocates. When we give survivors the tools and access to a healthy financial life, we empower them to participate in the economy.

A study by Rutgers University in 2014 showed how the Allstate Foundation Purple Purse Moving Ahead curriculum helps survivors become more independent and feel safer, more hopeful and less financially strained. The study involved 457 survivors, selected based on their use of the Moving Ahead curriculum. Participants reported less hardship, less financial strain and a 10% increase in quality of life ratings.



OFFERING COMPETITIVE PRICES

We regularly update our pricing models to ensure customers benefit from the most advanced approaches.

Allstate agency owners and their staff value and build personal relationships with each customer. They look to offer the best insurance solutions at the right price for each unique customer — balancing risks and costs. As a result, our prices are highly competitive and fair, and an outstanding value.

Auto insurance prices are risk-based so that lower-risk drivers pay less. We use information such as driving safety records, driving characteristics and vehicle type to provide customers with accurate and competitive prices. We base our homeowners insurance pricing on external factors such as the frequency of natural disasters in the area, the cost of building materials, how old the home is, and home insurance policy preferences such as the amount of deductible selected and qualifying discounts.

Allstate offers several ways to reduce customers' premiums, including discounts for insuring both their car and home with Allstate, paying their bill automatically and installing safety features like smoke detectors or home security devices.



MORE THAT MATTERS

SUSTAINABLE PROCUREMENT

The magnitude of our global purchasing activity means our procurement practices have far-ranging effects. This offers Allstate the opportunity to positively influence the businesses from which we source products and services. By understanding how suppliers are managing factors such as 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.

SUPPLIER IMPACTS 123

SUPPLIER DIVERSITY 125

WHAT SUSTAINABLE PROCUREMENT MEANS TO ALLSTATE

At Allstate, environmental and social leadership in our purchasing decisions helps us demonstrate Our Shared Purpose. We screen suppliers for ethical and sustainable practices and help them adopt ethical and sustainable behaviors.

SUPPLIER IMPACTS

We manage environmental and social impacts in our supply chain through a combination of agreements, surveys, scorecards, resource reduction programs and policies.

As stated in the [Supplier Code of Ethics](#), all suppliers doing business with Allstate must adhere to our requirements regarding [human rights](#), environmental stewardship, diversity and inclusion, child labor and more.

The Allstate Sustainable Procurement Program aims to enhance Allstate's reputation, mitigate corporate risks and align purchasing decisions with environmental and social sustainability.

We focus our responsible purchasing program on computer equipment, furniture, leased properties, paper products, professional services, software, utilities and our corporate vehicle fleet.

In 2015, our Sourcing & Procurement Solutions department analyzed our most-used supplier resources and prioritized the key commodity areas. As a result, we focused our responsible purchasing program on computer equipment, furniture, leased properties, paper products, professional services, software, utilities and our corporate vehicle fleet.



The three main elements of the responsible purchasing program include:

- + Sustainable procurement road maps: Category-specific procurement guidance with a phased process, timelines and key considerations for using our supplier evaluation tools.
- + Sustainability questionnaires: Category-specific surveys containing KPIs (key performance indicators) to benchmark suppliers on the most relevant sustainability risks for eight commodity areas.
- + Sustainable procurement playbooks: Procurement category-specific guidance providing detailed rationale behind assessing material impacts and how suppliers should respond to the KPIs.

In 2018, the Allstate Sustainable Procurement Program is planning to benchmark Allstate suppliers on our most relevant sustainability risks.

Sustainability Questionnaires

The sustainability questionnaire contains KPIs to assess a supplier against the most material impacts related to that resource. Questionnaires are distributed to suppliers for data collection. Each KPI has a dedicated subsection.

- + **Rationale and best practices:** Provides the commodity manager with the context for asking suppliers to respond to the specific KPI. Where relevant, best practices to describe how suppliers should address the KPI are also provided.
- + **Supporting documentation:** Lists optional documentation for commodity managers to request from suppliers to verify responses to the KPI.
- + **Case study:** Provides either a demonstration of the rationale behind asking the question or an example of how a company addresses the material impact. The intent is to give commodity managers real-world context.
- + **Additional resources:** Provides links for commodity managers to access additional research or guidance, should the manager receive questions from suppliers that are not addressed in the playbook. Managers can also share these directly with suppliers.

Sustainability Playbooks

Sustainable procurement playbooks provide a detailed rationale behind assessing material impacts and how suppliers should respond to the KPIs. We distribute the playbooks to Allstate's commodity managers in each spending category, who then use the tools to help suppliers provide required information for each KPI. We continue to mature our process to accurately and consistently track supplier KPIs.

Just as organizations' reliance on information technology has increased, so has the importance of customer privacy and data security.

Cybersecurity

Just as organizations' reliance on information technology has increased, so has the importance of customer privacy and data security. To mitigate the potential risks of an information security breach arising from a supplier relationship, we provide vendor-specific training on Allstate's security standards. We train suppliers to recognize behaviors that increase risk, familiarize them with Allstate's corporate values and evaluate security protocols of every supplier with access to sensitive data. Since 2017, Allstate has required all vendors to complete this course.

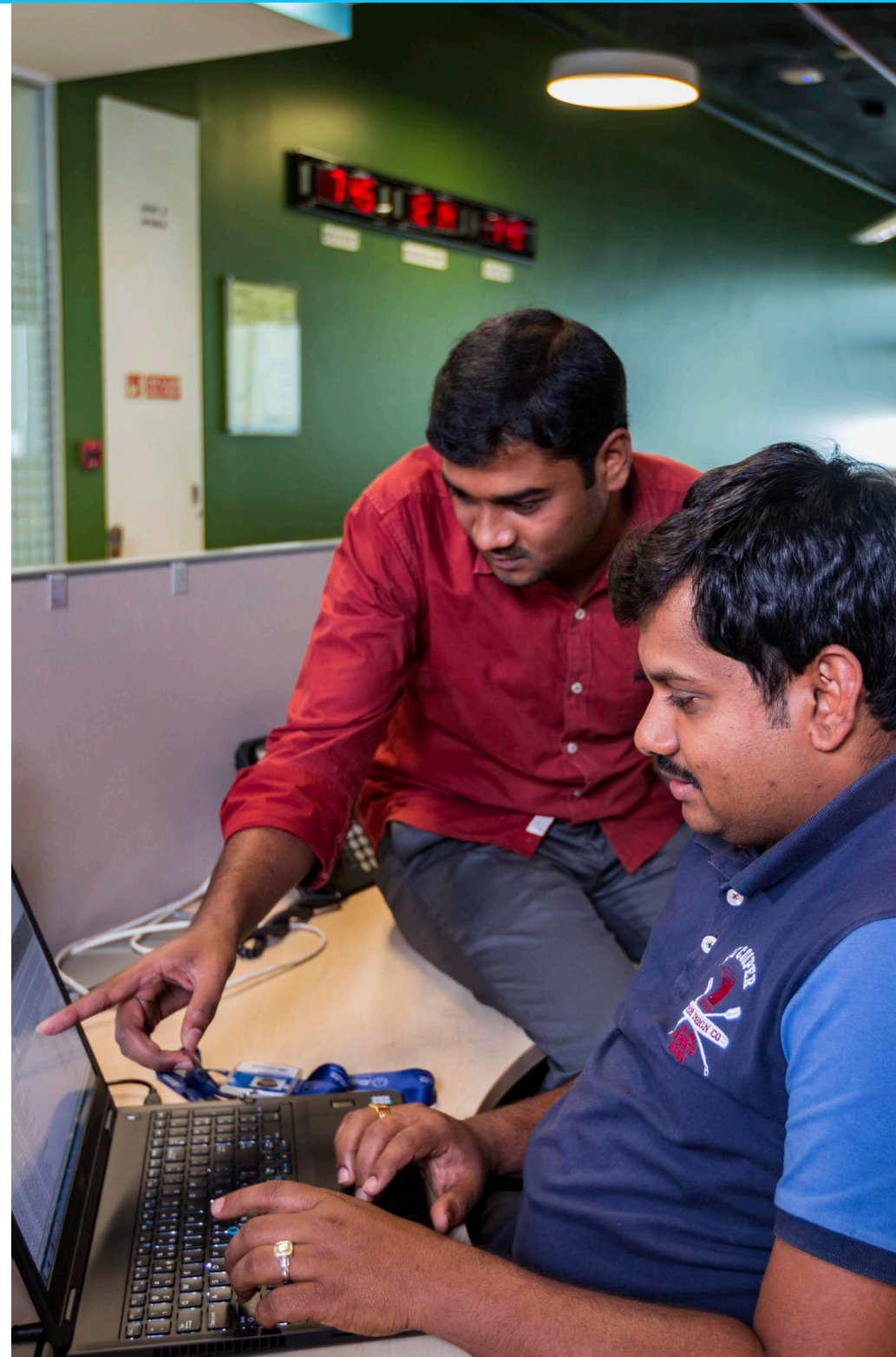
SUPPLIER DIVERSITY

We spent \$450 million with minority, women, veteran, LGBTQ and disabled-owned businesses in 2017.

In 2017, Allstate achieved our long-term goal to have 9% of the company's total procurement spending be with diverse businesses. These enterprises are at least 51% owned and operated by minorities, women, veterans, LGBTQ and disabled. Minority suppliers include: African-American, Hispanic-American, Native American, Asian-American and Pacific Islander-American.

To be eligible for our Supplier Diversity Program, a company must provide certification as a minority-, woman-, veteran-, LGBTQ- or disabled-owned business by one of the following councils:

- + National LGBT Chamber of Commerce
- + National Minority Supplier Development Council
- + U.S. Pan Asian American Chamber of Commerce
- + Women's Business Enterprise National Council
- + Department of Veterans Affairs Center for Veterans Enterprise Vendor Information
- + U.S. Business Leadership Network



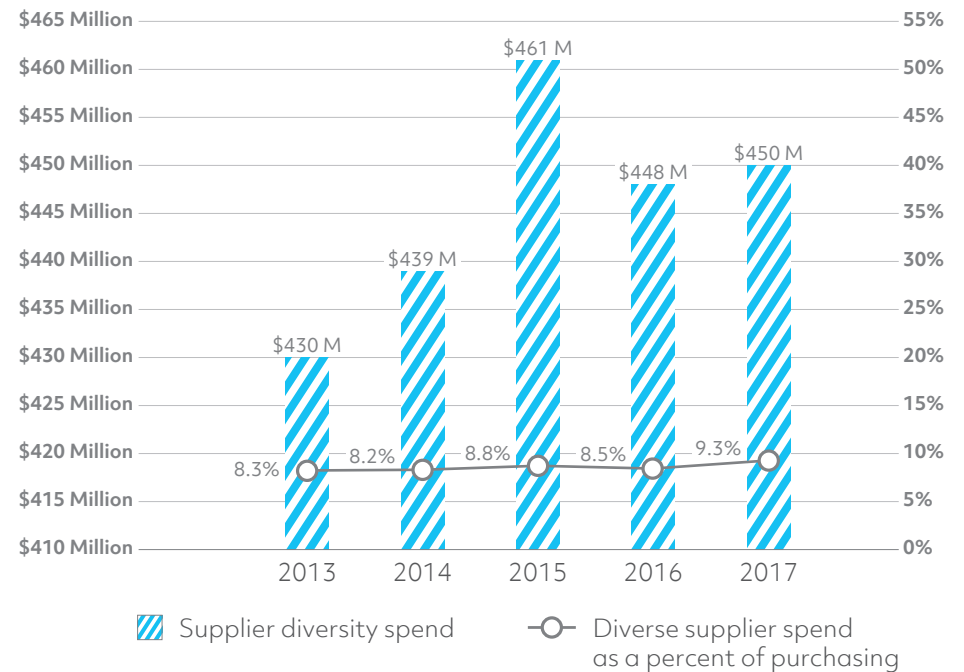
We evaluate progress by measuring our targeted spending in the first five categories listed below. We also measure our inclusive spending in all 13 categories identified by the Small Business Administration as diverse and of special interest in meeting statutory obligations. These include:

- + Minority/woman-owned business enterprises
- + Minority-owned business enterprises
- + Woman-owned business enterprises
- + Lesbian-, gay-, bisexual-, transgender-, questioning-owned business enterprises
- + Disabled business enterprises
- + Disabled veterans business enterprises
- + Disadvantaged business enterprises
- + Historically black colleges and universities
- + Historically underutilized business zone
- + Small Business Administration 8(a) program
- + Small disadvantaged business enterprises
- + Veteran-owned business enterprises
- + Small-business enterprises

Allstate is committed to helping develop diverse suppliers through our supplier diversity initiatives.



DIVERSE SUPPLIER SPEND



Building Ties with Diverse Groups Through Memberships

Allstate works with select organizations to conduct national benchmarking, connect with diverse suppliers and identify successful practices in supplier diversity. Allstate is a member of the following organizations:

- + National Minority Supplier Development Council
- + Women's Business Enterprise National Council
- + National Veteran-Owned Business Association
- + National LGBT Chamber of Commerce
- + United States Hispanic Chamber of Commerce
- + United States Pan Asian Chamber of Commerce
- + Financial Services Roundtable for Supplier Diversity

Industry Recognition

In 2017, we were recognized for our supply chain diversity efforts:

- + 2017 Top Corporation for Women Business Enterprises — Women's Business Enterprise National Council
- + 50 Top Companies for Supplier Diversity 2017 — Black Enterprise Magazine
- + Top 50 Companies for Diversity 2017 — DiversityInc Magazine (12-time award winner)
- + 2017 "Best-of-the-Best" Corporation for Inclusion — National LGBT Chamber of Commerce

Training the Next Generation of Diverse Suppliers

Allstate is committed to helping develop diverse suppliers through our supplier diversity initiatives. Every year, we host the Allstate Supplier Diversity Exchange, which gives diverse suppliers and startups the opportunity to network with key Allstate decision makers and our major suppliers and strategic partners. The program creates a mutually beneficial relationship: Allstate helps support businesses in underserved areas, and participating companies become better positioned to compete for contracts. While attendance at this event does not guarantee business, since its inception, more than 100 participants have had the opportunity to compete for Allstate's business, with over 50% having been awarded contracts. Since the exchange started in 2008, Allstate has spent over \$850 million with diverse suppliers that have participated in the event through 2017.

Allstate works with select organizations to conduct national benchmarking, connect with diverse suppliers and identify successful practices in supplier diversity.

We also support diverse businesses through the Allstate Mentoring Program. Diverse companies are selected to receive training, resources and networking opportunities aimed at building their business capacity.

HIGHLIGHT STORY**Allstate Supplier Diversity Mentoring Program**

The Allstate Mentoring Program is designed to help diverse business owners strengthen and grow their companies. Participants are matched with Allstate executives whose expertise is aligned with the developmental need of the business owner. This 12-month program involves a series of live sessions and webinars focused on leadership and employee development, financial management, sales and marketing and technology enhancement.



MORE THAT MATTERS

ENERGY, EMISSIONS & WASTE

Today, stakeholders expect companies to cut their energy use and reduce waste on an ongoing basis. Beyond that, insurers like Allstate face extensive risk from climate change, which has produced more extreme weather events. As a socially and environmentally responsible company, Allstate believes reducing its environmental footprint is in its own best interest as well as that of the world at large.

ENERGY AND EMISSIONS **130**

WASTE **131**

WHAT ENERGY, EMISSIONS & WASTE MEAN TO ALLSTATE

By reducing Allstate's energy consumption and associated emissions, increasing the use of renewable sources of energy, reducing and properly disposing of waste (including composting and recycling), we avoid contributing to the problem we're trying to address through our responsible investment and public policy efforts.

ENERGY AND EMISSIONS

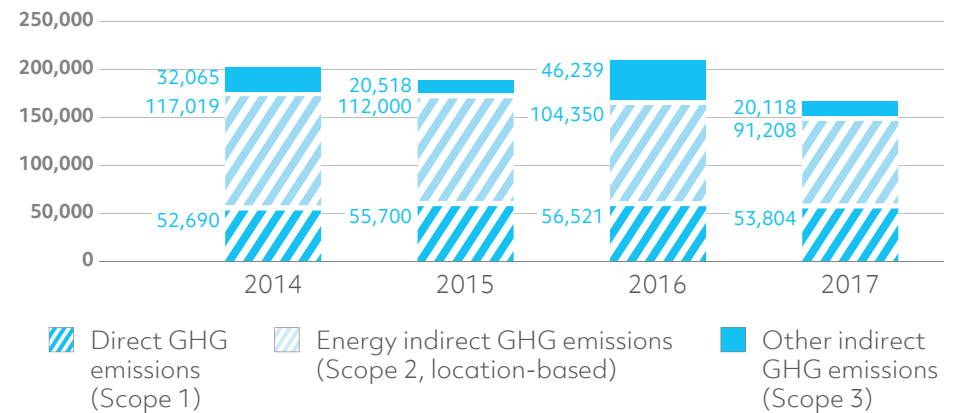
Building on our history of energy and emissions reductions, we continue to engage in conversations to find the right approach to long-term energy management. We know that there is work to do in this area but we are not yet in a position to finalize our next-generation targets. To establish a proper baseline, we first need to complete a number of facility transformations. Thanks to efforts across the enterprise, we surpassed our 2020 goal to achieve a 20% energy-use reduction in 2014.

In 2010, Allstate set a goal to achieve a 20% absolute energy-use reduction within our owned portfolio (approximately 1% of all locations at the time) against our 2007 baseline by 2020. After achieving this goal six years early, Allstate is evaluating a next-generation target, to be set in 2018.

In the meantime, we continue to reduce consumption by consolidating office space, recapturing heat energy as a byproduct of Allstate's data center operations and optimizing the use of energy efficient equipment and systems. Examples of this include HVAC equipment and controls, reduced-lighting power density designs and daylight harvesting in Allstate's offices.

The trend toward consolidating our office space into fewer, larger locations continued in 2017, creating more efficient utilization of space across our owned and leased building portfolios.

GHG EMISSIONS



Allstate's Vehicle Fleet

Allstate operates a fleet of about 3,000 sedans and SUVs to most efficiently manage the business mileage travel requirements of employees within the Claims, Distribution and Service Businesses teams. In 2017, we began offering and incentivizing a hybrid sedan option for employees. In the first year, 33% of our eligible employees selected the hybrid model, and now about 12% of the fleet is hybrid. In the next two to three years, we expect this number to grow, so that hybrid vehicles comprise about 35–50% of the total fleet.

WASTE

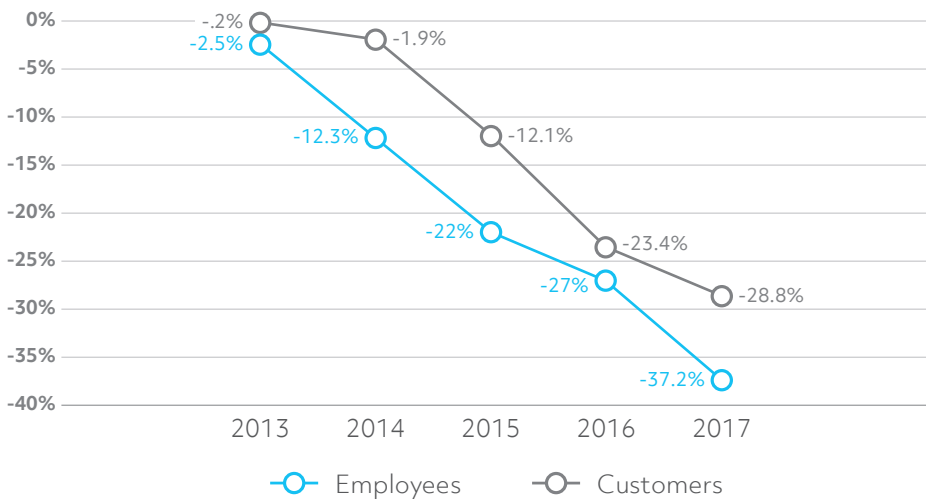
In addition to Allstate’s recycling program, we maintain water bottling stations to encourage use of reusable containers over disposable plastic bottles. We also reduce our waste footprint through cafeteria waste dehydration and pulping, paperless business solutions, and secure shredding.

Paper Reduction

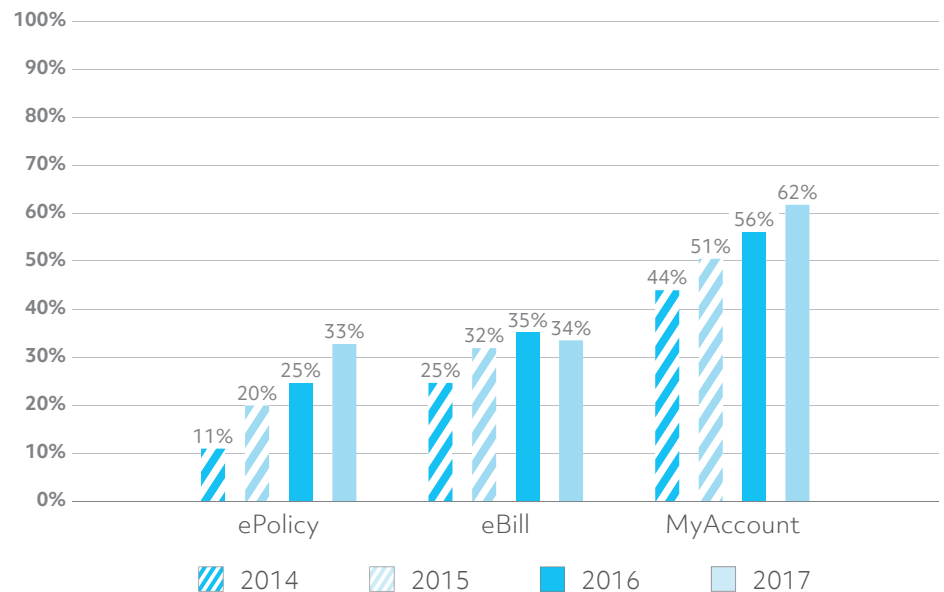
Because paper is Allstate’s largest source of potential waste, we have implemented numerous reduction initiatives.

We have a Print Optimization and Paperless Task Force made up of business unit leaders from across the company. It monitors and tracks employee and customer printing and paper use and works with the Enterprise Communications team to make employees aware of the operational and ecological costs of printing.

TOTAL PERCENTAGE REDUCTION IN PAPER USAGE FROM 2012 BASELINE



CUSTOMER PAPERLESS INITIATIVES (PERCENT USAGE)



We make every effort to keep documents electronic. However, when dealing with confidential documents, this is not always possible, so Allstate maintains a secure program where papers are shredded and recycled.

We also encourage transitioning to electronic forms of customer communications to help cut costs and reduce our footprint and our customers' footprint. Allstate has three paperless initiatives for customers: eSignature, ePolicy and eBill. They can sign up for these free services through MyAccount, our online customer self-service hub. Over five years, between 2015 and 2020, Allstate is investing \$3.5 million to provide additional paperless options in MyAccount and redesign our documents so they require fewer pages.

As a socially and environmentally responsible company, Allstate believes reducing its environmental footprint is in its own best interest as well as that of the world at large.

In 2017, our reduction in printing saved enough paper to span the height of the John Hancock building twice. This reduction has positive impacts on our waste footprint, as well as deforestation and the carbon savings associated with the sequestration effect of trees, which absorb and store carbon dioxide, preventing it from entering the atmosphere.

Reducing Employee Cafeteria Waste

In the United States, up to 40% of our food goes to waste. Because food requires substantial resources to produce, discarding it wastes not only the food itself, but the resources that contributed to its production. Additionally, once food reaches the landfill, it begins to decompose and produce methane, a greenhouse gas that has an impact on the climate 25 times greater than CO₂.

In early 2018, we began working with a new third-party vendor, Parkhurst Dining, for our employee cafes in Northbrook, Illinois, and Hudson, Ohio. Parkhurst offers composting services, in addition to increasing the amount of locally sourced ingredients and healthy food options. Our first full year of data from this new partnership will be available in the 2018 report. We look forward to exploring other environmental solutions they offer, including rooftop and community gardens and zero waste-to-landfill programs.

In Irving, Texas, our second-largest location, our cafe partner, American Dining Creations, also offers composting, inventory management systems and low-carbon menu options, such as "Meatless Mondays," to help employees become more aware of the environmental footprint of their food choices.



Small Electronics Recycling

Allstate replaces approximately 3,000 small electronic items each month. Of these, approximately 1,000 items can be salvaged or recycled. In 2017, to address this source of electronic waste, Allstate partnered with Clover Wireless to begin salvaging small electronics. Under the new partnership, Allstate will send small electronic items to Clover Wireless using their prepaid shipping label, at no cost to Allstate. If there is no salvage value to the item or the data cannot be removed, the item will be recycled. More than 800 types of small electronic items qualify to be salvaged. Clover recycles all items or parts that cannot be salvaged, reducing the number of small electronics we dispose of in landfills.

Water Fountains and Bottling Stations

More than 2 million tons of disposable water bottles sit in U.S. landfills. To reduce their use, we launched an enterprise-wide bottling station program several years ago. Employees fill their bottles with filtered tap water at bottling stations rather than buying disposable bottles. Allstate maintains 230 bottling stations across our facilities. In 2017, use of those stations saved the equivalent of more than 1.5 million plastic water bottles.

HIGHLIGHT STORY**Allstate's Zero Waste Zone**

At our Northfield campus, we invested in a food dehydrator to reduce food waste in our cafeteria. The “pulper” acts like a food processor, mulching the food waste into tiny pieces and then draining the liquid. The waste is then put into a dehydrator that heats it overnight to produce a nutrient-rich mulch we use in our campus landscaping. The machine processes 18 tons of food waste annually.



GRI CONTENT INDEX/SDGs




GENERAL DISCLOSURES



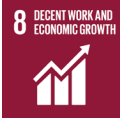

GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER
STRATEGY AND ANALYSIS		
102-14	CEO Letter	Leadership Messages
ORGANIZATIONAL PROFILE		
102-1	Organization name	The Allstate Corporation
102-2	Primary brands, products, and services	In this segment, we principally sell private passenger auto, homeowners and other property-liability insurance products, through agencies and directly through contact centers and the internet. These products are underwritten under the Allstate®, Esurance® and Encompass® brand names.
102-3	Headquarters location	Northbrook, IL
102-4	Where the organization operates	U.S., Canada, India, Northern Ireland
102-5	Nature of ownership and legal form	10-K, pg. 1

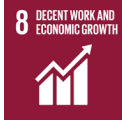
GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER
102-6	Markets served	U.S., Canada, India, Northern Ireland
102-7	Scale of the organization	Business Profile
102-8	Total number of employees by type	We do not externally report the number of Allstate employees by contract, employment type or seasonal variation in employment.
102-9	Supply chain description	In 2017, the vast majority of Allstate's supply chain spend consists of professional services (such as advertising, contract programming and lead generation) and claims contractors. The total monetary value of payments made to suppliers is approximately. Professional services generally support the operations of the company, while claims contractors support periods that typically bring about claims staffing shortages (e.g., natural disasters).
102-10	Organizational changes during the reporting period	None
102-12	External charters, principles, or other initiatives	None
102-13	Membership associations	Public Policy
STAKEHOLDER ENGAGEMENT		
102-40	Stakeholder groups	Materiality & Stakeholder Engagement
102-41	Collective bargaining agreements	0%; Our businesses are not concentrated in professions usually represented by unions or collective bargaining
102-42	How stakeholders were identified	Materiality & Stakeholder Engagement
102-43	Approach to stakeholder engagement	Materiality & Stakeholder Engagement
102-44	Topics raised during stakeholder engagements	Materiality & Stakeholder Engagement


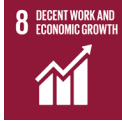


GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER
REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statements	10-K, pg. 1
102-46	Defining report content and topic Boundaries	Materiality & Stakeholder Engagement
102-47	List of Material Topics	Materiality & Stakeholder Engagement
102-48	Restatements	None
102-49	Changes in Reporting	None
102-50	Reporting period	2017
102-51	Date of most recent report	December, 2017
102-52	Reporting cycle	Annual
102-53	Report contact	Allstate Corporate Responsibility and Sustainability Team: sustainability@allstate.com
102-54	"In accordance" option, GRI Index and report assurance	This report was developed in accordance with the GRI Standards: Core Option, and has not been externally assured.
102-55	GRI Content Index	—
—	Coverage of environmental and social data	Disclosures in this report cover greater than 75% of Allstate's revenues.







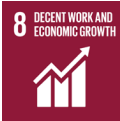

TOPIC-SPECIFIC DISCLOSURES




GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER	SDG ALIGNMENT
GOVERNANCE			
102-18	Governance structure of the organization	Governance	
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance	
102-22	Composition of the highest governance body and its committees	Allstate Investor Relations Page	
102-24	Nominating and selecting the highest governance body	2018 Proxy Statement, pg. 16	
102-30	Effectiveness of risk management processes	10-K, pg. 107	
102-38	Annual total compensation ratio	2018 Proxy Statement, pg. 67	
ENVIRONMENT			
CLIMATE CHANGE			
103-1	Explanation of the material topic and its boundary	Risk & Climate	 
103-2	The management approach and its components	Risk & Climate	
103-3	Evaluation of the management approach	Risk & Climate	
201-2	Financial implications and other risks and opportunities due to climate change	Risk & Climate	




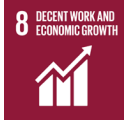

GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER	SDG ALIGNMENT	
ENERGY, EMISSIONS & WASTE				
103-1	Explanation of the material topic and its boundary	Energy, Emissions & Waste		
103-2	The management approach and its components	Energy, Emissions & Waste		
103-3	Evaluation of the management approach	Energy, Emissions & Waste		
N/A	Energy consumption (Scope 1 + 2)	Energy, Emissions & Waste		
302-4	Energy reductions	Energy, Emissions & Waste		
305-1	GHG emissions (Scope 1)	Energy, Emissions & Waste		
305-2	GHG emissions (Scope 2)	Energy, Emissions & Waste		
305-3	GHG emissions (Scope 3)	Energy, Emissions & Waste		
305-4	GHG emissions intensity	Energy, Emissions & Waste		
305-5	Reduction of GHG emissions	Energy, Emissions & Waste		
N/A	Travel Emissions	Energy, Emissions & Waste		
N/A	Paper Recycled	Energy, Emissions & Waste		
N/A	Waste Recycled	Energy, Emissions & Waste		
SOCIETY				
WORKFORCE & INCLUSIVE DIVERSITY				  

GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER	SDG ALIGNMENT
103-1	Explanation of the material topic and its boundary	Workforce & Inclusive Diversity	
103-2	The management approach and its components	Workforce & Inclusive Diversity	
103-3	Evaluation of the management approach	Workforce & Inclusive Diversity	
401-1	New employee hires and employee turnover	Workforce & Inclusive Diversity	
404-1	Average hours of training per year per employee	Workforce & Inclusive Diversity	
404-3	Percentage of employees receiving regular performance and career development reviews	Workforce & Inclusive Diversity	  
405-1	Composition of governance bodies and employees	Workforce & Inclusive Diversity	
N/A	Employee engagement	Workforce & Inclusive Diversity	
N/A	Tuition reimbursement	Workforce & Inclusive Diversity	
N/A	Internal placement rate	Workforce & Inclusive Diversity	
N/A	Inspire survey results	Workforce & Inclusive Diversity	
N/A	Power of Five participation	Workforce & Inclusive Diversity	
COMMUNITY			
103-1	Explanation of the material topic and its boundary	Community	
103-2	The management approach and its components	Community	  
103-3	Evaluation of the management approach	Community	

GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER	SDG ALIGNMENT
N/A	Total Allstate giving	Community	  
N/A	Total volunteer hours	Community	
N/A	Total raised by Allstate Giving Campaign	Community	
N/A	Good Starts Young impacts	Community	
N/A	Purple Purse impacts	Community	
N/A	Greater Good impacts	Community	
N/A	Helping Hand Grants	Community	
N/A	Nonprofit Board Program results	Community	
N/A	Agency Relationship Survey results	Community	
EMPLOYEE HEALTH & SAFETY			
103-1	Explanation of the material topic and its boundary	Employee Health & Safety	
103-2	The management approach and its components	Employee Health & Safety	
103-3	Evaluation of the management approach	Employee Health & Safety	
N/A	Allstater's completing wellness assessment	Employee Health & Safety	
N/A	Allstater's receiving wellness incentive	Employee Health & Safety	
N/A	Attendance for personal finance sessions	Employee Health & Safety	
N/A	Number of air quality surveys	Employee Health & Safety	
N/A	Number of employees receiving safety training	Employee Health & Safety	
N/A	Number of safety site audits	Employee Health & Safety	

GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER	SDG ALIGNMENT
PUBLIC POLICY			
415-1	Political contributions	Public Policy	 
SUSTAINABLE PROCUREMENT			
103-1	Explanation of the material topic and its boundary	Sustainable Procurement	
103-2	The management approach and its components	Sustainable Procurement	  
103-3	Evaluation of the management approach	Sustainable Procurement	
N/A	Total Diverse Supplier Spend	Sustainable Procurement	
N/A	Diverse Supplier spend as a percentage of total spend	Sustainable Procurement	
FINANCIAL INCLUSION			
103-1	Explanation of the material topic and its boundary	Financial Inclusion	 
103-2	The management approach and its components	Financial Inclusion	
103-3	Evaluation of the management approach	Financial Inclusion	
BUSINESS PRACTICES			
PRIVACY & INFORMATION SECURITY			
103-1	Explanation of the material topic and its boundary	Privacy & Information Security Performance	

GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER	SDG ALIGNMENT
103-2	The management approach and its components	Privacy & Information Security Performance	
103-3	Evaluation of the management approach	Privacy & Information Security Performance	
418-1	Total number of complaints regarding breaches of customer privacy and losses of customer data	Privacy & Information Security Performance; We did not have any security breaches in which outside actors were able to obtain access to Allstate customer data; We choose not track the total number of substantiated complaints regarding breaches of customer privacy	
ETHICS & INTEGRITY			
103-1	Explanation of the material topic and its boundary	Ethics & Integrity	 
103-2	The management approach and its components	Ethics & Integrity	
103-3	Evaluation of the management approach	Ethics & Integrity	
102-16	Values, principles, standards, and norms of behavior	Ethics & Integrity	
102-17	Mechanisms for reporting concerns about unethical or unlawful behavior	<p>Employees may report any illegal, unethical conduct or regulatory compliance concerns by:</p> <ul style="list-style-type: none"> + Contacting their manager, another manager, or a Human Resources representative + Calling the Allstate i-Report Line: 1-800-706-9855 + Using the Allstate i-Report website: www.allstatei-report.alertline.com 	

GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER	SDG ALIGNMENT
RESPONSIBLE INVESTMENT			
103-1	Explanation of the material topic and its boundary	Responsible Investment	 
103-2	The management approach and its components	Responsible Investment	
103-3	Evaluation of the management approach	Responsible Investment	
N/A	Value of SRI portfolio	Responsible Investment	
CLAIMS & PRODUCT INNOVATION			
103-1	Explanation of the material topic and its boundary	Claims & Product Innovation	  
103-2	The management approach and its components	Claims & Product Innovation	
103-3	Evaluation of the management approach	Claims & Product Innovation	
N/A	Digital/electronic claim payment transactions	Claims & Product Innovation	
N/A	Supplemental vehicle damage estimated using Arity's real-time streaming video, Virtual Assist	Claims & Product Innovation	
N/A	Drivable vehicle damage estimated using QuickFoto® Claim	Claims & Product Innovation	