

Sustainability Report 2021

# Allstate's role in society



# Our Shared Purpose

**As the Good Hands... We empower customers with protection to help them achieve their hopes and dreams. We provide affordable, simple and connected protection solutions. We create opportunity for our team, economic value for our shareholders and improve communities.**

## Overview

### Our values

- Integrity is non-negotiable.
- Inclusive Diversity & Equity values and leverages unique identities with equitable opportunity and rewards.
- Collective Success is achieved through empathy and prioritizing enterprise outcomes ahead of individuals.

### Our operating standards

- Focus on Customers by anticipating and exceeding service expectations at low costs.
- Be the Best at protecting customers, developing talent and running our businesses.
- Be Bold with original ideas using speed and conviction to beat the competition.
- Earn Attractive Returns by providing customer value, proactively accepting risk and using analytics.

### Our behaviors

- Collaborate early and often to develop and implement comprehensive solutions and share learnings.
- Challenge Ideas to leverage collective expertise, evaluate multiple alternatives and create the best path forward.
- Provide Clarity for expected outcomes, decision authority and accountability.
- Provide Feedback that is candid, actionable, independent of hierarchy and safe.

## The story of Our Shared Purpose

The story of Our Shared Purpose began 15 years ago, when Tom Wilson became CEO with the goal of making Allstate more customer focused and faster moving. A dozen senior leaders of the corporation went through what became the Energy for Life program to articulate their personal purpose and build plans to achieve it. In 2007, Allstate created a similar plan, and Our Shared Vision became the company's new story.

Over time, the renamed Our Shared Purpose was embedded in our culture and actions. It drove innovations like Your Choice Auto and telematics. Our values of integrity, inclusive diversity, engagement, accountability and superior performance created the right kind of success. In 2014, we added a section on leadership. Allstaterers are expected to lead from every seat.

We updated Our Shared Purpose in 2021 to guide the culture change needed for Transformative Growth. Our Shared Purpose outlines Allstate's values, operating standards and behaviors, including providing employees equitable opportunity, meaningful work, competitive compensation and personal growth. These updates will further advance Allstate's culture by highlighting the values of integrity, inclusive diversity and equity and collective success.

We enhanced Our Shared Purpose to focus on four behaviors to support cultural change: collaborate, challenge ideas, provide clarity and provide feedback. We have invested in training our leaders on those behaviors and will tie 50% of our employees' performance ratings to those behaviors. We also assessed the capabilities of 4,000 leaders resulting in individualized development plans.

Transformative Growth is a multi-year initiative to increase personal property-liability market share by building a low-cost digital insurer with broad distribution. We'll achieve this by improving customer value, expanding customer access, increasing customer acquisition sophistication, modernizing the technology ecosystem and enhancing organizational capabilities. Learn more in our [2022 Proxy Statement](#) and [2021 Form 10-K](#).

# Our integrated approach

## About this report

### We are the Good Hands...

The Sustainability Report builds on the content in our [10-K](#) and [Proxy Statement](#) to tell the full story of Allstate's long-term value creation. This report incorporates the Guiding Principles and Content Components of the Integrated Reporting (IR) framework as produced by the [International Integrated Reporting Council \(IIRC\)](#). We also include disclosures to the relevant [SASB sector standards](#), the [Task Force on Climate-Related Financial Disclosures \(TCFD\) guidelines](#), our [EEO-1](#) report, and our [ESG Summary Report](#). Finally, the report references the [GRI Standards](#) and the [UN Sustainable Development Goals](#) (UN SDGs).

For more information on how we determined the content of this report, please read our [Materiality & stakeholder engagement](#) section. All information represents our 2021 fiscal year, unless otherwise noted.

## Our integrated approach

Allstate provides affordable, simple and connected protection solutions. While we are primarily engaged in the property and casualty insurance business in the United States and Canada, we also offer accident and health insurance, identity protection, and protection plans for consumer electronics, mobile phones and appliances. 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 our slogan: "You're in good hands with Allstate.®"

This slogan reflects our commitment to customers, employees, agents, suppliers, stockholders and the communities where we operate and beyond. It shapes the guiding principles of Allstate, known as Our Shared Purpose, which are to empower customers with protection to help them achieve their hopes and dreams. We put words into action not only through our products and services, but through the way we create value for stakeholders throughout our business.

Allstate believes that the interrelations among economic, environmental and social factors are increasingly material to long-term enterprise value creation. This view informs our strategy development and how we manage risks and opportunities throughout the value chain.

To determine Allstate's risks and opportunities as well as our social and environmental impact more comprehensively, we periodically conduct a sustainability materiality assessment to learn what ESG issues are

significant to our stakeholders. We zero in on our material environmental, social and governance (ESG) factors along with traditional financial information to strengthen our strategy development and risk management. Read more in the [Materiality & stakeholder engagement](#) section of the report.

### What does value creation look like at Allstate?

We've adopted the [Integrated Reporting](#) (IR) framework for reporting, which integrates our financial information and sustainability data to showcase the corporation's commitment to and progress toward creating long-term value for those we serve.

We aim to follow the spirit of the IR guidelines to:

- Improve the quality of information to providers of financial capital and enable efficient and productive allocation of capital.
- Promote a cohesive approach to corporate reporting and communicate about factors that materially affect our ability to create value over time.
- Enhance accountability and stewardship for the six capitals (financial, manufactured, intellectual, human, social and relationship, and natural).
- Support integrated thinking and decision-making that create value over the short, medium and long term.

We see value creation as a form of return. This takes on many forms, including more resilient business operations, stronger competitive positioning, improved social, economic and environmental outcomes, well-managed risk, and enhanced societal well-being. The value creation is governed and generated by Allstaters across the enterprise.

## Governance of sustainability

Allstate has strong corporate governance guided by three primary principles: dialogue, transparency and responsiveness. The Board has enhanced governance policies over time to align with best practices and serve the interests of stockholders. For in-depth information about governance practices, please see our [2022 Proxy Statement](#).

Our Board of Directors and CEO are responsible for the overall performance of Allstate, including sustainability. Sustainability is managed across the business by the following groups: Enterprise Risk and Return Council, Responsible Investing Committee, The ESG Steering Committee (formerly the Sustainability Council), the Inclusive Diversity and Equity team, and the Sustainability team.

The Enterprise Risk and Return Council (ERRC) is Allstate's senior risk management committee that establishes risk and return targets, determines economic capital levels and directs integrated strategies and actions from an enterprise perspective. In 2021, the ERRC was made up of Allstate's CEO, vice chair, chief investment officer, general counsel, treasurer, area of responsibility (AOR) presidents, and enterprise and AOR risk and financial officers. The ERRC reviews enterprise principles, guidelines and limits for Allstate's significant risks, and monitors the strategies and actions management has taken to control these risks. The Board of Directors and the Risk and Return and Audit committees oversee Enterprise Risk and Return Management. For further information on our risk factors, please see pages 80-82 of the [2021 10-K](#).

The Responsible Investing Committee monitors ESG investing trends, evaluates ESG investing best practices, supports the work of the ESG Steering Committee and periodically reports about its activities to other senior leaders within Allstate. In conjunction with Allstate's Investments Risk Committee, the Responsible Investing Committee also monitors our investment portfolio for potential short- and long-term exposures to climate change. Read more in the [Responsible investing](#) section of the report.

Allstate has maintained an ESG Steering Committee (formerly the Sustainability Council) since 2007. The cross-functional committee includes individuals from strategy, finance, financial products, technology, marketing, innovation and corporate brand, enterprise risk and return management, human resources, legal, investments, Property-Liability, and protection products and services. Allstate's senior vice president of corporate strategy and senior vice president of corporate law co-chair the committee, which meets monthly, and updates senior executives. With 12 members including 2 Committee Chairs, representing more than 10 business functions, the committee supports Allstate's commitment to the environment, health and safety, corporate social responsibility, human capital management, corporate governance, sustainability and other public policy matters.

The Sustainability team develops the annual Sustainability Report, responds to ratings and rankings questionnaires, drives employee awareness and engagement with corporate sustainability initiatives and reports monthly to the ESG Steering Committee. The Sustainability team also provides regular ESG updates to the Board of Directors.

## What's in this report?

- **GRI Index** – We follow the Global Reporting Initiative (GRI): Core option as a reporting structure. In the GRI index, we also identify how our initiatives align with the [United Nations Sustainable Development Goals](#) (UN SDGs).
- **EEO-1 Report** – Demographic breakdown of our workforce by race/ethnicity and gender.
- **SASB Index** – A five-page report that communicates financially material sustainability information to investors.
- **TCFD Index** – Connecting dots to public disclosures on our climate-related risks and opportunities.
- **CDP** – Environmental data and information, including our approach to climate change and risk.
- **Public Policy Report** – Our involvement in the democratic process at the state and federal levels.
- **ESG Data** – Year-over-year comparisons of raw environmental, social and governance data.
- **ESG Summary** – A short report that communicates environmental, social and governance initiatives and priorities of significance to Allstate.
- **Archive** – Find older items in our Sustainability Report archives.

# Materiality & stakeholder engagement

## Materiality

Allstate issued its first corporate report addressing ESG topics in 2003. We conducted our first sustainability materiality assessment in 2015 and used those priorities to guide our strategy until we refreshed the assessment in 2020.

In 2020, we completed our second robust materiality assessment. We incorporated components of integrated reporting and the six capitals – financial, intellectual, human, social, natural and manufactured. We followed the best practice methodology of identifying, prioritizing and validating material topics.

We interviewed internal and external stakeholders and analyzed written sources. Each year, we evaluate our material topics to ensure they reflect the priorities of Allstate and our stakeholders. In this report, we communicate our management of the following material topics:



- Climate strategy
- Advancing consumer disaster resiliency
- Customer-centric & responsible products
- Technology & digitization
- Privacy & information security
- Employee well-being & safety
- Employment relations
- Inclusive diversity
- Organizational culture
- Public Policy
- Responsible investing
- Community
- Talent recruitment
- Training & education

In 2021, we supplemented our 2020 ESG materiality assessment with extensive stockholder outreach to foster dialogue on societal issues of importance. A societal engagement framework was developed to focus on the prioritization of three ESG issues in particular: Climate, Inclusive Diversity and Equity and Data Privacy. Allstate's engagement in these important areas is a core component of developing a holistic ESG strategy. Read more about our societal engagement framework in our [2022 Proxy Statement](#).

## Stakeholder engagement

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 identify key stakeholder groups through the ESG Steering Committee (formerly the Sustainability Council), feedback from senior leaders and 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, their orientation relative to or within the financial services industry and the extent to which they can impact, or be impacted by, Allstate.

We regularly engage with stockholders, as well as customers and consumers, employees, Allstate agents, nongovernmental organizations, opinion leaders, policymakers and suppliers. We also interviewed stakeholders and analyzed stakeholder perspectives available from public documentation for our 2020 materiality assessment, and held discussions with stockholders in 2021 to discuss Allstate's Transformative Growth progress, societal engagement framework, IDE strategy, climate change risk, and data privacy.

Allstate partners with The RepTrak Co. (formerly, the Reputation Institute) to study how stakeholders perceive Allstate. We survey customers, consumers, agents and employees every quarter, as well as investors and opinion leaders each year, and policymakers every two years. Feedback is collected across these stakeholder groups, key topics are identified, and strategies are developed to address gaps. There are also stakeholder-specific avenues for engagement. More detail can be found throughout this report.

# Awards

## Corporate

- Forbes' **America's Best Employers** (2017)
- Fortune's **World's Most Admired Companies** (2020, 2021, 2022)
- Fortune's "**Measure Up**" list of Top 20 companies with best diversity and inclusion (2020)
- Fortune's **Change the World** (2017, 2018)
- Newsweek's **America's Best Customer Service** (2021)
- Transparency Awards **Best Overall Transparency** (2020)
- Wall Street Journal/Drucker Institute's **Management Top 250: Best Managed Companies** (2017–2020)

## Corporate responsibility

- 3BL's **100 Best Corporate Citizens** (2019, 2020)
- CDP's **A List** (2020)
- Dow Jones Sustainability Index **Member, North America** (2018–2020)
- Ethisphere Institute's **World's Most Ethical Companies** (2015–2020)
- Forbes' **Green Growth 50** (2021)
- Forbes' **Just Companies** (2019)
- International Financing Review **North America Investment-Grade Bond of the Year** (2021)
- Newsweek's **America's Most Responsible Companies** (2020)
- Newsweek's **Top 100 Green Companies in the United States** (2009–2012, 2014–2016)
- Points of Light **The Civic 50** (2018–2020)

## Diversity

- DiversityInc's Top 50 Companies for **Diversity** (2003–2022, 19-time award winner)
- Black Enterprise's **Best Companies for Diversity** (2011, 2012, 2014–2018)
- Disability Equality Index (DEI) **Top Scoring Companies** (2020)

## Awards (cont.)

- Diversity Best Practices **Inclusion Index** (2017, 2018)
- DiversityJobs **Top Diversity Employers – Insurance** (2021)
- Forbes' **America's Best Employers for Diversity** (2020)
- Forbes' **America's Best Employers for New Grads** (2020, 2021)
- Forbes' **America's Best Employers for Women** (2019)
- Hispanic Association on Corporate Responsibility's **5 Star Company in Employment** (2018)
- Human Rights Campaign's **Corporate Equality Index** (2009–2021)
- LATINA Style Magazine's **50 Best Companies for Latinas to Work** (2018, 17-time award winner)
- Leadership Council on Legal Diversity's **Top Performer** (2017, 2020)
- Military Friendly Company's **Military Friendly Employer** (No. 1 in 2020, 4-time honoree)
- National Association for Female Executives' **Top Companies for Executive Women** (2016–2019, 17-time award winner)

## Innovation and technology

- Anita Borg Institute's **Top Companies for Women Technologists Leadership Index** (2016, 2017, 2019)
- Belfast Telegraph IT Awards' **Cybersecurity Project of the Year** – “Allstate Cyber Safety for Kids” (2019)
- Computing Security Excellence Awards' **Security Team of the Year** – Allstate Information Security (2019)
- CSO50 Award's **Supplier Security Risk Management** (2018)
- Digital DNA's **Best Tech for Good Innovation** – “Allstate Cyber Safety for Kids” (2019)
- **CIO 100** (2016, 2018, 2020)
- International Association of Business Communicators' **Gold Quill Award** – Cybersecurity Matters Awareness Campaign (2015–2017)

## Supply chain

- Black Enterprise's **Top 50 Companies for Supplier Diversity** (2017)
- Chicago Minority Supplier Development Council's **Corporation of the Year** (2017)
- National Gay & Lesbian Chamber of Commerce's **“Best-of-the-Best” Corporation for Inclusion** (2017, 2018)
- Walmart Services **Supplier of the Year** (2019)
- Women's Business Enterprise National Council's **Top Corporation for Women's Business Enterprise** (2014, 2016–2018, 2019 (Gold))

# Privacy and information security

**By carefully and responsibly handling data, Allstate maintains a strong reputation, fosters positive business relationships and creates shared value. We provide identity protection products to millions of customers and help empower people with more control over their personal data. Our goals are to demonstrate transparency, offer solutions and lead others to do the same through four key avenues: policy and legislation, governance, products and services, and partnerships.**

## Overview

Because of the products and services we provide, customers entrust Allstate with their data. Consumers have an expectation of privacy and security around that data. This creates both business opportunities and constraints as we work to safeguard consumer data while using that data to better serve our customers.

We are an industry leader on privacy and information security. Allstate executives are influential speakers and thought leaders on privacy and security by design. This concept embeds privacy in our day-to-day business activities and makes it a key part of everything we do at the early stages of product design. We continually offer new related products and services that can better protect and empower customers. Learn more in our [Customer-centric and responsible products](#) topic section.

## Accountability

Our privacy and information security teams collaborate closely but operate independently. Information security is concerned with the confidentiality, integrity and availability of data, including personal information, trade secrets and material nonpublic information, while privacy is focused on ensuring that an individual's personal information is kept private and used appropriately across the information life cycle, including data disposal.

### Information security

The Allstate Information Security team, under the direction of the chief information security officer and the Information Security Council (ISC), oversees the information security program, including policies and standards. The ISC consists of senior leaders from across Allstate including privacy, technology, risk, information security, legal and other areas of responsibility and is chaired by the chief information security officer, a senior vice president of information security. The ISC monitors risk, decides on mitigation strategies and escalates identified risks as part of Allstate's formal governance structure.

### Privacy

The Allstate privacy team is led by the chief privacy officer, who is also the chief ethics and compliance officer and a senior vice president within Allstate. The enterprise privacy team governs personal information throughout the data life cycle, from collection to disposal. It also promotes privacy awareness throughout the workforce. The team conducts risk assessments to determine privacy impact across the enterprise and to our consumers.

## Policies and practices

Our privacy policies and procedures support compliance with privacy laws, provide the foundation for compliance with future laws and support our efforts to be more privacy-forward.

Our information security program aligns with the National Institute of Standards and Technology's (NIST) Cybersecurity Framework and ISO 27001. With support from other industry standards and best practices, our program is designed to support compliance with cybersecurity laws and regulations, such as the New York Department of Financial Services Cybersecurity Requirements for Financial Services Companies. Our information security policies and standards guide the decisions and actions of the Information Security Council.

Internal and external audits help us evaluate the effectiveness of our information security and privacy practices. We are continuously looking for vulnerabilities across the enterprise. We also perform ongoing rigorous tests and exercises to identify and resolve vulnerabilities.

### Privacy impact assessment process

The Allstate Privacy Impact Assessment Process applies to projects that involve the collection or new use of personal information. Our privacy professionals assess risks before new projects are delivered, which allows for proactive risk mitigation.

### Security and privacy in product design

As we expand the circle of protection using innovative digital technologies, we're building in security from the start. We ensure product development teams have the training to create products that adhere to Allstate's security standards and help ensure applications are secure before production. Our training plans are continuously updated, including a new privacy training module for developers introduced in 2021. Allstate's Enterprise Business Conduct team has created a group that supports the development of new products, programs and services to ensure they are built with privacy, ethics and compliance in mind, and risks are mitigated before launch.

### Allstate Identity Protection

**Allstate Identity Protection** is reinventing privacy and identity protection by giving consumers the tools to see, control and protect their digital identities. It helps us maintain our privacy posture and has grown exponentially over the last few years with 4,500 current clients and over 5.2 million total individuals protected. In 2020, Allstate's Identity Protection services were offered for free to all U.S. residents including existing Allstate customers, helping over 200,000 Americans protect their identity.

Product offerings include identity protection and privacy management, as well as **Allstate Digital Footprint™** on Allstate Mobile. We recently added a cyber product offering mobile device protection, anti-phishing, Wi-Fi scan

and limited cyber-expense coverage. Read more about [Allstate Identity Protection](#) and [Allstate Digital Footprint](#) product in our [Customer-centric and responsible products](#) section.

### Anonymization

One of the best ways to protect a person's privacy is to anonymize their data. Allstate's Personal Information Anonymization Framework provides a mechanism to confirm that data has been properly anonymized, which allows the company to more freely use data with valuable data insights remaining intact. Anonymizing data virtually removes the privacy risk without compromising the value of the data.

### Training

All Allstate employees receive regular training on Allstate's privacy and information security policies. Our annual compliance confirmation process requires every global employee to complete courses and agree to follow appropriate company policies, with employees of [National General](#), a recent acquisition, undertaking a separate training process. All employees must acknowledge and agree to comply with:

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

The training covers company-specific risks and trends identified over the last 12 months. Allstate agency owners are under contractual obligations to maintain their own information security policies and controls. Allstate also provides privacy and information security training for new agency staff and communicates key information security responsibilities for all agency users annually.

Allstate employees are required to protect consumers' personal information and keep it confidential. Our consumer privacy principles are detailed in the Privacy Policy, which applies to all employees:

- We respect and protect the privacy of every individual's personal information.
- We request and retain only the personal information that is needed.
- We communicate clearly how personal information is used, retained and disclosed.
- We embed strong privacy protection practices in business processes and systems. [Our Online Privacy Statement](#) has more on Allstate's practices related to collection, use and sharing of consumers' personal information. Other entities within the Allstate family provide separate privacy statements; for selected examples of our range of privacy statements see [The Allstate Foundation](#), [Arity](#), [Allstate Protection Plans](#), [National General](#) and [Allstate Identity Protection](#) websites for information about their respective privacy practices.

### Ethics, compliance and privacy assessments

We host Ethics, Compliance and Privacy Assessments to identify on a detailed level how each business area meets the required elements to maintain a mature and well-functioning privacy program. These assessments occur as needed based on identified risks, with at least one assessment for each business area every three years.

### Privacy or security incidents

If employees have a privacy or security concern to bring to the attention of senior leadership, they are expected to report to the i-Report Line. The [Global Code of Business Conduct](#) provides phone numbers and email addresses for reporting a suspected incident.

If Allstate suspects or receives a report that personal information may have been compromised, the privacy team launches an incident response that includes investigation, notification and corrective action in partnership with the Information Security team and other areas, when needed. Senior leaders and the Board of Directors are kept apprised of privacy incidents as needed. The privacy team and other leaders help make sure that Allstate complies with the growing body of regulation that applies to personal information.

## Programs and initiatives

Cybersecurity and privacy programs are a priority at Allstate and are reported to the Board of Directors. The Board and Audit Committee oversees cybersecurity and privacy by reviewing risk at multiple meetings. Outside professional groups benchmark both programs regularly, with positive results. Our information security, cybersecurity and privacy programs continuously undergo independent assessments to evaluate their maturity.

In 2020 and 2021, we completed thorough independent privacy program maturity assessments, which concluded that the privacy program was well defined and continues to mature year-over-year. During these assessments, the privacy program was evaluated and assessed relative to trends in the insurance and technology industries. In 2021, Allstate was noted as a leader of the insurance industry. Both the 2020 and 2021 assessments involved a fact-finding exercise that analyzed, evaluated and verified privacy program progress across privacy components through interviews with the privacy team and other enterprise stakeholders and reviews of relevant documents.

The information security and privacy programs support several key enterprise initiatives. Our cybersecurity program, aligned with directives from the Board of Directors, supports the evolving business environment while managing a dynamic threat and regulatory landscape. It addresses these priorities:

- **Access Control:** Limits access to systems across the enterprise through strengthened authentication, network segmentation, and identity and access management.
- **Detect and Respond:** Enhances monitoring of critical systems and extends the Global Security Fusion Center (GSFC) services to effectively monitor, detect and respond to threats.
- **Protect Data:** Manages data consistent with Allstate's risk strategy to protect the confidentiality, integrity and availability of information and to comply with laws and regulations.
- **Security Governance:** Defines, consumes and monitors assets and security controls to meet Allstate and regulatory requirements.

We advanced our State Privacy Laws program to strategically approach consumer expectations of privacy and the dynamic regulatory environment, and we are identifying lawmakers, think tanks, policy institutes, thought leaders and journalists aligned with increased consumer control of data. We also focused on reducing the personal information footprint across Allstate in an effort to clean up the data landscape by removing extra copies of data. Our approach prioritizes scalability, repeatability and strategic technology deployment to ensure flexibility as state privacy laws change.

### Employee awareness and training

Investing in a strong Integrated Digital Enterprise system with appropriate security controls is just one way we protect Allstate data. Our policies can only be effective when we effectively communicate these controls to our team.

Our security education and awareness teams lead extensive employee communication campaigns to reduce cyber risk from human error. They include phishing simulations with real-time feedback and training for employees who fail the simulation. Since beginning this program, we have seen significant improvement in employees' ability to recognize threats. For example, Allstateers have increasingly demonstrated their ability to identify a phishing email as evidenced by the low click rate on phishing simulation emails of 7% compared with the industry average of 12%. The awareness program is also assessed by Gartner Employee Awareness Survey which measures employee secure behaviors and decision making. For the fourth year in a row, Allstate outperformed industry peers and other Fortune 500 companies in all 33 categories with a Secure Behavior score of 93/100.

We provide on-demand and topic-specific training customized for current issues. We offer more advanced and specialized role-based training to employees in higher-risk roles. For example, employees who may access HIPAA-protected health information or work with payment card information receive additional training on secure practices. We evaluate our training results using:

- Metrics across survey responses
- Test and assessment results
- Performance trends
- Impact on the business or return on investment

In 2021, Allstate's Business Information Security Officers group delivered 133 training sessions tailored to their specific areas of responsibility, with a total audience of 8,860 employees. Beyond formal training programs, we have yearlong awareness activities. Allstate's internal information security site has guidance on how to report incidents, alerts of ongoing threats, resources for pro bono training and computer donations, and how to use information security services and processes to keep data secure. In October 2021, we aligned our security messages with the Department of Homeland Security's Cybersecurity Awareness Month and saw record-breaking participation in our events. At our keynote, employee attendance increased by 15% over 2020, our highest ever, and 96% of survey respondents said they learned something new about cybersecurity.

### Security and privacy in our supply chain

Our security and privacy requirements extend to suppliers who have access to, store or use Allstate data, as well as open source and licensed software and purchased hardware. Allstate emphasizes the importance of privacy and data security with suppliers through our procurement standards, practices and contracts. We established a security assessment program for suppliers that evaluates the privacy impacts of proposed process changes. We also require all contingent workers who have access to our network to complete training on Allstate's security policies and to adhere to the privacy expectations described in our [Supplier Code of Business Conduct](#).

# Ethics and integrity

Values-based leadership is in Allstate's DNA. "Doing well by doing good" has not only been our corporate legacy in our communities for the past ninety years, but it also defines our approach to Allstate's transformation from a traditional insurance company into a technologically enabled and consumer-focused organization that not only keeps pace with today's rapid digital innovation but *leads* it.

For the eighth consecutive year, Allstate has been named one of the World's Most Ethical Companies by **Ethisphere**, a global leader in defining and advancing the standards of ethical business practices. This designation recognizes organizations that foster a culture of ethics and transparency at every level, and it validates that Allstate's values of integrity, inclusive diversity & equity, and collective success are embedded in everything we do.

## Accountability

Allstate's Ethics and Compliance programs are chartered, independent functions overseen by the Chief Ethics & Compliance Officer (CECO) and supported by hundreds of employees. The CECO's deep involvement across the enterprise ensures day-to-day senior executive engagement and drives the foundational connection of our programs to our business practices across the Allstate Family of Companies.

The CECO reports quarterly to executive leadership at the cross-functional Internal Compliance and Controls (ICC) meeting and semiannually to the Audit Committee and Board of Directors, including in executive session, to cover topics including trends, audits, ethics, privacy and regulatory compliance, performance, education, risk and culture. The CECO has broad, independent authority to enforce the company's **Global Code of Business Conduct** (Code), ensure appropriate resources for ethics and compliance, report on the company's performance regarding ethics, regulatory compliance and privacy, and oversee integrity investigations.

As a condition of employment, all employees worldwide must complete annual ethics/compliance training and certification as allowed by law. Robust processes ensure misconduct allegations are promptly investigated without retaliation against those who report.

## Policies and practices

Allstate's policies help communicate our expectations for ethical behavior and provide guidance and resources to employees who are facing ethical dilemmas. Allstate's policies, including those described below, form only a piece of our holistic approach to ethics and integrity. Allstate's policy approach is to support and empower employees, and we expect our employees to do the right thing in all situations and to "speak up" when they need help.

### Global Code of Business Conduct

Allstate's **Global Code of Business Conduct** outlines Our Values and sets expectations for how we conduct our work. It addresses the following general topics:

- Anti-bribery and corruption
- Anti-money laundering
- Antitrust/competition
- Conflicts of interest
- Cybersecurity, data and privacy
- Diversity/discrimination/equal employment opportunity
- Ethical decision-making, including digital ethics framework
- Fair dealing (fair business practices)
- 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

### Digital ethics framework

Allstate's approach to ethics and integrity adapts to stay on the cutting edge of changes in data, technology and digitization. In 2021, Allstate pioneered a digital ethics framework to provide actionable guidance across the enterprise on how to identify and address ethical concerns in the use of data and innovative technologies, like artificial intelligence.

### Supplier Code of Conduct

With increased privacy regulation, including the California Consumer Privacy Act and the New York Department of Financial Security Cybersecurity Regulation, and Allstate's desire to ensure doing the right thing for our customers happens in all aspects of our value chain, we've increased expectations of our suppliers.

All Allstate suppliers 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 complete background checks on our largest suppliers and suppliers handling Allstate data. Our Supplier Code of Conduct was last updated in July 2021 to include additional information on human rights, compensation, child labor and diversity and inclusion.

### Reporting concerns

A healthy reporting environment is foundational to organizational ethical health, and Allstate's [Speak Up Process](#) encourages and educates employees to report any activities that cause concern and seek guidance for situations that arise that fall outside of policy guardrails. Anyone at Allstate may report questions or concerns related to regulatory compliance or illegal, unethical conduct by:

- Contacting any manager or a Human Resources representative
- Calling the Allstate i-Report Line, a 24/7 toll-free number
- Using the [Allstate i-Report website](#)

If an employee is concerned about a security breach or that personal information may have been breached, misused, accessed or disclosed without proper authorization, they can email Allstate Information Security at [Cyber@allstate.com](mailto:Cyber@allstate.com) or any suspected privacy incident to Enterprise Business Conduct by emailing [PrivacyIncidentManagement@allstate.com](mailto:PrivacyIncidentManagement@allstate.com) or the local cybersecurity team.

We support and train employees and managers on a variety of reporting pathways to allow employees to choose one that feels comfortable. For example, when reporting concerns, employees can choose to remain anonymous, where and when the law permits. In 2021, nearly a third of employees who filed reports through the hotline did so anonymously, which is consistent with benchmarks indicating a healthy reporting environment. Our [Speak Up Process](#) also provides manager-specific guidance on what to do if they get a report directly from an employee: encourage employees to speak up, listen and communicate expectations, respond to all concerns and thank employees.

Allstate policy and the [Global Code of Business Conduct](#) prohibit any form of retaliation for reporting a workplace or ethical concern.

### Investigations

Allstate investigates all reports and applies our consistent, Global Internal Investigations Standards, and the Allstate Agency Standards, which dictate that when acting on behalf of Allstate, agents and agency staff must act in compliance with the company's ethical standards with respect to ethical business practices, and all applicable international, federal, state and local laws and regulations.

Allstate has a designated Investigative Services team responsible for investigating substantiated matters alleging unethical behavior or integrity-related misconduct and follows a “zero tolerance” approach to integrity-related violations of the [Global Code of Business Conduct](#) and the Agency Agreement. Once the investigation is concluded, a Human Resources representative follows up with the reporting individual to confirm that the case has been investigated, handled and closed.

Allstate rigorously records, logs, and reports employee-submitted complaints, related investigations, referrals and closures, and we use a digital case management platform to generate metrics used to update leadership and the Board of Directors on investigative services trends and the state of Allstate’s ethical environment.

Allstate’s case management platform offers metrics used to inform leadership and the Board of Directors regarding investigative services trends and the state of Allstate’s ethical environment.

## Training and education

### Board of Directors

Ethical behavior is expected at all levels, starting at the top. The Allstate Board of Directors receives training in ethics, decision-making, insider training, cybersecurity, conflicts of interest and regulatory developments. As a part of our Board of Directors annual compliance process, the board reviews our six policies: Anti-Bribery, Antitrust, Insider Trading, Inclusive Diversity, Sexual Harassment, Violent Crime and The [Global Code of Business Conduct](#).

### Managers

Allstate managers participate in ethics and compliance training that includes a manager-specific annual compliance module, supplemented by an Ethical Leadership Toolkit that includes additional resources for managers and content to share with their teams related to ethical decision making and our [Speak Up Process](#).

Manager training at Allstate is focused on establishing, maintaining and encouraging an open and psychologically safe environment. It’s important for our managers to feel comfortable handling reports, preventing retaliation and encouraging employees to speak up about unethical behavior.

To measure the impact of our training, we:

- Analyze training course metrics captured via our Ethics and Compliance Learning site
- Document employee feedback
- Track misconduct
- Survey employees annually to measure Allstate’s ethics culture

### Employees

We electronically distribute the [Global Code of Business Conduct](#) to all employees with accompanying training. Ethics and compliance training is conducted during onboarding and every year after, and we monitor its effectiveness through internal measures. In 2021, 100% of employees completed ethics and compliance training on our [Global Code of Business Conduct](#) – a condition of employment at Allstate as allowed by law.

All employees are also required to complete training related to sexual harassment and other risk areas as indicated by function. Risk-specific training addresses, for example, fraud, anti-corruption and bribery, conflicts of interest, data privacy, equal opportunity, insider trading, procurement, social media, anti-trust and money laundering.

As Allstate pivoted to a largely remote working environment in response to COVID-19, training pivoted as well from in-person classes and group discussions to virtual. Virtual training is now provided for yearly Annual Compliance training and other ethics and compliance topics and sessions on navigating change, energy for life, emotional intelligence and leading with compassion. New remote technologies were deployed to make it easier for employees to participate. We complete background checks on our largest suppliers and suppliers handling Allstate data. Our [Supplier Code of Conduct](#) was last updated in July 2021 to include additional information on human rights, compensation, child labor, and diversity and inclusion.

### Business

Allstate regularly assesses regulatory compliance risk at the enterprise, business and area of responsibility level. A comprehensive risk assessment looks at ethics, compliance and privacy to incorporate into a holistic view. We have identified over 60 compliance risk categories and require regular monitoring to ensure ongoing compliance.

We assess regulatory compliance in the following areas:

- Corporate
- Human resources
- Investments and disclosures
- Marketing and sales
- Products and pricing

These compliance areas cover fair labor and payroll laws, sexual harassment, bribery and corruption, environmental and workplace safety, false advertising, whistleblower protection, product terms and services and many others. We also identify and assess all new laws and regulations to determine applicability, impact and remediation.

The chief ethics and compliance officer and their staff work closely with business units to ensure they have resources and support to fulfill their ethics and compliance requirements.

## Programs and performance

### Enterprise Business Conduct & Strategic Resource Groups

Allstate's Ethics and Compliance programs are supported by the Enterprise Business Conduct (EBC) team and the Compliance & Governance team, both led by the CEO. These teams provide deep subject matter expertise in areas including ethics, integrity, compliance, and conduct, and provide governance and oversight of the Ethics and Compliance programs.

In 2021, Allstate also launched the business-forward Strategic Resource Group, designed to operate on a consulting model and partner with business teams across the company to problem-solve in the ethics, compliance, and privacy space when new and high-risk areas arise during product development and launch, mergers or acquisitions, or other times of intense transformation.

These teams regularly assess ethics and compliance risk at the enterprise, business and area of responsibility level, looking at ethics, compliance and privacy to incorporate into a holistic view. We map over 60 potential risks—including fair labor and payroll laws, sexual harassment, bribery and corruption, environmental and workplace safety, false advertising, whistleblower protection, product terms and services and many others – across 30 business units and levels of operation to understand inherent and residual risk, document requirements and controls, create plans, and complete monitoring and testing to ensure ongoing compliance.

If an assessment reveals an area for opportunity, the CECO and their staff work closely with business units to ensure they have resources and support to fulfill their ethics and compliance requirements.

EBC also leads robust responses to any ethics, compliance or privacy issues or incidents that may arise, including regulator inquiries, cross-functional leadership with legal, data, and information security partners to conduct root cause analysis and mitigate future risk. EBC partners closely in incident response with the aptly named Innovation Law group, a team founded by the CECO in 2018 to support Allstate in high-risk and emerging areas including in resolving ethics, integrity and compliance related issues.

To further ensure the enterprise has robust support during Allstate’s digital transformation and to best protect our customers, the CECO also created and leads Innovation Law – designed to provide cutting-edge legal support to evolving areas such as technology, intellectual property, data, ethics, privacy, regulatory compliance, cybersecurity, risk management, international and commercial matters.

**Inspire survey results**

Allstate has not only been recognized by external third-party benchmarking groups as an industry leader in ethics and integrity, but internal metrics also validate that Allstate practices what it preaches in this space. Trust is a significant driver of employee engagement, retention and satisfaction.

Through Allstate’s biannual Inspire employee engagement survey, we measure whether employees feel that senior leadership are role models for Allstate’s values and that their immediate managers create an environment of trust.

Metric	2020	2021
% favorable response to: “Senior Leadership in my business area are role models for the core values of [company].”	Not available*	79%
% favorable response to: “My immediate manager actively creates an environment of trust”	84%	90.6%

\* To improve and streamline the employee experience we integrated components of the Integrity Index into the Inspire Survey in April 2021.

**Recognition**

For the eighth consecutive year, Allstate has been named one of the World’s Most Ethical Companies by **Ethisphere**, a global leader in defining and advancing the standards of ethical business practices. This designation recognizes organizations that significantly influence the way business is conducted by fostering a culture of ethics and transparency at every level. The assessment is performed by the third-party benchmarking organization scoring companies in five categories: ethics and compliance, environmental and societal impact, a culture of ethics, governance, and leadership and reputation. The award factored in Allstate’s response to some challenges specific to the COVID-19 pandemic, as well as other environmental, social and governance factors.

# Customer-centric and responsible products

## We empower customers

Ensuring our products are accessible, competitively priced, and mindful of environmental and social impacts is an essential component of our Transformative Growth strategy. Over the past two years, Allstate has made significant progress on Transformative Growth by expanding customer access, improving customer value, increasing marketing sophistication and investment, and deploying new technology ecosystems.

## Accountability

Developing and providing customer-centric products is the responsibility of multiple teams, including Product, Innovation, Marketing and Technology.

## Policies and practices

We empower customers by providing affordable, simple and connected products.

Advancements in data collection and technology help us offer competitive prices. Allstate agents and staff build personal relationships with customers to balance risks and costs and offer the best insurance solutions at the right price.

Our homeowners' insurance pricing is based on external factors such as local historical weather patterns, the cost of labor and building materials, and the home's age, along with homeowners policy preferences such as deductible amount.

Allstate offers several ways to reduce customers' premiums, including discounts for insuring their car and home with Allstate, maintaining a safe driving record, using [Drivewise](#)<sup>®</sup> to encourage and reward safe driving behaviors, and [Milewise](#), our pay-per-mile auto insurance. Customers may also get credit for installing home safety features like smoke detectors and security systems.

### Accessible products

We're expanding customer access to our products. Outside of California, we integrated Esurance into Allstate brand to create Allstate Direct, expanding product availability in the direct-to-consumer channel. Additionally, Allstate closed acquisition of National General Holdings Corp., making **National General** the fifth largest carrier with independent agents. The completely new Allstate mobile app was launched in the middle of 2020. In the last two years, monthly active use of the app has increased 76%, with 4.7 million users in 2021.

### Proprietary auto insurance risk scores

For auto insurance, we use information such as driving records, location and vehicle type to provide accurate and competitive prices. Over time, we expect to use more data from our telematics tools to develop auto insurance prices. Using telematics, the science of collecting data through sensors in a vehicle, Allstate rewards customers with lower premiums for safe driving. By analyzing a customer's average driving patterns, we can promote better public safety habits like following the speed limit and avoiding hard braking.

### Ongoing pandemic response

Given an unprecedented decline in driving due to the COVID-19 pandemic, we provided auto insurance customers a **Shelter-in-Place Payback** totaling close to \$1 billion, with most customers receiving 15% of their monthly premium back in April, May and June 2020. As we began to see a decline in auto accidents in March 2020, we immediately provided customers a payback and were the first U.S. insurer to announce this program.

As everyone's lives became more digital, Allstate offered free identity protection to all U.S. residents starting in April 2020 and through the end of the year. We helped over 200,000 Americans protect their identity online in 2020. To limit in-person contact when possible, we increased the use of virtual tools like **QuickFoto Claim®** and **Virtual Assist®**, which allow for a simple, fast and safe claims handling process for customers and employees.

For auto and property customers who needed payment relief, we offer a Special Payment Plan that allowed them to delay payments for 60 days without penalty. They could also pay what they could afford during the 60-day period, with no minimum required. We also took action so customers using the Special Payment Plan during pandemic shutdowns didn't lose discounts like Easy Pay and Responsible Payer even though they didn't meet the criteria to participate.

During shelter-in-place orders and states of emergency, we extended coverage to protect customers using their personal car or motorcycle to deliver food, medicine or other commercial goods, activities that are typically excluded by standard personal auto policies.

## Programs and performance

### QuickFoto Claim app

With the free, user-friendly **QuickFoto Claim app**, a customer can take photos of a drivable car's damage and submit them to our highly trained auto technicians, who can remotely calculate the estimated damage. This product supports our efforts to increase low-carbon product offerings, as it eliminates the need for technicians to drive on site to assess the damage.

### Drivewise®

Through the use of telematics, we've completely redefined insurance. Our **Drivewise** product personalizes the auto experience and provides customers insight into their behavior to promote and reward safe driving. Customers are rewarded with savings just for activating **Drivewise** in the Allstate® mobile app and continue to earn rewards with a policy credit every six months for safe driving. **Drivewise** is available in 50 states and the District of Columbia. Allstate was the first major U.S. insurer to bring to market a mobile app to collect data for a telematics-based insurance program. As of Dec. 31, 2021, Allstate had over 1.75 million **Drivewise** connections.

### Crash Detection (a Drivewise feature)

Allstate launched free Crash Detection Services through **Drivewise**. Using telematics and the sensors in a smartphone, the app can detect when a customer may have been involved in a serious car crash as a passenger or a driver. This safety feature is available through the Allstate Mobile app, which offers customers quick access to emergency assistance, claims and Allstate Roadside Services.

Allstate is the only top insurance company offering this benefit to anyone, not just our customers, with no additional equipment needed. We want to give people peace of mind and make roads safer. All iOS users with the Allstate Mobile app received Crash Detection on Dec. 20, 2020, and all Android users on Jan. 29, 2021. Through 2021, this feature has detected over 7,900 crashes, with 10 customers using this feature to call 911, and 70 customers using this feature to call for roadside assistance. Additionally, just under 250 customers started a claim after they received a Crash Detection notification.

### Milewise®

Pay-per-mile coverage is auto insurance based primarily on the miles a customer drives. It gives consumers personalized products and services – and more control over cost and usage. **Milewise**, Allstate's pay-per-mile auto insurance, is available in 22 states and gives customers the same great coverage and claim service from Allstate.

The number of vehicles that are written under our **Milewise** product increased by over 530% in 2020. Even as mileage began to normalize in 2021, **Milewise** growth was still strong, with a 70% vehicle increase in 2021. Allstate ended 2021 with just over 275,000 vehicles enrolled in the **Milewise** product. As companies continue to offer employees telecommuting options, our customers are gravitating toward insurance that can accommodate their new driving habits.

### Cyber coverages

Allstate Business Insurance offers its customers eight types of first-party and third-party technology-focused coverages. **Cyber coverages** are essential for business owners because personal information held by a business can be lost, stolen or accidentally released. A business may need help with the financial and legal burden, as well as the service obligations to affected individuals. All 50 states plus the District of Columbia now have laws requiring notification of individuals whose personal information is lost or stolen, and 29% of small businesses have had at least one data breach. Cyber coverage is available in 49 states.

### Allstate Identity Protection

**Allstate Identity Protection** (AIP) is reinventing privacy and identity protection by giving consumers the tools to see, control and protect their digital lives. Allstate recognizes the need for better access to safe and secure digital services. In 2020, Allstate's Identity Protection services were offered for free to all U.S. residents including existing Allstate customers, helping over 200,000 Americans protect their identity.

## Customer-centric and responsible products (cont.)

Our Digital Footprint product, launched and integrated through the Allstate Mobile app, allows any consumer, not just Allstate customers, to run a free Digital Footprint. This product helps people see where their data lives among all the online accounts they have created, lets them unsubscribe from emails and also request that their data be deleted from organizations they no longer want to be associated with. Consumers get a simple summary of each account they have, along with the privacy and data sharing agreements they signed when creating those accounts. This gives consumers the power to take back their digital lives.

As Americans share more personal data online, unemployment and tax fraud continue to be prominent issues.

Between October and December 2021, AIP's total identity theft and fraud cases increased by 11%, led by rapid spikes in instances of fraudulent credit and/or loan account creation, inquiries and applications. Fraudulent creation of new credit and loan accounts grew by 61% from 2020 to 2021. By December 2021, this type of fraud accounted for over half of our total identity theft cases. Another 42% of cases from October to December 2021 were instances of credit and loan applications. Read more in Allstate's [Identity Fraud in Focus quarterly report](#).

Before the pandemic, unemployment fraud was a sliver of overall identity theft. Today, it's one of the most prevalent types of fraud we resolve for customers. It illustrates how quickly cybercriminals adapt to new vulnerabilities and why consumers need strong identity protection. We've managed the spike in cases effectively and earned strong post-remediation satisfaction scores of 97%.

The employee benefits business at AIP remains strong. During open enrollment season in 2021 leading into 2022, about 950 new employer clients were onboarded, and approximately 200,000 new plans went into effect.

### Sharing economy coverage

With the rapid growth of consumers using personal cars and homes to participate in the sharing economy, Allstate moved quickly to address their needs.

- **Ride for Hire**<sup>®</sup> provides Allstate customers who drive for 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. As communities plan for a low-carbon economy, ride-sharing plays a critical role. By providing insurance for ride-share operators and car-sharing services, Allstate helps enable the low-carbon transition and fills an insurance gap in a way many competitors don't.
- Transportation Expense coverage offered with auto policies that previously provided rental cars for customers after an accident was expanded to include reimbursement for public transportation or ride-sharing.
- **HostAdvantage**<sup>®</sup> provides Allstate customers who rent out their homes on sites like Airbnb and HomeAway coverage options to help with their personal property protection gaps.
- Additionally, Allstate is one of a select group of insurers who provide commercial insurance coverage to Uber, Lyft, and the riders and drivers utilizing these platforms.

### Avail

**Avail**, through its ever-expanding airport and downtown locations, provides easy, affordable and Allstate-protected car sharing options for travelers and locals at a time when many are seeing reduced availability and high prices from traditional car rental companies. Through **Avail**, vehicle owners are also able to enjoy the financial benefit of sharing their car while they travel or simply working from home.

### Arity

**Arity** is a mobility data and analytics company that turns billions of miles of driving data into predictive insights to help make transportation smarter, safer and more economical. Insurance companies, retailers and sharing economy companies turn to **Arity** to better understand driving behavior, manage risk, operate more safely and ultimately increase their bottom line. As of Apr. 1, 2022, **Arity** has collected nearly 750 billion miles of driving data at a rate of nearly 11,000 miles per second and 930 million miles per day.

### National General

**National General** is a specialty personal lines insurance holding company, serving a wide range of customer segments through a network of independent agents for property-casualty products. **National General** traces its roots to 1939 and provides personal and commercial automobile, homeowners, umbrella, recreational vehicle, motorcycle, lender-placed, supplemental health and other niche insurance products. Its property-casualty business was built through a combination of organic growth and opportunistic acquisitions. Allstate finalized its acquisition of **National General** in January 2021, making **National General**, an Allstate company, the fifth largest carrier with independent agents.

### Environmentally responsible products

Paper use is one of the most significant factors in our environmental footprint. Allstate offers paperless billing and up to a 10% discount for customers who go paperless. Demonstrating our commitment to environmental stewardship and customer retention, the savings from this discount go back to our customers through lower prices. In 2021, of those claims eligible for digital payment, 64% were paid digitally, up 32% since 2018.

In 2021, we allocated resources toward correctly identifying customer mileage. For low-mileage customers, this means that not only are they helping the environment, but they also have an affordable rate that is commensurate with their low-mileage risk. This work will continue into 2022.

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

# Technology and digitalization



**Allstate's technology solutions and digital platforms and products became even more critical during the pandemic and helped us keep customers, agents and employees safe. Our business success depends on innovating digital products, as well as improving efficiency through technology, process simplification and digitalization. Allstate's Transformative Growth strategy uses technology to make our products more accessible and affordable.**

## Accountability

Innovation drives success. Our brand, strategy, customer base, proprietary data and expertise position our business to grow.

Allstate has innovation-focused teams in all critical business functions, plus an enterprise-wide innovation program to identify new opportunities. This innovation team works with internal and external organizations to create businesses to better serve customers and examines opportunities for existing businesses to reinvent themselves. Our innovation program takes an expansive view of opportunities beyond automotive or property and casualty insurance.

We identify opportunities starting with our deep expertise in serving customers and agents. Using secondary research, we look at the risks facing households and small businesses across the country to track and stay ahead of social and cultural trends and consumer attitudes. Allstate collaborates with leading academic institutions and is a member of the [Center for Automotive Research](#) at Stanford and the industry affiliate program of the Stanford Center for AI Safety. We tap into our innovation hubs in Menlo Park, California, and downtown Chicago, where our teams advance telematics and analytics capabilities. Similar efforts are taking root in Allstate offices in India and Northern Ireland. We harness the creativity of Allstate employees across the company through new business competitions, hackathons and more.

## Policies and practices

When something unexpected interrupts customers' lives, we use technology, data and analytics capabilities 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 faster and easier claims 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 our claims process more efficient. Digital advances in financial services now make it possible for customers to receive payments within seconds – instead of the previously standard seven to nine days with paper checks.

Allstate leads the industry in digital transformation of the claims experience. Our operating model follows a design-perform-measure structure, using data and consumer insights to create innovative and superior customer products. We design digital capabilities to achieve our customer experience goals, consistently claim processing performance across all locations and measure outcomes to adjust where needed. You can read more about how we ensure digital products are designed for security, even before we launch them for customers, in our [Privacy and information security](#) section.

## Programs and performance

### Digital claim file

Streamlining the internal claims process was critical to our paper reduction initiatives, but also to our customer and employee experiences. In early 2019, we completed the transition to a digital claim file system, so claim agents and adjusters have electronic access to everything they need. In the new system, users can share files and images, and separate, reorder and annotate digital documents, just as they would with a paper file. This eliminated mail to the claim offices and improved our speed and accuracy. The new file tool is more consistent and simple, and it reduces the real estate footprint of archived paper files.

### QuickFoto Claim®

**QuickFoto Claim** revolutionized our claims model for vehicles that have damage but are still drivable. The free, user-friendly app allows a customer to take photos of a car's damage and submit them directly to our team of highly qualified auto technicians, who can remotely calculate the estimated damage. The customer doesn't have to schedule an appointment or take the car in for a physical inspection. They typically get an estimate in hours, compared to five days with our traditional process.

The decrease in percent of inspections completed via **QuickFoto Claim** in 2020 represents intentional shifts to encourage customers with drivable vehicles to use our **Virtual Assist** service and repair shops within our **Good Hands Repair Network**. We accept the estimates from the shops, pay these shops directly and provide a lifetime guarantee to the customer for their work through our **Good Hands Repair Network**. Virtual vehicle damage inspections remain a critical strategy for Allstate post-COVID-19, with about 50% of all damage estimates completed via photos or live streaming video.

Developing capabilities with broad application is foundational to transforming our cost and service model. We have begun to leverage a **QuickFoto Claim** experience to complete damage estimates on non-complex homeowner damage claims. Customers are able to submit photos of their damage to our property technicians who can remotely calculate the estimated damage without the need for a physical, on-site inspection. In most cases the claim settlement can be completed within one to three days of claim notice, compared to five to seven days with our traditional process.

### Virtual Assist®

We are broadening our offerings for assessing claims using photos and real-time video consultations, creating an increasingly on-demand experience for customers and service partners. Our live video feature – available in the free, user-friendly **Virtual Assist** app – automatically routes customers to the right Allstate technician. The app makes virtual estimating technology available to anyone, and it made staying safe during the pandemic easier for customers and service partners.

We have broadened our capabilities for assessing exterior and minor interior property damage claims using video and imagery submitted by our inspection service partners through our virtual image technology. Our property technicians are able to estimate damage remotely rather than climbing on the roof, to deliver a safer, faster claims experience. By using virtual inspection technology on over 60% of our weather-related claims, inspection can be completed within three to seven days of claim notice, compared to seven to ten days without virtual inspection, while keeping our workers safe and making them more efficient by eliminating drive time.

### Aerial imaging

Allstate has been a leader in aerial imaging research. We use images taken by piloted airplanes to better meet the needs of customers and create a safer employee experience. For example, an adjuster can look at high-resolution photos taken by piloted airplanes and zoom in on the damage, rather than climbing on a customer's roof or entering an unsafe firezone, to deliver a safer, faster claims experience. By using aerial images, we reduce fleet emissions from claims or home inspection visits, lowering our carbon footprint and keeping our workers safer.

### Digital payments

Allstate provides customers and small businesses, such as auto body shops, with faster access to claim payment funds. The majority of claim payments are digital eligible with consumers selecting a digital method 65% of the time. This trend continues to grow annually.

### Quick Card Pay

Allstate offers one of the fastest payment methods in the industry. **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 for a paper check, customers can get a claims payment from Allstate in real time.

### Digital self-service

Allstate gives customers and small businesses more control over the claims experience.

### MyClaim®

Customers have 24/7 access to claims information from any device through the **MyClaim** center, a new interface that was introduced in 2021 within MyAccount and the Allstate Mobile app. Using the **MyClaim** center, customers can report a claim, check their claim status, get details about or schedule inspections and access information about coverage, deductibles and rental reservations. Customers can also use MyClaim to upload documents, communicate with their adjuster, select their payment preference, and more.

These advances give Allstate a strategic advantage in the industry by offering customers a seamless, helpful and personal interaction, especially during some of the most uncertain times in their lives.

# Social impact and community leadership

**The Allstate Foundation** empowers people and communities so they can thrive. In 2021, the Foundation, along with employees, agents and The Allstate Corporation invested more than \$44 million and over 92,000 volunteer hours to support communities.

## Overview

**We champion bold ideas:** From breaking the cycle of relationship abuse to advancing racial equity to creating a brighter future for the next generation, we believe in setting our sights high and bringing our resources and expertise to address today's greatest social issues.

**We accelerate change:** We give our time, leadership and financial resources to improve communities and identify where we can make the biggest impact.

**We create lasting impact:** By focusing on outcomes and using data, we ensure our work is scalable, sustainable and measurable to create lasting change.

## Accountability

Established in 1952, **The Allstate Foundation** is an independent charitable organization made possible by Allstate Insurance Company. Fully funded by donations from Allstate, the Foundation invests nationally and locally in the communities where we live and work. Over the decades, the Foundation's focus has evolved to respond to changing community needs to best use our unique resources to make an impact. **The Allstate Foundation** works to pursue equity so people and communities can thrive.

In 2021, 71% of **The Allstate Foundation's** grant funding went to organizations serving diverse and multicultural populations.

In 2021, Allstate and **The Allstate Foundation** invested more than \$44 million in communities.



## Accelerating social impact and community leadership

With the help of engaged Allstate employees and agents, **The Allstate Foundation** is committed to making an impact in **empowering youth to succeed and lead, disrupting the cycle and prevalence of relationship abuse and closing the racial opportunity gap for careers with living wages** – all to help create a more equitable world where people and communities can thrive.

### Youth empowerment

#### *Empowering youth to succeed and lead*

**The Allstate Foundation** has been helping youth learn, grow and succeed for 16 years. First by reducing teen driving deaths and now by preparing youth for the future.

Today, the Foundation empowers youth to succeed and lead by preparing them with the skills and experiences needed to achieve their hopes and dreams, find innovative solutions and build a more equitable world. We work to ensure young people across the country benefit from equitable access to evidence-based curriculum and programs, regardless of identity, ZIP code or socioeconomic status. If you make a positive impact on enough youth, the ripples will help a family, a school, a community and ultimately the world. Since 2014, the Foundation has invested more than \$100 million in these efforts.

In 2021, the Foundation and our nonprofit partners worked to deliver social and emotional learning (SEL), service-learning and inclusive leadership programs to youth across the country. As part of these efforts, we partnered with **Discovery Education** to establish the SEL Coalition and a free, digital SEL Center providing curriculum and tools to more than 2,000 school districts.

### Relationship abuse

#### *Breaking the cycle and prevalence of relationship abuse*

Since 2005, **The Allstate Foundation** has invested more than \$90 million toward disrupting the cycle and prevalence of relationship abuse and helping empower survivors on the path to safety and security.

In 2021, the Foundation deepened its impact by using new platforms, partners and formats to advance our **Moving Ahead Curriculum**. This includes launching a new, online version of the curriculum to ensure increased and equitable access to this vital information to equip survivors with financial empowerment resources. In July, the Foundation awarded \$1.3 million in grants to 27 domestic violence coalitions to provide innovative financial empowerment services to survivors.

To further disrupt the cycle of relationship abuse, the Foundation expanded its investment in violence prevention by supporting research and curriculum focused on helping teens build healthy relationships. This included a first-of-its-kind study to understand the prevalence of financial abuse and its impact on teens. These findings will inform future financial abuse education to prevent abuse before it occurs.

### Advancing racial equity

#### *Closing the racial opportunity gap for careers with living wages*

Allstate is using its resources to support systemic change that creates opportunity for disenfranchised communities and an inclusive economy. This starts within our own company through our **policies and practices**. **The Allstate Foundation's** work complements these efforts, and in 2021 we established our long-term approach on this issue: closing the opportunity gap for careers with living wages. At the close of 2021, the Foundation invested an initial \$6 million in six new nonprofit partnerships to support this issue. These largely unrestricted grants will help us learn and assess where the need is greatest.

Despite historically low levels of unemployment, many population segments are excluded from living wage employment, career opportunities and the social mobility that secure, well-compensated employment affords. Meanwhile, globalization, automation and COVID-19 are profoundly reshaping the employment landscape. **The Allstate Foundation** is investing in nonprofit organizations helping people overcome barriers to living-wage employment and entrepreneurs advancing equity through innovative workforce development strategies.

### Accelerating impact

**The Allstate Foundation** empowers social impact leaders, Allstate agents and employees to accelerate our journey to a more equitable society.

#### *Nonprofit Leadership Center*

Nonprofits play a critical role in every community across the nation. Since 2014, **The Allstate Foundation** has partnered with the Kellogg School of Management's **Center for Nonprofit Management** at Northwestern University to make free development programs available to every nonprofit employee in the nation through our Nonprofit Leadership Center. In 2021, more than 7,500 nonprofit professionals from across the country developed skills through our resources, a 13% increase from 2020.

## Social impact and community leadership (cont.)

In 2021, we launched new opportunities for nonprofit professionals to advance diversity, equity and inclusion (DEI) within their organizations and communities. We held two inaugural cohorts of the Leading with Equity program that equipped 123 nonprofit leaders and board chairs with the education and tools to identify and remove systemic inequities within their organizations. We also released 13 new DEI training videos, available for free to every nonprofit professional in the country, to help staff examine their bias, take steps to combat systemic racism and develop metrics for DEI within their organizations. Over 1,000 nonprofit professionals and board members used the new DEI resources and programs in 2021.

### **Community leadership**

Allstate employees and agents have a long history of bringing out the good in communities across the country through volunteerism and giving. To help them discover and follow their passions and support the Foundation's key program areas, we offer several ways to get involved.

### **Our helping hands**

In 2021, Allstate employees and agents volunteered more than 92,000 hours, benefiting more than 2,000 nonprofits. Employees and agents who volunteer at least eight hours can apply for a Helping Hands Grant, a \$500 grant to the eligible organization of their choice. More than \$1.35 million in Helping Hands Grants were distributed in 2021.

Recognizing a shift in best practices and nonprofit needs, [The Allstate Foundation](#) mobilized Allstate employees and agents to give back in new ways through skills-based volunteering – which allows individuals to use their skills and expertise to help nonprofit organizations pro bono. In 2021, Allstate employees participated in five skills-based volunteering Days of Service, generating more than \$850,000 in social impact value for 58 nonprofits across the country. One hundred percent of participating nonprofits surveyed rated the quality of work provided by Allstate volunteers as excellent and felt that the work accomplished made a real difference, while 93% of Allstate volunteers considered the program a useful professional development opportunity.

Days of Service build on two existing skills-based volunteering programs: Allstate Fellows and the Allstate Officer Nonprofit Board Program. Now in its eleventh year, Allstate Fellows matches highly skilled Allstate employees with nonprofit organizations for long term pro bono projects. In 2021, 12 Allstate Fellows were paired with 10 nonprofit organizations.

Through the Allstate Officer Nonprofit Board Program, officers join the boards of nonprofits whose missions advance the Foundation's strategic social impact areas. In 2021, the number of Allstate officers serving on the boards of nonprofits was 55 across 58 organizations. In addition to the time, expertise and skills provided, Allstate gives a portion of our corporate philanthropic dollars to these organizations.

Metric	2017	2018	2019	2020	2021
Number of officers on board	77	71	79	65	55
Number of organizations	94	84	88	71	58

## Social impact and community leadership (cont.)

*“When you give people a chance to leverage their skills to help worthy causes, it inspires them to make a difference in all areas of life, including their work.” – Allstate employee*

*“Skills-based volunteering is no regrets work ... It is a win-win and makes me feel more engaged at Allstate knowing that I am at a company that cares about the communities we live in!” – Allstate employee*

### Helping Hands Match

**The Allstate Foundation** honors the personal passions of employees and agents by offering a match on their qualifying charitable contributions. Employees, agents and staff can request a dollar-for-dollar match for their donations, up to \$1,000 per person per year. In 2021, donations and the Helping Hands Match raised more than \$7.1 million for more than 8,720 nonprofits across the country.

Metric	2017	2018	2019	2020	2021
Giving Campaign pledges	\$6.1M	\$5.4M	\$5.8M	\$4.4M	\$4.1M
Corporate match	\$0.9M	\$0.8M	\$1.1M	\$2.1M	\$3.0M
<b>TOTAL</b>	<b>\$7.3M</b>	<b>\$6.4M</b>	<b>\$7.2M</b>	<b>\$6.5M</b>	<b>\$7.1M</b>

Columns may not add precisely due to rounding.

### Corporate giving

In 2021, Allstate gave more than \$6 million in corporate support to nonprofits.

Part of that went to nonprofit organizations in our hometowns of Chicago, Charlotte, North Carolina, and Irving, Texas. Our approach includes corporate sponsorships and grants, the Officer Nonprofit Board Program and Allstate Fellows. For the sixth year, we continued to focus on programs and partnerships that empower youth – in their own lives and in their communities.

The focus on youth empowerment includes direct services, skilled volunteerism, public awareness and engagement activities. Our strategy aims to reach youth, parents, educators, Allstate leaders and employees to build SEL awareness by highlighting youth as problem solvers.

Allstate also committed funding to disaster relief, investing more than \$1 million for nonprofits to address Hurricane Ida, California wildfires, Texas winter storms, Kentucky tornadoes and COVID-19 relief in India, where Allstate has employees.

### Additional partnerships and initiatives

**The Better Arguments Project** (BAP), a civic initiative founded by The Aspen Institute, Allstate and Facing History and Ourselves, launched in September 2020. It offers free resources to help people learn how arguing can help bring them together. Discussion topics include Liberty & Equality, Voter ID, Tech Boom Tensions, and themes including freedom, responsibility, and accountability. The framework empowers teachers and other facilitators to run these conversations in educational, workplace and community settings. In 2021, the BAP team intentionally curated a diverse cohort of Ambassadors to help deepen their community engagement efforts in communities

that may otherwise be underrepresented among training participants, and they will continue adding new cohorts of BAP Ambassadors in the years ahead.

### Looking ahead

In 2022, **The Allstate Foundation** will continue in our pursuit of equitable philanthropy: from the program areas we invest in, to our philanthropic practices, to our support and development of leaders in the nonprofit sector, to how we engage Allstate employees and agents in creating social impact. Together, we will take on critical social issues that affect the communities we serve.

#### Continued COVID-19 relief efforts

In 2021, **The Allstate Foundation** continued to support nonprofit organizations as they worked on the frontlines to meet the needs of their communities amid the COVID-19 pandemic.

In response to the deadly COVID-19 outbreak in India, we donated \$100,000 to Pratham USA to aid their extensive work providing critical health and human services needs in India: mobilizing oxygen concentrators, rapid tests, vaccines, personal protective equipment and other urgent aid. We also encouraged employees and agents to donate to these relief efforts and double their impact through the Foundation's dollar-for-dollar match program to eligible nonprofits.

Through our youth empowerment program, we continued to meet the needs of young people grappling with trauma and uncertainty amid COVID-19. This included a \$1 million investment as lead sponsor of the education pillar of the COVID Collaborative, a bipartisan assembly of experts working to tackle the COVID-19 crisis. We also ensured that critical social-emotional and mental wellness resources were accessible through partnerships with organizations including National 4-H, DoSomething.org, National PTA and **Discovery Education**.

## Equitable philanthropy

In addition to our dedicated racial equity program, **The Allstate Foundation** is applying a refreshed equity lens to all program areas and implementing new equitable grant making practices across our efforts.

In 2021, we launched our largest open-funding opportunity to date, focused on youth empowerment organizations working to advance equity. Through that effort, we distributed nearly \$4 million in grants and facilitated access to organizations that may not have previously had opportunities to apply for grants from a national foundation. We also awarded honorary grants to organizations that completed a full application but were not selected, in acknowledgment of their time and effort.

This year, for the first time, **The Allstate Foundation** and Allstate's Employee Resource Groups (ERGs) teamed up to distribute more than \$550,000 in grants to nonprofits that best reflect the ERG's mission and values.

We also distributed nearly \$1 million in unrestricted emergency relief grants to 73 organizations. Rare in philanthropy, unrestricted grants trust the organizations' expertise and proximity to the issues to determine the best way to use the funds, and are especially critical during times of emergency, like a pandemic.

*"Open funding allows organizations, such as ours, to take advantage of opportunities that have typically been offered to a select few. By opening funding channels, organizations that have been doing long-standing work in underserved communities will have equal opportunities to impact their communities in meaningful ways."* Dr. Rita Davis-Cannon, Board Chair, Men Stopping Violence

## Joining forces in support of classrooms

**The Allstate Foundation**, Allstate employees and agents teamed up to support classrooms across the country through DonorsChoose, a nonprofit organization that allows individuals to donate directly to public school classroom projects. **The Allstate Foundation** was the inaugural funder of DonorsChoose's new Racial Justice and Representation project category, providing \$1.5 million in matching funds. This funding benefited more than 6,600 projects in schools in every U.S. state.

Employees and agents participated by requesting a \$50 donor code that could be used support a project of their choosing. More than 5,000 codes were claimed, totaling more than \$265,000 in classroom donations. Agents in districts impacted by Hurricane Ida and the California wildfires proactively received donor codes to continue to serve their communities.

*"It's one thing when you care about your families and your students, but when you have complete strangers or a corporation that says 'we care too,' it gives you hope and inspiration. For many students, if you've never felt heard or never had a voice or never valued, and suddenly you have people say, 'I care about you and I want you to be successful' ... it can have ripple effects that are endless."* **Ms. Brecque, teacher, Flint Community Schools**

# Responsible investing

**Most consumers know us as one of America's largest insurers, but we're a lot more than that. Another way we provide security and protection for customers is through our activities as an institutional investor. We manage a \$64.7 billion investment portfolio, and we know that environmental, social and governance issues can influence investment performance. Allstate's investment analysis and decision-making processes consider these issues along with our values.**

## Accountability

Allstate's Responsible Investment Committee (RIC) includes representatives from a cross-functional group drawn from Allstate Investments, with the chairperson of the RIC also a member of Allstate's ESG Steering Committee. The RIC monitors ESG investing trends, evaluates ESG investing best practices, supports the work of the ESG Steering Committee and periodically reports about its activities to other senior leaders within Allstate as well as to the Allstate Board of Directors. In conjunction with Allstate's Investments Risk Committee, the RIC monitors our investment portfolio for potential exposures to climate change risks or impacts. You can find more information about these risks in the [Climate strategy and disaster resiliency](#) section.

- We classify sectors based on exposure to environmental risks, including climate change, and incorporate environmental risks in the sizing and maturity profile of our positions. Sectors with higher potential exposure are primarily invested in through public markets, providing flexibility to adjust exposures.
- We classify commercial real estate investments based on their modeled exposure to catastrophe risks and incorporate these risks in our underwriting and insurance practices.
- We continue to evolve our risk management processes regarding climate risk.

## Policies and practices

In June 2020, Allstate's Investment Management Committee adopted our Responsible Investing Policy. It outlines our expectations for investment professionals to incorporate and consider ESG factors, subject to client investment policy requirements, when making investment decisions and requesting our external money managers to do the same. The policy applies across all asset classes in our investment portfolio. In 2021, we made minor changes to the Responsible Investing Policy as part of our annual review process.

We expect our investment professionals to refrain from making certain types of investments that may result in significant ESG-related risks and consult with the RIC, as needed, on any related asset selection decisions. In addition to the Responsible Investing Policy, our Investment Management Guidelines state that investment managers' analysis and decision-making should consider ESG issues alongside Allstate's values and reputation when assessing the risk/return trade-off of an investment. Investment managers are expected to act in accordance with the letter and the spirit of the guidelines, subject to client investment policy requirements.

Our investment professionals participate in annual training on the Responsible Investing Policy and related ESG information. In 2022, training was captured in part by an Allstate Climate Summit with industry-diverse speakers presenting on climate topics such as climate risks and modeling, climate opportunities, regenerative agriculture, carbon pricing and more. We incorporate tools for ESG and climate-related data into our processes, and train the Investments team on their use. In 2021, we began using ESG data feeds and analysis from expert research firms to assess our assets, exposures and ESG risks. Finally, our commitment to evaluate the Scope 3 emissions in our investment portfolio put us on a path to pursue science-aligned targets. You can read more about our plans to adopt science-aligned targets in the [Climate strategy and disaster resiliency](#) section of this report.

### Restricted securities

We prohibit investing in certain entities whose activities are fundamentally inconsistent with Allstate's values or are likely to result in reputational or other significant risks. These restrictions include: investments in companies that predominantly conduct business in the civilian firearms industry; or majority ownership interest or control of a company that operates a coal or other mine (either directly or through a subsidiary) or provides services to those mines.

For underwriting activities, Allstate underwrites personal lines insurance and small commercial business, and there have been no lines of business exited or contracts not renewed for reasons related to ESG. As displayed in the Accountability section above, Allstate is committed to acting on opportunities as they arise.

## Programs and performance

Allstate incorporates ESG considerations broadly across the entire portfolio. As of Dec. 31, 2021, we managed a \$64.7 billion investment portfolio, with \$7.2 billion in responsible investment categories such as education, sustainable and affordable housing, health care, green bonds, diverse sponsors, and renewable investments. Most notably in 2021, we allocated \$408 million to low-income housing tax credits, and over \$240 million to climate-related investments, with an enhanced investment of capital across the energy transition theme. We also increased our trading with minority, women and veteran banking enterprises (MWVBes) more than tenfold compared with historical volume during 2021, representing 3.6% of total trading volume.

To ensure our commitment to responsible investing is sustained, we have established a dedicated impact portfolio aligned with two key pillars of Inclusive Diversity & Equity and climate change while generating attractive risk-adjusted returns. We have also set exclusions/standards across our overall portfolio, subject to client investment policies.

In 2022, we will continue to increase the percentage of the portfolio allocated to responsible investments, from 11.1% at year-end 2021. We aim to double trading volumes from 2020 levels with MWVBes, and we are targeting at least \$300 million in low-income housing tax credits and \$180 million in new commitments with diverse sponsors and managers in 2022. We plan to expand our climate-related investment capabilities and relationships, targeting at least \$375 million in commitments between 2021 and 2022.

# Inclusive diversity & equity

**Inclusive Diversity & Equity (“IDE”) is a core value for Allstate and the foundation for Our Shared Purpose. Allstate’s IDE strategy is focused on the four pillars of Business Practices, Culture, People and Community to leverage diverse talent, perspectives and experiences and foster an inclusive and equitable workplace.**

## Overview

To accelerate the pace of change, Allstate launched a comprehensive IDE strategy. We conducted a top-to-bottom review of operating practices and made progress on many fronts, including pay equity by increasing the minimum wage. We also reduced the number of jobs requiring a college degree, which creates more opportunities.

Allstate strives to develop and retain a workforce that mirrors the diversity of the customers and communities we serve. Our collective differences, backgrounds, educations and cultures create an inclusive environment where diverse perspectives are encouraged and embraced.

Allstate’s performance in workforce diversity meets or exceeds external benchmarks. As of Dec. 31, 2021, women made up approximately 57% of our workforce, and 42% of our employees were racially or ethnically diverse. We’ve identified opportunities to increase diversity at top levels. For more information on our company demographics, please see our [EEO-1 report](#).

In 2021, we met our IDE commitments with the following achievements:

- Minimum compensation increased in 2022 to \$17/hour and \$20/hour, based on geographic differentials, the second increase in the last two years.
- Continued to drive skills-based hiring without degree requirements on job postings. 54% of all new hires in 2021 did not have a 4-year bachelor’s degree.
- Optional IDE course completion increased by 257% in 2021.
- Maintained inclusive diversity index scores (Inspire Survey) in mid-80’s, on a scale of 0-100, from 2018-2021.
- Established a dedicated impact portfolio for investments in businesses that can address IDE and climate risk while generating attractive risk-adjusted returns.
- Increased our trading with minority, women, and veteran banking enterprises (MWVBES) more than 10-fold compared with historical volume during 2021, representing 3.6% of total trading volume.

## Inclusive diversity & equity (cont.)

- Since 2004 we have tripled our annual spend with diverse suppliers to \$4.7 billion. In 2021, spent over \$366 million with diverse suppliers compared to \$235 million in 2020, with our top 10 diverse suppliers representing 32% of total diverse spend.
- Issued \$1.2 billion in bonds using minority/women/veteran-owned firms in 2020.
- Provided capital to benefit targeted communities, like low-income housing tax credits (\$1.3 billion of book value as of 2021).

We've also taken other steps to advance equity:

- **The Allstate Foundation** has formally added racial equity as a third focus area, in addition to youth empowerment and relationship abuse.
- We observe Juneteenth as an annual company holiday to provide Allstaters the opportunity to reflect on its significance.
- In 2020, Allstate's CEO joined the **CEO Action for Diversity & Inclusion**, a coalition of almost 2,000 CEOs of the world's leading businesses, to collectively take measurable action that advances diversity and inclusion in the workplace.
- In 2021, Allstate's CEO became a board member of the **OneTen** coalition. As a founding member of **OneTen**, Allstate will help the coalition combine the power of committed American companies to upskill, hire and promote 1 million Black Americans over 10 years into family-sustaining jobs with opportunities for advancement.

More about how [Allstate is working to advance racial equity in America](#).

**106,150 courses on IDE completed by Allstate employees in 2021.**

## Accountability

Inclusive Diversity & Equity is a priority for Allstate. Allstate launched an IDE strategy that is supported by the Board of Directors as well as Allstate's IDE Team, Environmental, Social, Governance (ESG) Sustainability Team, and ESG Steering Committee. Allstate's goal is to become the differentiated IDE leader among major corporations by eliminating inequities in our business practices, our culture, and communities for all people.

### Goals

In 2022, we are strengthening our commitment and accountability to drive greater results by implementing new enterprise goals:

#### People

- Increase women and racial and ethnic minorities across officers, management, and employees.
- Double participation in IDE training and conversations in 2022 benchmarked against 2019 rates (13,000 participants).
- Improve employability for all team members.

### Culture

- Measure Allstate's culture of inclusivity via Inspire survey results. Most recently, we expanded IDE-related survey questions to measure culture of employee belonging; equal opportunity regardless of background; senior leadership commitment to addressing inequity; and Allstate's commitment to IDE as a company.
- Keep the Allstate employee engagement score at the industry top quartile across demographic classifications.

### Business practices

- Business Diversity: Spend \$366 million with diverse suppliers in 2022 with a goal of increasing spend to at least \$470 million by 2025.
- Responsible Investments: Double trading volumes from 2020 levels (% of total volume) with minority, women and veteran banking enterprises (MWVBEs).
- Responsible Investments: Target \$180 million in new commitments with diverse sponsors and managers in 2022, nearly 3 times our historical annual average.

### Community

- **The Allstate Foundation** plans to contribute \$7M to the advancement of racial equity, in addition to other funds for the signature causes of youth empowerment and relationship abuse.
- Expand climate related investment capabilities and relationships, targeting incremental \$1 billion to high impact investment by 2025.

## Enterprise Diversity Leadership Council

The EDLC is comprised of leaders throughout the enterprise focused on advancing IDE at Allstate. The EDLC helps drive targeted results for IDE across the company by identifying and prioritizing actions, taking accountability for achieving target results, and ensuring clarity and understanding of the business relevance of IDE. The EDLC sits within the Environmental, Social, Governance framework at Allstate, with direct ties to the ESG Sustainability Team and ESG Steering Committee, and providing updates to the CEO.

Allstate was listed on DiversityInc's Top 50 Companies for Diversity in 2021 for its commitment to diversity, equity and innovative solutions, the 18th year on the list.

The EDLC helps increase IDE across the company by:

- Identifying and prioritizing actions – The EDLC was a catalyst for the creation of IDE commitments to increase visible leadership commitment and accountability.
- Taking accountability for achieving target results – The EDLC ensures our IDE commitments are integrated into business objectives.
- Ensuring clarity and understanding of the business relevance of IDE – The EDLC promotes best practices, including integrating communication of commitments with other business priorities; assigning officer sponsors to individual commitments; incorporating commitments into department goals; and ensuring ERGs are integrated and applied in the context of business priorities.

## Policies and practices

Allstate's corporate policies and practices related to IDE help guide our daily operations. **Our Shared Purpose** – which outlines Allstate's values, operating standards and behaviors – highlights IDE as one of our core values. We hold each other accountable to encourage and embrace our collective differences. We work harder, meet customer needs more effectively and identify more innovative ideas when our differences are embraced, and we are encouraged to be our authentic selves. Our success comes from a chorus of many different voices. At Allstate, every voice counts.

We actively seek out individuals with varying characteristics, values and beliefs, and backgrounds and experiences. At Allstate, employees are not just empowered to help shape our future, they are expected to lead the way.

### Employee Resource Groups (ERGs)

ERGs provide an inclusive and open forum where employees with a shared interest can connect, develop and collaborate. In early 2022, two of the 11 ERGs that Allstate supports were combined to bring the ERG total to 10, each with unique value propositions and goals. ERGs are aligned to IDE goals at Allstate, providing opportunities to support recruitment, advancement, development and retention of all talent.

ERG members partner and collaborate through professional development workshops, recruiting events, volunteer projects and mentoring. Officers from across the enterprise support the ERGs with their time, networks and resources, and advance IDE at Allstate. ERGs positively influence our efforts related to retention, promotion and workplace culture.

In 2021, Allstate allocated 48% of our total IDE budget to ERGs to demonstrate our commitment to financially supporting the positive impacts of ERGs on our business and member employees.

In 2021, more than 15,000 employees participated in an ERG, with more than half of those employees participating in two or more ERGs. The shift to a virtual workplace increased global partnerships and involvement in Allstate ERGs, with an 18% increase in ERG membership since 2019.

### ERGs at Allstate:

- Allstate Asian American Network
- African American Working Network
- Abilities Beyond Limitations and Expectations
- Allstate PRIDE
- Allstate Veterans Engagement Team and Supporters
- Allstate Women's "I" Network
- Families at Allstate Matter
- Intrapreneurs@Allstate
- Professional Latino Allstate Network
- Young Professionals Organization

## Programs and performance

Allstate's inclusive culture and emphasis on diversity and equity are strengthened through day-to-day activities and practices that encourage us to focus on our values.

In 2021, Allstate conducted a third-party comprehensive assessment to guide our new IDE strategy. Our programs, policies and practices were evaluated to ensure we are building, maintaining and supporting an inclusive and equitable environment, where everyone can achieve their full potential.

There were three primary conclusions.

- **Transparency:** We want clarity and transparency around what IDE means at Allstate, which means talking more openly with leaders and managers, providing data proactively and increasing engagement.
- **Resource design and allocation:** We're finding ways to reallocate and reimagine how resources are designed to address IDE priorities and create the most benefit at Allstate.
- **Trust:** We want to further prioritize the trust of employees so they are confident that we are constantly moving toward our IDE goals.

### Talent planning\*

Allstate is developing best practices to create and sustain a diverse pipeline of talent. To lead these initiatives, Allstate hired its first chief Inclusive Diversity & Equity officer in 2021.

### Inclusive hiring

Our Talent Acquisition team regularly monitors workforce demographics to determine the greatest opportunities to bring in more diverse talent. The team's recruiting and outreach target, identify and recruit qualified diverse candidates. Allstate launched its first Cyber Security Apprenticeship Program in 2020 with students pursuing an associate's degree from community colleges. We continue to grow and scale the program to more areas of Allstate. We currently have apprentices in Human Resources and Allstate Technology. In addition, a Returnship program was launched in May 2021 that focuses on midlevel software engineers returning to the workforce after a gap in employment due to caregiving responsibilities. We will start our second cohort in June 2022 and plan to hire additional product engineers.

Allstate builds relationships with external organizations to enhance the diversity of our hiring pipeline, including:

- AnitaB.org
- ALPFA (Association of Latino Professionals for America)
- BDPA (Black Data Processing Associates)
- Blacks United in Leading Technology International (BUiLT)
- CASY (Corporate America Supports You)
- Disability:IN
- Hirepurpose
- Hispanic Alliance for Career Enhancement (HACE)

- International Association of Black Actuaries (IABA)
- Microsoft Software and Systems Academy (MSSA)
- Military Spouse Employment Partnership (MSEP)
- National Association of Black Accountants (NABA)
- National Association of Hispanic Real Estate Professionals (NAHREP)
- National Black MBA Association (NBMBA)
- National Sales Network (NSN)
- National Society of Black Engineers (NSBE)
- Path Forward
- RecruitMilitary
- SHPE (Society of Hispanic Professional Engineers)

We work with programs like Junior Achievement and One Million Degrees that encourage youth empowerment through education initiatives, including career programming and mentorship. We also partner with our Employee Resource Groups to encourage a more diverse referral pipeline.

The Talent Acquisition team works with external parties for events held by the National Sales Network and National Black MBA Association. Allstate also supports historically Black colleges and universities and Hispanic- and Minority-serving institutions to attract talent to our employment and entrepreneur career opportunities. We are expanding partnerships with the Divine 9 Fraternities and Sororities.

### The future of work

The future of work is flexible. We empowered employees to choose how and where they work – with most opting for hybrid or remote – and provided them with the equipment they need. These practices promote employees' well-being and feelings of inclusion.

### Performance and pay practices review

We complete an annual pay equity analysis that compares the pay of men and women, and non-minorities and minorities within similar jobs. If we identify any statistically significant gaps in pay, we make adjustments.

In 2021, the annual pay equity analysis was completed by a third party; results compared favorably to external benchmarks, and any identified pay gaps were remediated.

### Inclusive Diversity & Equity training

Allstate educates recruiters, managers and hiring managers to foster inclusive hiring and ensure diversity and equity are valued in the workplace. We require all new employees to complete Inclusive Diversity & Equity training. It includes topics such as self-awareness regarding cultural identity and unconscious bias and provides tools to help employees create a more inclusive environment.

In 2021, employees completed more than 106,000 courses on IDE. The number of courses completed in 2021 was more than triple the courses completed in 2020 (30,976 courses) and sixteen times the total of IDE courses completed in 2019 (6,445 courses).

We continued to offer the Disrupting the Unconscious Bias of Cultural Fit course, designed to target the ways we may unconsciously label diverse candidates as not “the right fit” for a role. The course presents new ways to evaluate how everyone can add to the organization and create impact. Multiple business units have included this course in their leadership training, and 13,523 employees participated in 2021. To address inclusive belonging at Allstate, the course “From Microinequities to Inclusion: Understanding and Addressing Subtle Expressions of Bias” educates on microinequities and allyship, and was completed by 34,031 employees in 2021.

We regularly host diversity and equity programs on critical topics such as gender identity, religion in the workplace and generational differences. Many of these topics – particularly those aimed at deepening understanding about systemic racism in the world and the concepts of oppression and equity – are embedded into management development training and programs throughout the enterprise. We launched an Anti-Racism Resource Center for employees and created an Inclusive Diversity & Equity toolkit to help increase knowledge and awareness and build dialogue.

## Supplier inclusion

Allstate strives to improve the communities where we work, live and connect through responsible supply chain practices. In 2021 we spent over \$366 million with minority-, woman-, veteran-, LGBTQ- and disabled-owned businesses, compared to \$235 million in 2020. A recent analysis indicated that \$1 spent with Allstate’s diverse suppliers drives \$1.97 in total economic production. This means the economic impact of Allstate’s purchases with diverse-owned suppliers in 2021 is estimated at over \$680 million, which supports jobs and wages/benefits within that supplier chain and the communities where those businesses operate.

In 2020, Allstate made headlines by working exclusively with a group of minority-, women- and veteran-owned businesses for a \$1.2 billion corporate bond offering. This is the first time a corporate bond offering of this size has been managed exclusively by diverse enterprises. We consider it an important milestone for improving equity in our financial markets.

We are working hard to further increase diverse supplier spending. We completed a Benchmarking and Category Analysis, which provides guidance on our greatest opportunities to grow diverse spending.

To meet our goals, we will develop scorecards for business leaders to measure performance and navigate gaps. We will identify opportunities for incremental spending growth with current diverse suppliers and onboard ready-to-engage new suppliers, especially in categories where enterprise investments are growing. We also strive to expand the number of non-diverse prime suppliers reporting their respective Tier 2 diverse subcontractor spending to Allstate through this initiative.

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 (NGLCC)
- National Minority Supplier Development Council (NMSDC)
- USPAACC (U.S. Pan Asian American Chamber of Commerce)
- Women’s Business Enterprise National Council (WBENC)
- National Veteran Business Development Council (NVBDC)

## Inclusive diversity & equity (cont.)

- Disability:IN (formerly U.S. Business Leadership Network)
- Certification from local, state or federal government agencies

We measure 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:

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

### 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, among others:

- Financial Services Roundtable for Supplier Diversity (FSRSD)
- National LGBT Chamber of Commerce (NGLCC)
- National Minority Supplier Development Council (NMSDC)
- The Conference Board Supplier Diversity Leadership Council
- Women's Business Enterprise National Council (WBENC)

### Training the next generation of diverse suppliers

During the annual Allstate Supplier Diversity Exchange, diverse suppliers and startups network with key Allstate decision-makers and our major suppliers and strategic partners. The program helps Allstate support businesses in underserved areas, and participating companies become better positioned to compete for contracts.

Since the Exchange started, nearly 1,000 businesses have attended. In 2021, the virtual event brought together over 600 attendees. from many industries. It included Office Hours and Virtual Capabilities Briefings to connect diverse suppliers with Allstate decision-makers for potential sourcing opportunities. In total, Allstate's 2021 Supply Chain Partners included 2,000 diverse suppliers.

## Allstate Mentoring Program

The Allstate Mentoring Program helps diverse business owners strengthen and grow their companies by helping them work on their business – not just in it. Participants are matched with Allstate executives whose expertise is aligned with the developmental need of the business owner. This historically 12-month program involves live sessions and webinars focused on leadership and employee development, financial management, sales and marketing, and technology enhancement.

We are reimagining and relaunching the Allstate Mentoring Program to include startup venture entrepreneurs in addition to established business owners to jump-start growth, capacity, equity and economic prosperity. We will shorten the program, leverage virtual meeting technology to increase the number of cohort participants and accessibility, as well as enable virtual mentorship engagement.

\* Allstate has not made, and will not make, any hiring or contracting decisions on the basis of race, ethnicity, gender, disability, age, or any other protected characteristic. Rather, as this document reflects, Allstate is committed to achieving its goals to increase diversity, and the representation of underrepresented groups, by recruiting diverse talent into its candidate pipeline.

# Organizational culture

Allstate’s company culture is one of the foundations of our success. We believe that a purpose driven company must be powered by purpose driven people. As we accelerate Transformative Growth, we are focusing on how we recruit, retain, develop and engage employees, with organizational culture included as a key risk category overseen by the Allstate Board of Directors.

## Accountability

We define culture as a self-sustaining system of shared values, principles and priorities that shape beliefs, drive behaviors and influence decision-making within an organization. Times of change, like the execution of our Transformative Growth strategy, can impact a company’s culture and workforce. Our Human Resources team, led by the chief human resources officer, ensures a strong commitment to culture through a dedicated team focused on Allstate’s Culture and Employee Experience, and by embedding new ways of working to empower employee flexibility and choice within both professional and personal development.

### Talent review and succession planning

The Board of Directors reviews Allstate’s leadership succession plans throughout the year, with rotating areas of focus each quarter.

	April	July	October	November
Topic	CEO Succession Planning	Talent Development Programs	Senior Leadership Succession Planning & IDE	CEO and Senior Leadership Succession Scenario Planning
Focus	Internal succession alternatives across multiple time periods and operating scenarios. Senior leadership development and CEO emergency succession plan.	Organizational health and pay fairness analyses – how the organization recruits, develops and retains people, including its inclusive diversity commitments	Senior leadership succession planning and Inclusion, Diversity and Equity (IDE) progress update	CEO and senior leadership succession “what if” scenario planning in advance of unexpected succession issues

## Policies and practices

### Our Shared Purpose

Everything we do is grounded in a shared purpose of empowering customers with protection to help them achieve their hopes and dreams. We are purpose-driven individuals who leverage our unique identities with equitable opportunity and rewards. Together, we bring Our Shared Purpose to life through an unwavering commitment to our shared values, behaviors and operating standards.

Four behaviors define our culture and drive business results:

- Collaborate early and often to develop and implement comprehensive solutions and share learnings.
- Challenge Ideas to leverage collective expertise, evaluate multiple alternatives and create the best path forward.
- Provide Clarity for expected outcomes, decision authority and accountability.
- Provide Feedback that is candid, actionable, independent of hierarchy and safe.

Additionally, Allstate's core capabilities were designed to help us transform as a company and as individuals. The capabilities – Future Oriented, Change Ready, Customer Centric, Digital Mindset, Results Driven, and People Focused – each include relevant in-demand skills, trending external skills and skills critical for enterprise success.

Altogether, our behaviors, core capabilities and Our Shared Purpose help create a transparent, innovative and caring environment by empowering employees to shape and transform our future, enabling our collective success for customers, communities, society and the world.

To learn more about our values and operating standards, see the [Our Shared Purpose](#) section of the report.

## Programs and initiatives

### Planning and recruitment

A successful culture strategy begins before an Allstater joins our team. We use data and technology to know when, where and who we need to hire, including whether the candidate is internal or external. With the rise of remote work, our online learning platforms for hiring and onboarding have been critical to our success in planning and recruitment.

### Strategic workforce planning

The Strategic Workforce Planning team within Human Resources constantly evaluates the skills, number and location of employees we need to succeed. In line with our business strategy, our talent strategy plans for employee growth and development.

The team reviews the areas of the business that have the most potential for disruption and works with employees to ensure the function can adapt. We are creating a skills-based taxonomy for employees in their roles today to identify those at risk of being impacted by business disruption and understand what skills may be required to meet the future needs of the business.

## Organizational culture (cont.)

As part of Allstate's Enterprise Resource Strategy (ERS), we assess expected labor market trends to forecast where employees are needed and adapt hiring/internal placement to meet those needs. Our Strategic Workforce Planning team has redefined the ERS – we use labor market data to identify where Allstate is best suited to hire for certain skills and develop a common framework across areas of responsibility (AOR) to maximize career opportunities.

### Enterprise Talent Market And Talent Share

With 54,300 full-time and 400 part-time global employees at Allstate, there is no better place to begin the hiring process than within our organization. Our Enterprise Talent Market philosophy and Talent Share programs support employees' internal advancement. Allstate employees are empowered to apply to any open positions in departments across the company. Since 2017, we have supported over 17,000 Allstaters with internal placements.

Metric	2017	2018	2019	2020	2021
Internal placement rate	43%	43%	43%	42%	31%

### Allstate & You new employee onboarding and orientation

A robust onboarding program, Allstate & You, provides tailored options for new employees depending on whether they are entirely new to the Allstate family of companies or transitioning from an Allstate affiliate.

Allstate & You creates consistent orientation for all new employees and helps them connect to the company's culture and business strategy. It helps them understand essential processes over an eight-month period and enables hiring managers to focus on role, team and AOR onboarding to ensure employees' success.

We've made improvements to Allstate & You since its launch in 2019. These enhancements have doubled employee engagement, from less than 40% in 2019 to 80% in 2021. Some of the enhancements:

- Rewarding new employees with Allstate swag as they complete sections of the program.
- Designing a checklist that helps employees understand the priorities of the program.
- Creating a communication channel for new employees to openly inquire and engage with other new employees.
- Expanding e-learning courses, video tutorials and simulations to address specific navigation inquiries.
- Piloting office hours for AskHR and ATSV so employees can ask questions on demand. This is being expanded in May 2022.

### Work flexibility and remote working

Flexibility is one thing that makes Allstate an attractive employer. Many Allstate employees already had flexible work options, but the COVID-19 pandemic demonstrated just how flexible work can be. At the start of the pandemic, we transitioned 95% of our workforce to remote working in just one weekend. In 2020, to support employees through remote work, we invested \$12 million in a program that provided new employees with equipment to effectively work from home. As of 2021, we have currently invested an additional \$9 million in the program to ensure our employees remain supported.

Globally, in 2021, approximately 75% of our employees were home-based, enabling us to attract and retain diverse and capable talent across geographical boundaries, as well as positively impact employee well-being and embrace new ways of collaborating – no matter where an employee sits. 24% of employees were hybrid, splitting their time between an Allstate office and their home-office. Finally, 1% of employees were office-based and fully relied on our Allstate buildings to serve our customers and drive business results.

Allstate plans to maintain a flexible, hybrid work model to continue to better meet employees' needs and choices. We anticipate our real estate footprint will reduce by about 50% in 2022 when compared to a 2020 baseline.

## Culture and employee experience

The culture and employee experience team was created in 2021 to formalize our approach to culture change and provide a research-based view of improving employee experience.

In 2021 the team conducted internal research and partnered with an external firm to explore the barriers and accelerators of our cultural change. This resulted in a long-term roadmap that encompasses all aspects of the employees career, from attraction through exit.

Our efforts in the past year were primarily focused on leveraging opportunities to incorporate our four behaviors (outlined above) into our current work. Some of this work includes Global Learning Month, enabling managers and employees to accurately assess performance during annual performance reviews, and creating a Manager Care Guide to support day-to-day challenges in retention and the changing talent marketplace. In 2022, these opportunities will be fully embedded into our talent practices as we create and deliver frameworks, tools, resources and programming across all four behaviors.

The four behaviors that define our culture and drive business results are Clarity, Feedback, Challenge Ideas and Collaboration. Within Clarity, the Learning and Performance teams have delivered live sessions to connect goal setting and feedback into more continuous performance approaches. Pilot teams helped us test and revise a decision clarity framework from 2021 and using their feedback, we reimagined it into the DRIVE decision clarity framework. The new framework enables faster and clearer decision making, and is being supported with eight live enablement learning sessions, on-demand e-learning, videos, reference documents and tools to support transparent decision making. In 2022, a community of practice will enable employees to learn from each other as we make DRIVE the decision-making approach at Allstate.

Similarly, for each of the Behaviors we will create tools and resources that address the unique challenges and strengths of Allstaters. To address Feedback, we will have to adopt a universal framework that we build into our performance approaches, education and development. We will also address Challenge Ideas and Collaboration based on the input of employees for the support needed. This change is being measured through a monthly survey with employees in a Culture Transformation Index. We also assess progress through additional surveys, event feedback, focus groups, and standard HR dashboard measures.

In 2022 we took a deep research approach to our employee experience, starting with the employee value proposition. We have conducted research with internal and prospective employees to understand what elements are most important to their employee experience, what they are satisfied with and what they desire. This research will guide Allstate to what we want to be known for as an employer, and will articulate that to current and potential employees, with supporting investments.

## Career management

Each employee receives an annual performance review, with more performance conversations throughout the year. During these formal and informal check-ins, the employee and manager discuss goals, long-term career development and share two-way feedback. Weekly check-ins are designed to guide employees on a more day-to-day basis and discuss how the employee is working to advance their performance goals.

Our Enterprise Learning and Development team is humanizing how Allstate looks at performance, development and growth. They've done extensive internal and external research to help us understand how our current HR practices helped or hindered Allstate's progress. The research showed gaps in performance feedback, particularly with our cross-functional and cross-geographical teams. In 2021, Enterprise Learning and Development also conducted a test and learn pilot with Human Resources to test out two enhanced performance tools from SAP SuccessFactors.

### Performance management conversations

We regularly review and communicate resources for employees and people leaders to help facilitate ongoing conversations about performance management and development.

In 2021, Enterprise Learning and Development partnered with the Culture and Employee Experience team to launch a people leader and individual contributor Performance Enablement Session. This live learning event helped new and tenured employees navigate performance reviews. The session discussed assessments, ratings, system navigation, and critical dates, and reemphasized our behaviors of feedback, collaboration, challenging ideas and decision clarity.

On Mar. 1, 2022, Enterprise Learning and Development launched two enhanced performance tools from SAP SuccessFactors. They make the performance management process easier by helping with feedback requests, tracking progress on goals and creating discussion notes for check-in conversations. To encourage collaboration and continuous performance conversations, we gave leaders additional tools on coaching, discussions and development resources to help employees grow.

In 2022, the Performance Enablement sessions will continue to support employees with critical components of the annual performance year, beginning with an enablement session around goal setting in Q1.

Metric	2017	2018	2019	2020	2021
Inspire survey results: "At Allstate, I have the resources that I need to develop my professional skills and actively manage my career"	80%	80%	80%	85%	83%
Inspire survey results: "My immediate manager actively provides encouragement and time for me to participate in development opportunities."	71%	81%	87%	89%	89%

## Enterprise Learning and Development

### Allstate's employability strategy

Key aspects of our employability strategy:

- Curate, market, assess and update Allstate's learning resources for the workforce to meet the demands of the industry.
- Enable business units to understand and use the competency framework that allows insight into their skill makeup and gaps.
- Refine the continuous performance management process across Allstate that adheres to the agile business model and the goals of the Transformative Growth strategy.
- Provide easier access for employees to seek career opportunities to apply or acquire knowledge.

In 2018, Allstate leaders recognized the need to invest in upskilling our people for the future of work. Allstate earmarked \$40 million to ensure employees have the relevant skills to grow their careers at Allstate or elsewhere, which triggered the expansion of Enterprise Learning and Development.

To prioritize skill development, Enterprise Learning and Development began to provide learning solutions for continuous capability building, while supporting business goals. From 2018-2021, the team established the infrastructure to make learning resources accessible to employees and raised awareness about the need for continuous learning. We invested in external learning platforms and revamped in-house development programs, including leadership and onboarding.

One focus in 2021 was purposeful development. We turned a keen eye to leadership development and our core capabilities, while enabling employees to consume the content that was relevant to their role and career plans.

Enterprise Learning and Development also works with Strategic Workforce Planning to upskill employees and create opportunities within the company. This helps employees be ready for future opportunities. It also helps us identify talent gaps and geolocational opportunities for recruiting, retention and development of employees for the needs of tomorrow.

### Continued learning

In 2021, Enterprise Learning and Development launched Degreed, a platform that provides Allstate learners with a "front door to learning" to support Transformative Growth. Degreed consolidates learning from Allstate's TalentConnection and each of our third-party content vendors, including LinkedIn Learning and edX, as well as our three new learning resources, Harvard Business Review, GetAbstract and O'Reilly Books, into one easy-to-use platform, simplifying skill-building and providing insights on further development opportunities.

Based on feedback from employees and Allstate leadership, the launch of Degreed and the rollout of core capabilities should help employees develop professional skills and better understand what skills are needed for the future. Enterprise Learning and Development will continue to seek feedback to support employees.

## Organizational culture (cont.)

Metric	2017	2018	2019	2020	2021*
# of completed courses	279,843	367,837	451,491	707,985	1,097,753
# of unique learners	41,934	44,258	37,241	39,050	47,585
# of hours of learning	348,370	465,749	389,918	503,857	1,474,597

\* 2021 numbers represent Allstate Global, while previous numbers are U.S. only.

### Micro-credentials

The micro-credential program was refreshed at the start of 2021. Seven new Degreed pathways were delivered to help employees learn, apply and market the skills of today: Innovation, Change Agility, Customer Focus, Agile Work, Virtual Work, Data Analysis and Coding. Allstaters completed more than 490 micro-credentials, and hundreds are in progress.

Customer Focus Micro-Credential			Data Analysis Micro-Credential			Virtual Work Micro-Credential			Innovation Micro-Credential		
Pathway Followers	Over 50% Complete	100% Complete	Pathway Followers	Over 50% Complete	100% Complete	Pathway Followers	Over 50% Complete	100% Complete	Pathway Followers	Over 50% Complete	100% Complete
522	218	82	640	160	102	678	321	232	349	98	86

### Tuition reimbursement

Allstate offers tuition reimbursement for a college degree, an advanced degree or an additional degree for all employees. As the COVID-19 pandemic brought social and financial inequities to the forefront, we recognized that many employees and potential candidates may not be able to afford to pay tuition costs upfront. To develop our talent, address financial inequity and become a more attractive employer, we launched our tuition assistance pilot program, Free for Me.

Free for Me pays for tuition in advance to ensure that the employee has zero out-of-pocket expenses. We recognize that having to pay for tuition in advance creates a barrier to participating in employer-funded tuition assistance programs, so we decided to implement a program that drives equity across the system. By paying in advance, Free for Me makes tuition assistance more accessible to all employees, including non-exempt employees, regardless of their pay.

The program is being piloted with two of Allstate's largest call center departments, Service Delivery and Direct Sales, and if proven successful will be implemented for all non-exempt employees in late 2022.

As part of the Tuition Assistance Program, 112 Allstaters graduated and earned a degree using financial assistance Leadership and Management Journeys from Allstate. Just under \$3 million in financial assistance was provided to Allstaters to pursue their degrees for 2021. There were also 600 academic advising sessions to help participants select the right school and degree to meet their career objectives and financial needs.

## Organizational culture (cont.)

Enterprise Learning and Development will work with Bright Horizons EdAssist Solutions and dozens of universities to help Allstaters receive college credit for the learning and development hours spent on the job. This will make it easier and more affordable for Allstaters to get a college degree.

Metric	2017	2018	2019	2020	2021
# of participating employees	1,064	937	1,176	702	734
\$ tuition reimbursement paid	\$3.7M	\$3.6M	\$3.7M	\$3.3M	\$2.9M

### Department-specific development

While companywide training is important to create a unified culture and promote general expertise, we also promote department-specific expertise. A few examples:

In 2021, Claims Learning and Development (CLD) built on the success of their virtual reality simulation pilot and launched two courses for auto estimating and two for property estimating. The fully immersive simulation models three loss types – fire, water and wind/hail. Pilot learners demonstrated improved proficiency after participation in VR activities, compared to those not in the pilot. We're considering expanding the program in 2022.

Allstate Technology, Services & Ventures (ATSV) created learning advisers to deliver plans for key skill development. ATSV recognized the need for leaders to have a better understanding of artificial intelligence and machine learning. The team deployed learning to more than 8,000 ATSV global employees in 2021 through two Technology Quotient Learning Campaigns that helped prepare participants for the digital transformation.

With many new instructors onboarded in 2021, the Allstate Direct Distribution team created the Instructor Certification Program to efficiently develop instructors. They focused on licensing performance and process improvements during 2021, which required all new Direct Sales Agents to be licensed to sell insurance. Instructors certified through this new program supported and coached new hires through the pre-licensing course and licensing phase. We plan to develop this program further in 2022.

### Live and on-demand seminars

In addition to formal training, Allstate provides 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.
- Leaders as Teachers provides 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.
- Quarterly Skill Builders helps provide leaders with tools and resources to continuously develop their teams on crucial skills for the future. In 2021, Enterprise Learning and Development partnered with the Culture and Employee Experience team to create learning events central to our shared behaviors: feedback, collaboration, challenging ideas and clarity. We had over 2,474 unique employees attend at least one of the four Quarterly Skill Builders, and a total of 3,225 attendees overall. The series features external experts facilitating topics including data visualization, storytelling and talent development.

Enterprise Learning and Development hosted a Global Learning Month to promote a culture of learning and empower employees to learn new skills with perspectives from industry experts, Allstate leaders and their peers. In 2021, over 7,000 employees participated in Allstate's Global Learning Month.

## Targeted leadership development

We offer additional support to employees identified as being part of top talent to ensure successful transitions as their responsibilities increase, such as when they are newly promoted into a management role.

Allstate is redesigning its management and leadership training to help leaders with democratized, modular, self-directed training focused on career mobility, inclusivity and opportunity for growth.

## Talent pipeline programs

### Accelerated Leadership Experience

Allstate launched a new two-year leadership development program in 2021. The Accelerated Leadership Experience gives Allstate a strong pipeline of diverse, innovative and talented leaders who demonstrate a strong commitment to Our Shared Purpose.

The inaugural cohort, with 8 internal and 10 external candidates, will have a streamlined rotational experience to accelerate their growth. Participants are assigned an executive mentor and senior leader career coach. A foundational curriculum aligned to Allstate's core capabilities will guide their learning and development through the program as they collaborate and challenge ideas, contribute to a culture of Inclusive Diversity & Equity, and are dedicated to collective success.

### Essentials of Leadership and Management

Since the debut of Allstate's Essentials of Leadership and Management in 2020, over 3,443 employees accessed the curriculum in 2021. With a continued focus on building the Leadership and Management Journeys program, we created and launched My Leadership Evolution and Leader of the Future, two additional programs crafted with mid- to senior-level leaders in mind. 100% of surveyed participants said they were likely to recommend My Leadership Evolution to others, and 86% said Leader of the Future content was relevant to their job.

In 2022, Leadership and Management Journeys will evolve with more experiential learning to accelerate and enhance leadership skills and strategy execution.

### Mentorship programs

As we've championed Inclusive Diversity & Equity, participation in internal and external mentorship and development programs increased substantially in 2021, with a record of 240 Allstaters.

### Bonfire

In 2021, Allstate expanded its partnership with **Bonfire**, an external development program for women, nominating over 250 high-potential Allstate women leaders to participate. This expansion will help place more women in the executive succession pipeline, address gender disparity among leadership and provide leaders with valuable allyship tools.

In addition to **Bonfire**, Allstate partners with other developmental programs for women, reflecting the investment we make in our people. Partnerships with Women Unlimited, Leading Executive Women and Menttium help develop high-potential women and provide mentorship opportunities to inspire and enable women to overcome barriers in the workplace.

### The Power of Mentoring for Inclusive Diversity

Allstate's The Power of Mentoring for Inclusive Diversity (MInD) program was redesigned in 2019 to increase focus on employees' careers and expanded to include all underrepresented groups of all genders. This program provides a network of internal mentoring relationships, builds capabilities, facilitates knowledge sharing and strengthens business acumen.

In 2021, MInD engaged 76 high-potential managers, senior managers and directors, all women, ethnically and racially diverse employees, and members of the LGBTQIA+ community. These employees were nominated to receive executive mentorship and networking opportunities.

Read more about our efforts to advance diversity at Allstate in the **Inclusive Diversity and Equity** section of this report.

### Talent Share

Allstate's Talent Share program offers short-term internal development opportunities to gain valuable business acumen and on-the-job experience. Participants learn new skills and build relationships that can help grow their careers. Managers play a key role in developing Allstate's internal talent. Talent Share participation has more than doubled in 2021, with a record of 269 participants and a satisfaction rate of 97.5% among participants and leaders.

### Culture Guide Program

In 2021, Allstate launched the Culture Guide Program. It's an eight-month engagement that helps new employees develop personally and professionally by networking with a tenured employee. An employee guide helps the new employee navigate and understand Allstate culture, resources and processes.

## Employee engagement

Our annual Inspire survey gives Allstate feedback about employee engagement and its drivers. In 2021, 84% of all eligible employees responded to the survey. The survey results showed that 82% of employees have a favorable view of engagement at Allstate. Our leadership teams get feedback from the survey on manager effectiveness, as well as annual updates about the health of our culture to support continuous improvement.

## Organizational culture (cont.)

We examine survey results by race/ethnicity, gender and tenure to identify opportunities to support specific groups. We incorporate metrics from the Inspire survey throughout our report, including this section, as evidence of strong employee engagement and effective talent management. Our engagement surveys show that providing employees with exciting career paths and educational opportunities improves morale and engagement.

Metric	2017	2018	2019	2020	2021
favorable	83%	84%	84%	84%	82%
participation	82%	65%	78%	84%	84%

### Employee Life Cycle Survey

Allstate's Employee Life Cycle Surveys help us understand the attitudes, beliefs and behaviors of employees at different career stages. This helps us determine which efforts are most important to support employees' satisfaction and well-being. The program includes a 90-day retention survey to assess new hires' integration into Allstate and an exit survey process. When an employee decides to leave Allstate, the exit survey helps us understand what they found most compelling about Allstate's Employee Value Proposition, why they are leaving and what they'll do next.

### People Analytics

To sustain an efficient and skilled workforce, Allstate attracts and retains high-quality employees. Improving their retention and engagement improves our ability to serve customers, agents and communities – and each other.

To assess the health of our workforce culture, we carefully monitor turnover and look for insights into employee uncertainty or dissatisfaction. Turnover affects Allstate's financial performance, through short-term impacts to productivity and the cost of recruitment, as well as long-term effects on intellectual and human capital. We estimate that the cost to replace an employee ranges from 50% to 150% of the employee's salary, including hidden costs such as loss of productivity while the position remains open.

People Analytics (PA) identifies employees who are at the greatest risk of leaving Allstate using our Predictive Attrition model, and gives their managers the chance to inspire them to stay. PA launched two pilot studies in Allstate Brand Distribution and Allstate Technology, Services & Ventures. In these studies, PA provided managers with the name(s) of direct reports identified as high-risk. Using a conversation guide, we asked the manager to have a "stay conversation" with the high-risk employee. Stay conversations may cover career development, work duties and interpersonal relationships.

PA also provides managers with two brief surveys: one to document concerns that arose from the stay conversation and another to understand how the manager addressed the employee's concerns. These surveys provide information to combat attrition by identifying systemic issues and the actions best suited to address them. Our goal is to improve the working experience of employees while reducing the costs associated with attrition. In 2021, Allstate's total employee turnover was 28.3%, and voluntary turnover was 23.1%.

# Employee well-being and safety

## Overview

The health, safety and well-being of our workforce are critical to our success. We devote resources to occupational health and safety, and offer benefits and programs that empower Allstaters in their physical and mental health, financial security and work-life balance.

## Accountability

Allstate's Enterprise Workforce Safety Committee includes representatives from Risk Management, Administration and Real Estate, Law & Regulation, Compliance and Corporate Brand and meets regularly to discuss safety issues. Employees have many avenues to ask questions or raise concerns, including AskHR, a dedicated line to reach the Environmental and Safety team or Human Resources quickly by phone, email or chat, and Speak Up is Allstate's 24/7, independent and confidential process for reporting ethics concerns.

## Policies and practices

### The future workplace

During the COVID-19 pandemic, we immediately transitioned 95% of our workforce to remote working and established COVID-19 hotlines for employees. We also prioritized employees through robust safety and well-being practices, training and tools. We are continuing to support and empower them with the Future Workplace Initiative, which blends business requirements with employee choice. About 75% of employees chose to work remotely, 24% hybrid and 1% office based.

Today we focus on occupational health and safety with a safe return to work and programs that support employees' physical health, financial security, resilience and stress management, and work-life balance. Telemedicine, prescription home delivery, and emotional and financial support lines are available to U.S. employees.

### Safety training and education

Safety training is tailored to each employee's role. Although Allstate is primarily an office environment, our communications center, service centers, record center and engineering employees require specific training.

## Employee well-being and safety (cont.)

In 2021, employees participated in online training for workplace violence prevention. This three-year curriculum is administered in partnership with Allstate's Human Resources team. Every new U.S. employee completed these online modules: "Your Role in Workplace Violence Prevention," "Gatekeeper Safety" and "Responding to an Armed Attack."

In 2021, Allstate provided targeted safety training to 613 active employees. This training exceeds standards set by the Occupational Safety and Health Administration, the National Fire Protection Association and the Environmental Protection Agency. Where safety issues could have catastrophic results, Allstate trains employees annually, exceeding OSHA requirements.

Allstate provides weekly Safety Food for Thought articles and biweekly virtual safety presentations available to all employees. These include health and safety topics, not just for work, but education employees can apply to their home and personal lives.

### Monitoring and audits

Allstate conducts instructor-led online safety training to ensure employees understand safe processes from beginning to end. We perform and document periodic safety observations of employees who work in high-hazard environments to ensure they do their tasks correctly. In large locations where Allstate handles all aspects of the facility, the company performs annual safety risk assessments based on OSHA general industry guidelines.

Metric	2017	2018	2019	2020	2021
Number of employees receiving safety training: CPR/AED Training	553	903 <sup>[1]</sup>	445	166	20
Number of employees receiving safety training: Grainger Safety Training	570	640	679	640	613
Number of safety risk assessments	46	51	34	2 <sup>[2]</sup>	14

[1] The large increase in 2018 is likely due to the rollout of training in additional locations.

[2] Safety audits were paused in March 2020 due to the COVID-19 pandemic.

### Safety equipment

Allstate provides personal protective equipment at no charge to employees. All locations have fire extinguishers and we have 277 automated external defibrillators (AEDs) installed across our locations. Portable extinguishers are evaluated annually, with additional monthly quick checks. We monitor each AED and ensure that defibrillator replacement pads and batteries ship automatically before they expire. Allstate offers CPR and AED training sessions to employees upon request. With COVID-19 restrictions and limited building use in 2021, this training was only offered to 20 employees whose job function required this training.

### Contractor safety

OSHA requires building owners to ensure safety compliance at their facilities. We expect all vendor partners to comply with OSHA 29 CFR 1910 (general industry), 1926 (construction) and NFPA 70E (electrical safety) guidelines. OSHA standards require extensive 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 our vendor partners and their subcontractors and is incorporated into our working agreements.

## Programs and performance

### Choice Dollars

The Choice Dollars program empowers Allstaters to decide how to allocate their corporate benefits based on their needs and circumstances. For example, some Allstaters under 26 still have medical coverage with their families, so they might use Choice Dollars to pay down student loan debt instead of offsetting the cost of health benefits. An interactive guide helps Allstaters select from a menu of benefits options, including:

- Medical plan
- Dental plan
- Vision plan
- Contributions toward health savings account (HSA), flexible spending account (FSA) or 401(k) plan
- Identity protection
- Student loan repayment program
- Life insurance
- Buying additional paid time off (PTO)
- Accidental death and dismemberment (AD&D)
- Long-term disability
- Group hospital insurance
- Group critical illness insurance
- Group accident indemnity insurance
- Group legal

Choice Dollars are applied to each paycheck toward the cost of employee benefits. If the benefits selected cost more than the offered Choice Dollars, the employee pays the additional cost through payroll deduction. If the benefits selected are less than the offered Choice Dollars, any remaining Choice Dollars are paid to the employee in cash via payroll.

Allstate offers the following benefits at no cost to employees:

- Pension (Allstate employees only, not including subsidiaries)
- 401(k) match
- Paid time off
- Holiday pay
- Paid parental leave (new in 2020)
- Short-term disability
- Workers' compensation
- LifeWorks employee assistance program
- Well-being programs

### Allstate Good Life®

Most people are more likely to live a healthy life and make positive choices like exercising, eating right and getting health checkups when they are influenced by their peers. Through our Good Life well-being programs, we have a network of more than 200 Well-being Champions who help create a culture of well-being.

We conduct well-being assessments to help determine which services, programs and benefits to offer our workforce, in addition to helping Allstaters make health and wellness decisions that are right for them. The assessment asks about physical, emotional, mental and financial well-being. In the past, we added offerings like nutritional guidance in our cafeterias and Financial Fitness Week as a result of assessment findings. Participation in the well-being assessment also lowers the cost of benefits for Allstate employees.

Metric	2016	2017	2018	2019	2020	2021
Completed Well-being Assessment	28,309	29,909	30,709	31,190	30,217	26,179

### Energy for Life (EFL)

We offer flagship multi-day resilience and stress management programs to improve employee well-being, including Energy for Life, a wellness workshop to help employees articulate and pursue their individual purpose and embrace new challenges with ease. EFL is based on principles learned from more than 30 years of research on human energy by the Human Performance Institute.

Since the COVID-19 pandemic began, Energy for Life sessions have been adapted for live virtual delivery. In addition to the flagship multi-day offerings, the Energy for Life portfolio includes 1-hour sessions that provide a deeper dive on concepts that are key enablers of personal and professional well-being designed and delivered by Energy for Life performance coaches.

In 2021, Allstaters completed 10,182 courses in the Energy for Life portfolio. Since 2010, over 52,000 Energy for Life session completions have been logged in TalentConnection. As of Dec. 31, 2021, 41% of active employees and 58% of active managers had completed at least one Energy for Life course.

### Resilience resources

The COVID-19 pandemic has increased stress at work and home. As part of our **Virgin Pulse** partnership, Allstate provides the resilience and stress management tool **Whil**, which has digital programs to improve employee well-being. Its microlearning sessions are backed by neuroscience, mindfulness, emotional intelligence and positive psychology. In 2021, Allstaters completed 81,657 Whil sessions with 895,853 minutes trained. Allstate employees can virtually access Mindfulness 101, Yoga 101 and Emotional Intelligence 101 to maintain well-being. There are also two courses in Energy for Life specific to Resilience and offered to all Allstate employees virtually.

### Thrive programs

Our Good Life offerings include Thrive programs for helping build positivity, optimism, resilience and gratitude. In 2021, 4,507 employees participated in live Thrive Talk programming with a focus on self-care. We had 23 Thrive Book Clubs in 2021, and we offered virtual yoga and meditation classes with an average of 75 participants per class.

## Employee well-being and safety (cont.)

We also distribute well-being content on a weekly basis through Thrive Thursdays. With a dedicated focus on well-being, Thrive Thursdays content is promoted throughout the enterprise via email, intranet posts, speaker events and more. Well-being messaging is also consistently reinforced through AOR leader meetings monthly.

### Financial security

Allstate provides virtual financial well-being seminars throughout the year, including the eighth annual Financial Fitness Week, renamed Money Talks. In 2021, 4,100 employees virtually attended and viewed sessions on personal finance and continued focus on self-care, including staying on track financially, realizing the power of your personal money beliefs, supporting the college admissions process, and helping with saving. Allstate offers financial adviser services to employees through its vendor, Alight. In April 2022, Allstate also launched Ayco, a new program that offers a personalized financial well-being assessment, online platform with goalsetting resources and linking account capabilities, and financial coaches available to help employees achieve their personal financial goals.

Metric	2018	2020	2021
Money Talks Participants	4,529	5,400	4,100

### Student loan repayment

We offer student loan services to employees through a partnership with **Commonbond**, a provider of education products. **Commonbond** provides one-on-one student loan counseling, refinancing and consolidation opportunities for employees with existing loans and affordable loans to help cover the cost of education for Allstaters and their families. Allstate also offers flexible contributions toward loan repayment through the Choice Dollars program.

### Physical health

Allstate's wellness partnership with **Virgin Pulse** is designed to give employees and spouses more flexibility and choice in earning financial rewards. Participants earn points which lead to rewards for taking small steps, like regularly monitoring activity, nutrition and sleep. The more they engage with the program, the more they're rewarded. In 2021, 86% of eligible employees were enrolled, which led to a 26% lower employee attrition rate by those using the **Virgin Pulse** platform.

Employees in Texas can visit the on-site Wellness Centers and pharmacy, which offer convenient access to treatment for minor illnesses, preventive care, physical therapy, laboratory services and ongoing condition management. In lieu of Allstate's Northbrook campus closing, the Illinois employee wellness center is being relocated to a near-site office location later in 2022.

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.

### Healthy building environments

Most people spend about 90% of their time indoors. Small improvements in the overall quality of indoor environments can have meaningful impacts on health, cognitive function and well-being. Indoor air quality (IAQ)

## Employee well-being and safety (cont.)

has become increasingly important over these past couple years due to COVID-19. Allstate acted quickly to improve ventilation and implement social distancing and sanitizing in all buildings.

Allstate leases or owns more than 465,675 square feet of LEED-certified space. In other locations, we implement indoor environment guidelines to provide healthy workplaces for employees and guests. As Allstate builds new locations, we strive to align with certifications like Leadership in Energy and Environmental Design.

Allstate has an ongoing IAQ program. At a minimum, 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.

Other important components to IAQ 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 carpets.

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 training sessions to facility-related employees. An online portal tracks which employees receive safety training, how often they receive it, and how well they perform.

# Climate strategy and disaster resiliency

**Climate change threatens businesses and communities. A changing climate means we must identify risks and opportunities, which can be either physical, such as extreme weather patterns, or related to transitions such as policy shifts and the development of new technology. Allstate works to understand how this directly and indirectly affects our products, assets, and liabilities.**

## Accountability

Allstate's business viability depends on effectively modeling, pricing, and managing climate-related risks, as well as meeting the needs that result from a changing climate and a changing society. We are developing products and services that address climate change and the transition to a lower-carbon future. Our senior management and the Allstate Board of Directors identify, measure, manage and monitor material risks, including those presented by climate change, such as severe weather and increased natural catastrophes. Our Board of Directors regularly hears from Allstate's chief risk officer about climate change risks.

### Identifying and managing climate risks

We manage climate risks within our integrated Enterprise Risk and Return Management (ERRM) Program, which applies risk-return principles, modeling and analytics, governance, and transparent management dialogue to understand the company's highest-priority risks. Allstate's ERRM framework supports transparency and dialogue across the enterprise.

The ERRM Program's key components enable management and Board oversight of climate risk:

- Governance
- Risk identification
- Risk assessments
- Risk mitigation
- Risk monitoring and reporting

### Our ERRM framework is built on three core principles

- maintaining a strong foundation and capital position
- building strategic value through time
- optimizing risk and return across the enterprise

The Enterprise Risk and Return Council evaluates climate change risk in coordination with the ESG Steering Committee. We evaluate climate risk across six key categories: strategic, insurance, financial, investment, operational and cultural risk. Here's how climate change affects them:

- **Strategic risk:** Evolving property construction trends and the changing transportation system create risks and opportunities for Allstate's business. We expect that the impacts from climate change will continue to be concentrated in property insurance.
- **Insurance risk:** Severe weather and rising precipitation levels impact loss trends for auto and homeowners insurance, and increase the overall market size for homeowners' insurance.
- **Financial risk:** Liquidity and capital levels must be considered relative to catastrophe losses, and anticipated changes in financial disclosure requirements have the potential to increase financial reporting risk.
- **Investment risk:** Read more about how Allstate is addressing climate-related risk in our investment portfolio in the [Responsible investing](#) section.
- **Operational risk:** Climate-related operational considerations include regulatory compliance, model accuracy and business continuity.
- **Culture risk:** Our company and employees are establishing higher standards for acting in the best interest of society, which includes climate considerations.

We apply our risk-return principles directly to climate risks, such as emerging changes to the transportation system and property construction, increasing frequency and severity of losses due to extreme weather and catastrophes, losses on investments, and regulatory compliance.

We are enhancing our risk scenarios to ensure implications are identified. We look at how changing weather patterns may impact our personal and small commercial property portfolios and then partner with our investments risk team to understand how similar factors would affect commercial real estate holdings.

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

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

### Executive compensation

Allstate's executive compensation program is based on short- and long-term incentive components and does not reward excessive risk-taking. Monetary incentives for achieving corporate and performance goals incorporate risk and return management, including managing risks affected by climate.

Allstate's chief procurement officer (CPO) incorporates sustainability initiatives into Allstate's purchasing practices. Our CPO implemented a sustainability program as part of Sourcing & Procurement Solutions to assess the environmental risks and opportunities within Allstate's supply chain and purchasing operations enterprise wide, including the potential to reduce greenhouse gas emissions. Additionally, in 2020, Allstate requested the disclosure of environmental data from companies' supply chains be reported through [CDP Supply Chain](#). In 2021, we received emissions data from 147 suppliers, for a 90% response rate. Estimated annual CO2 savings was \$75.02 million and annual monetary savings from emissions reductions was \$13.90 billion. 61% of responding suppliers reported active climate targets.

Allstate's executive compensation does not include components explicitly linked to performance on climate-related metrics, although the performance of this sustainability program is one component of the incentive compensation for the CPO and program development team.

## Policies and practices

### Climate change modeling

Allstate's Catastrophe Modeling and Analytics team and pricing groups assess climate change information and update product leadership. The team uses information from the [Intergovernmental Panel on Climate Change](#) (IPCC), the [U.S. Global Change Research Program](#) (USGCRP) and the [Actuaries Climate Index](#) (ACI). The IPCC and USGCRP evaluate research by climate scientists around the world and conduct robust reviews to provide decision makers with balanced information. The ACI provides an objective measure of extreme weather and sea level rise over time through quarterly updates.

To help inform Allstate's approach to increased insurance risk, we also use AIR, a hurricane modeling software that looks at data from years with above average sea surface temperatures and the resulting landfalls of hurricanes.

Allstate's rate-making evaluations typically 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. This practice aligns with Allstate's three-year strategic planning cycle. Our analysis focuses on predicting business continuity, resiliency, and solvency through a variety of catastrophe scenarios. The Catastrophe Modeling and Analytics team also works with our Investments group to model mortgage and real estate portfolios under consideration for purchase.

### Physical climate risk adaptation

Allstate's ERRM Framework and Economic Capital Framework together ensure that Allstate continually monitors and assesses the broad impacts of climate change on Allstate's businesses and operations and supports adaptability. Allstate adapts to changes in weather and helps develop solutions for uninsurable risk. We use reinsurance and third-party products to continue providing protection to customers. Allstate ensures that it holds sufficient capital to remain viable as a business and weather extreme scenarios beyond the 1-100 probability level. Allstate creates and analyzes scenarios to explore events that may not be well represented in historical data,

including Extremely Low Frequency Scenarios (ELFS). Scenarios vary widely, and include combinations of economic turbulence, financial market stress, pandemics, severe weather, and catastrophe events.

### Data science

To better predict the level of risk at properties, we use geocoding, which integrates precise geographic coordinates. This will move us away from using single ZIP codes to using granular risk-based pricing zones, with an immediate focus on coastal and wildfire states where greater precision has the most impact. It also applies machine learning techniques to increase the predictive power of weather, geographic, demographic, construction and customer segmentation data.

Through aerial imagery, we're prioritizing and eliminating some physical inspections, cutting expenses and improving customers' experiences. We incorporate insights from high-resolution aerial photos to enhance underwriting and pricing.

### Partnerships to advance resiliency

More frequent and severe weather events have an immediate and traumatic effect on our customers, communities, and economies. We have long-standing partnerships with industry leaders to sponsor research that improves resiliency to weather-related perils, so customers can prevent damage and lower insurance costs.

Allstate is an active member and financial supporter of the [Insurance Institute for Business & Home Safety](#) (IBHS). IBHS delivers top-tier science and translates it into actions that prevent avoidable suffering, strengthen our homes and businesses, inform the insurance industry and support thriving communities. To reduce future losses, IBHS analyzes existing standards and identifies improvements. Allstate partners with IBHS to promote more durable homes and buildings through better building practices and stronger codes.

The work led to improved building codes in Florida, the development of impact-resistant shingles and the identification of fire-resistant materials and building codes that mitigate wildfire damage with no increase in overall construction costs.

In 2020, Allstate became a member of the [National Association of Mutual Insurance Companies](#) (NAMIC). We partnered with NAMIC to advance climate resiliency efforts, including measures contained in the Bipartisan Infrastructure Law. Allstate also worked with the U.S. Chamber of Commerce on climate risk and resiliency efforts. In 2021, Allstate joined the Business Roundtable, which also prioritized climate risk and resiliency as one of their issues.

[The Allstate Foundation](#) partners with agents and local and national nonprofits to prepare communities for disasters by providing emergency kits and other tools. These efforts increase awareness of severe weather-related risks and help people better protect themselves and loved ones.

### Advocating for disaster prevention, preparedness, and risk response

Climate change will make natural catastrophes more frequent and severe. We partner with national and local organizations to prepare and protect communities from the adverse impacts of climate change. At the state level, we have successfully advocated for changes that address climate change by strengthening building codes, expanding emergency response capabilities, and creating catastrophe insurance pools.

Allstate's top public policy priorities are:

**Climate and catastrophe resiliency:** Allstate is fighting for more resiliency for property owners facing catastrophic events such as wildfires, floods, and hurricanes. We want improved flood controls and stronger building codes and we are considering how to use data from catastrophic events to mitigate some of the damage caused. We support additional federal resources for climate change mitigation, including for programs like FEMA's Building Resilient Infrastructure and Communities (BRIC), which offers grants for mitigation and related activities. Given the challenges with efficiently assessing mitigation, particularly for wildfires, we are advocating for state and local programs to promote and assess mitigation and increased federal support of such programs. Allstate is also a champion for pooled solutions to protect consumers in high-risk areas, such as establishing a Florida-style catastrophe fund to help stabilize California's homeowners' market, along with other reforms and mitigation funding.

We plan to expand our work related to Allstate's public policy priority of climate resilience and we look forward to reporting on this more in the future. You can learn more about our partnerships with other stakeholders, like local, state, and federal government, in the [Public Policy](#) section.

**Corporate tax rate:** Allstate's tax position and strategies are built on values of compliance and transparency globally.

**Right to repair:** Allstate opposes restrictions limiting the ability of independent repair facilities to repair cars that reduce consumer choice and increase repair costs.

**Risk-based pricing:** Allstate endeavors to engage policymakers on collaborative solutions. This work has elements that are aligned with our inclusive diversity values and our commitment to innovation.

**Road safety:** Allstate supports federal funding to make our roads and bridges safer and implementing the Bipartisan Infrastructure Law's safe driving provisions.

### Decarbonization strategy

As the climate emergency grows, the world needs to transition to a low-carbon economy. Our role is to reduce emissions by setting realistic and meaningful decarbonization commitments. Allstate has been disclosing Scope 1 and 2 emissions for our [CDP submission](#) since 2007. We performed an initial Scope 3 review of financed emissions covering the investment portfolio and are enhancing our baseline inventory while working towards science-aligned targets. We will report on this more in the future.

Allstate plans to expand the [Task Force on Climate-Related Financial Disclosures](#) (TCFD) report to reflect the work done on measuring both operational emissions and financed emissions. We are developing a financed emissions inventory and heat map that help identify the impact of our portfolio on climate change and facilitate emissions reductions. We will report on this more in the future.

## Programs and performance

In addition to managing risk from the changing environment broadly, we are reducing our contributions to the climate crisis.

### Climate targets

We have cut energy use beyond our original targets and significantly reduced our greenhouse gas emissions. Allstate intends to adopt science-aligned targets and we are committed to ongoing reporting of our emissions through CDP.

### CDP performance

Allstate is a member of the CDP “B List” for climate change.

In 2021, we engaged **CDP Supply Chain** to measure and manage suppliers’ environmental impact and asked our key suppliers to set emissions reduction targets and submit/disclose data to CDP. We conduct an annual Supplier Sustainability Assessment to help suppliers manage their contributions to climate change and to align suppliers with Allstate’s values and approach. In 2021, 147 of our most strategic suppliers disclosed their environmental data via the CDP Climate Change questionnaire, an increase from 2020.

### Electric vehicles

As of year-end 2021, we converted 50% of our automobile fleet to hybrid vehicles. To further reduce our carbon footprint, we hope to transition to 100% hybrid vehicles by 2025.

### Looking ahead

In 2021, Allstate published a **TCFD report** and is working toward science-aligned targets. We will also continue to apply emerging data science to risk assessment, including exploring partnerships with startups that specialize in forward-looking climate modeling.

### Goals

- Reduce owned and leased building GHG emissions 50% from a 2019 baseline by 2024
- Transition to 100% hybrid vehicles by 2025
- Achieve green or healthy building certification for 100% of newly acquired buildings, beginning in 2023
- Transition power used at 40% of facilities where Allstate procures energy purchases to 100% renewable energy through renewable energy credits (RECs) and carbon offsets by 2030
- Discourage excess waste and encourage recycling through centralized waste collection at all locations by 2023

# Operational footprint

We are dedicated to being good environmental stewards of the resources required to run our business. With most of our employees working remotely for the foreseeable future, we're incorporating more digital capabilities into our business activities and significantly reducing our physical footprint.

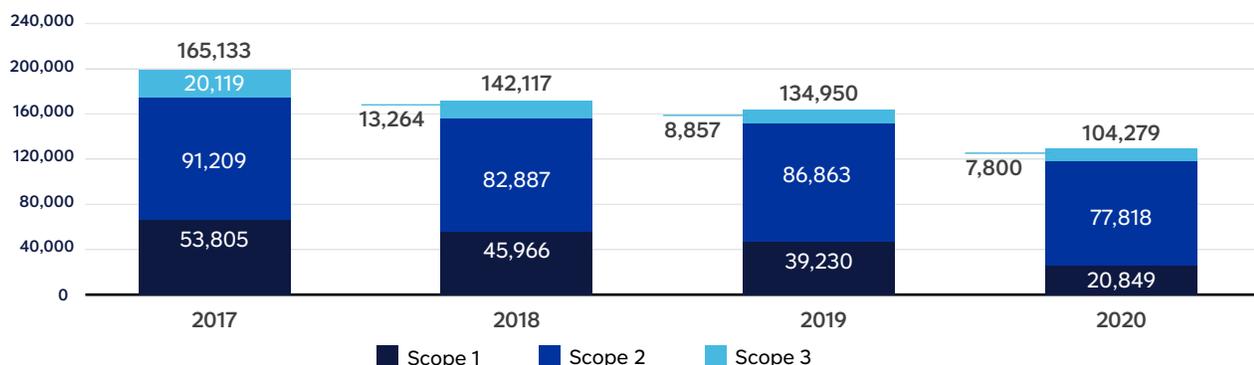
## Policies and practices

Over the past several years, we launched many resource reduction and recycling programs related to our buildings, vehicles and business supplies.

In 2010, Allstate set a goal to achieve a 20% absolute energy-use reduction within our owned portfolio (approximately 39% of all locations at the time) against our 2007 baseline by 2020. Thanks to efforts across the enterprise, we surpassed that 2020 goal in 2014. Now, we've set our sights on a science-aligned target, which will help ensure our business goals are in line with a lower-carbon future and reduce greenhouse gas emissions (GHG).

### GHG emissions in metric tonnes

Bar graph with tonnes of emissions (scope 1, 2, and 3) from 2017-2020



\* Data does not include impacts from our investment portfolio. GHG emissions for rented vehicles and hotel stays were included for the first time in 2020.

We're reducing consumption by consolidating office space, recapturing heat energy as a byproduct of Allstate's data center operations, and using energy-efficient equipment and systems. This effort will ultimately offset

power at 40% of owned facilities with 100% renewable energy credits and Carbon Offsets by 2023. Examples of this include HVAC equipment and controls, reduced-lighting power density designs and daylight harvesting in Allstate's offices. We now lease or own more than 465,674 square feet of LEED-certified office space.

### Centralized waste

Allstate's goal is to implement centralized waste, a system for properly separating and disposing of recyclables and landfill waste, across all new locations and 100% of existing locations by 2023. As of 2021, we have made great progress on this goal and are on track to complete it ahead of schedule.

### COVID-19

We ensure the safety of employees and contractors at all Allstate locations. Refer to our website for more information on [our response to COVID-19](#).

## Programs and performance

### Allstate's vehicle fleet

Allstate operates a fleet of approximately 3,000 sedans and SUVs to support business travel requirements across the company. Several years ago, we started to use more hybrid vehicles to improve fuel economy and reduce our CO<sub>2</sub> output, and in 2020, we reduced the use of our fleet and relied more on aerial surveys for claims data in order to reduce in-person interactions. Allstate's goal is to have 100% hybrid vehicles by 2025. As of 2021, our fleet is about 50% hybrid.

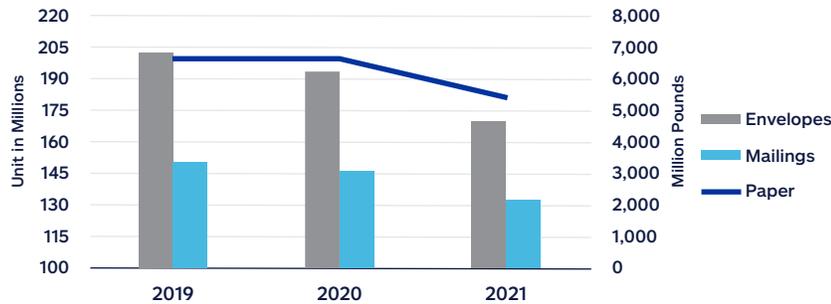
### Paper reduction

Allstate makes every effort to keep documents and communications electronic. Initiatives including eDelivery, Digital Transformation, the Digital Claim File program, Record Center reduction and many others highlight Allstate's paper reduction.

Allstate's eDelivery and Document Management teams work together with our Allstate Print Center and business unit leaders across all of our market-facing businesses, adding digital capabilities and reducing printing and paper use. In 2019-21, mailings were reduced by 12% (18 million mailings), paper use by 20% (1.3 million pounds of paper) and envelope use by 17% (33 million envelopes).

Allstate has also made significant progress toward eliminating paper consumption by digitizing the procurement process that supports Allstate's \$14 billion of spending with suppliers and other third parties. Allstate suppliers can submit invoices electronically instead of on paper. An e-signature system is used for electronic execution of 4,000 contracts each year. Our e-sourcing system enables us to solicit and receive proposals from suppliers electronically, and our e-catalog capabilities have replaced paper-based supplier catalogs. In the future, suppliers will be able to electronically submit supporting documentation, such as certificates of insurance.

**Print center – mailings, paper and envelope trend (2019 to 2021)**



Allstate maintains a secure program to shred and recycle. In 2019, record retention for claim files was reduced from 25 to 7 years, shrinking our Record Center footprint. Allstate shredded 1.5 million boxes of records (30 million pounds of paper) and minimized Record Center operating costs from \$6.2 million in 2016 to \$1.6 million in 2021. Allstate continually reviews record retention policies. In 2020-21, 3.3 million pounds of paper was recycled. The transition to a work-from-home model has dropped employee printing by 80% vs. pre-pandemic levels.

Customer satisfaction increases by 30 points when paperless options are offered. Allstate’s eDelivery and Document Management teams therefore offer three paperless initiatives for customers: eSignature, ePolicy and eBill. Customers are prompted through the “Finish Your Policy Set-up” email to use the link to our online self-service hub to sign up for these free services. At the end of 2021, 57.9% of all customers’ Allstate Property-Liability policies were enrolled in ePolicy, and 47.5% in eBill. In the same time period, of all new customers, 64.4% enrolled in ePolicy, 46.5% enrolled in eBill and 67.8% used eSignature and upload functionality when this was required.

Allstate redesigned documents to reduce the number of pages mailed and since 2015 has invested \$11 million improving customers’ digital, paperless experience.

**Small electronics recycling**

Allstate replaces about 2,400 small electronic items each month, totaling 28,000 in 2021. Of these, approximately 150 items are in condition to be salvaged or recycled. Allstate partners with Clover Wireless to salvage small electronics. More than 800 types of small electronics qualify to be salvaged. Clover recycles all items or parts that cannot be salvaged, reducing the number of small electronics that end up in a landfill.

**Sustainable procurement**

The magnitude of our global procurement activity means our procurement practices have far-ranging effects, and we can positively influence the businesses from which we source products and services. By understanding how suppliers manage environmental stewardship, diversity, equity & inclusion, regulatory compliance and operational risks, 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**

We manage environmental and social impacts in our supply chain through agreements, surveys, scorecards, resource reduction programs and policies. We work with suppliers to accelerate environmental and social improvements across the value chain.

## Operational footprint (cont.)

As stated in the [Supplier Code of Business Conduct](#), 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 procurement decisions with environmental and social sustainability. The Sourcing & Procurement Solutions department focuses our responsible procurement program on key commodity areas: computer equipment, furniture, leased properties, paper products, professional services, software, utilities and the corporate vehicle fleet.

The main elements of the responsible procurement program include:

- Integrating environmental, social and governance (ESG) criteria in our end-to-end procurement processes and systems.
- Measuring, managing, and reporting on supplier key performance indicators (KPIs) and metrics.

Sourcing & Procurement Solutions includes a sustainable procurement lead who develops and implements ESG-specific practices in our supply chain. This leader identifies sustainability risks and opportunities in the supply chain and develops best practices for product and service categories prioritized by the needs of the business.

In 2021, Sourcing & Procurement Solutions engaged [CDP Supply Chain](#), a global disclosure system that enables corporate purchasers to measure and manage their suppliers' environmental impact. This will help us better understand our carbon footprint. We invited 164 suppliers to disclose their environmental data via the CDP Climate Change questionnaire and the response rate was 90%. Of the responding suppliers, 61% have made a commitment to setting an emissions reduction target.

By measuring suppliers' greenhouse gas emissions as a contributor to our total carbon footprint, we can find ways to minimize our environmental impact. We plan to collaborate with select strategic suppliers on GHG emissions reduction projects that generate mutual business value in addition to potentially imposing incentives or penalties to reinforce accountability and desired behaviors by suppliers.

# ESG DATA



		2022	2021	2020	2019	2018	2017	
<b>ENVIRONMENTAL</b>								
Air Emissions	Total GHG Emissions [Scope 1, 2 (location-based), and 3 (business travel)]	-	97,254	106,500	135,000	142,117	165,146	
	GHG Scope 1	-	20,932	20,849	39,200	45,966	53,818	
	GHG Scope 2 (Location-Based)	-	69,332	77,818	86,900	82,887	91,209	
	GHG Scope 2 (Market-Based)	-	54,543	59,274	74,200	-	-	
	GHG Scope 3 - Business Travel	-	7,000	7,800	8,900	13,264	20,119	
Climate	Emissions Reduction Initiatives (y/n)	-	Y	Y	Y	Y	Y	
	Climate Change Opportunities Discussed (y/n)	-	Y	Y	N	N	N	
	Risks of Climate Change Discussed (y/n)	-	Y	Y	Y	Y	Y	
	Climate Change Policy (y/n)	-	Y	Y	Y	Y	Y	
	New Products - Climate Change (y/n)	-	Y	Y	N	N	N	
Energy	CDP Carbon Disclosure (y/n)	-	Y	Y	Y	Y	Y	
	Renewable Electricity Target Policy	-	Y	N	N	N	N	
Waste	Energy Efficiency Policy	-	Y	Y	Y	Y	Y	
	Waste Reduction Policy (y/n)	-	Y	Y	Y	Y	Y	
General Environmental	Environmental Supply Chain Management	-	Y	Y	Y	Y	Y	
	Green Building Policy	-	Y	Y	Y	Y	Y	
	Sustainable Packaging	-	N	N	N	N	N	
	Environmental Quality Management Policy	-	N	N	N	N	N	
	Biodiversity Policy	-	N	N	N	N	N	
	Verification Type	-	N	N	N	N	N	
<b>SOCIAL</b>								
	Health and Safety Policy (y/n)	-	Y	Y	Y	Y	Y	
Employment	Number of Global FTEs	-	54,300	41,860	45,780	45,700	42,860	
	% actively engaged employees	-	83%	84	84	84	83	
	% Women in Workforce	-	57.1%	See Workforce Composition data				
	% Women in Management	-	44.4%					
	% Minorities in Workforce	-	42.0%					
	% Minorities in Management	-	27.6%					
Human Rights	Social Supply Chain Management (y/n)	-	Y	Y	Y	Y	Y	
	Sustainable Supplier Guidelines Encompassing ESG Areas that are Publicly Disclosed (y/n)	-	Y	Y	Y	Y	Y	
	Fair Remuneration Policy (y/n)	-	N	N	N	N	N	
	Training Policy (y/n)	-	Y	Y	Y	Y	Y	
	Employee CSR Training (y/n)	-	N	N	N	N	N	
	Equal Opportunity Policy (y/n)	-	Y	Y	Y	Y	Y	
	Human Rights Policy (y/n)	-	Y	N	N	N	N	
	Policy Against Child Labor (y/n)	-	Y	N	N	N	N	
Business Ethics Policy (y/n)	-	Y	Y	Y	Y	Y		

## ESG DATA



		2022	2021	2020	2019	2018	2017
Ethics	Anti-Bribery Ethics Policy (y/n)	-	Y	Y	Y	Y	Y
	Employee Protection/Whistle Blower Policy (y/n)	-	Y	Y	Y	Y	Y
	UN Global Compact Signatory (y/n)	-	N	N	N	N	N
	PRI Signatory	-	N	N	N	N	N
<b>GOVERNANCE</b>							
Board	Size of the Board	11	12	11	10	10	11
	Classified Board System	N	N	N	N	N	N
	Board Average Age	63	63	63	62	61	63
	Mandatory Retirement Age	Y	Y	Y	Y	Y	Y
	Annual Election of Directors	Y	Y	Y	Y	Y	Y
	Average Director Tenure	8.1	7.0	6.8	6.5	6.0	7.0
Board Independence	Number of Independent Directors	10	11	10	9	9	10
	Percent of Directors Who Are Independent	91%	92%	91%	90%	90%	91%
	Independent Chairperson	N	N	N	N	N	N
	Independent Lead Director	Y	Y	Y	Y	Y	Y
Board Diversity	Number of Women on Board	3	3	3	3	3	3
	Percent of Directors Who Are Women	27%	25%	27%	30%	30%	27%
	Lead Director and Committee Chairs (Independent Director Only)	5	5	5	5	5	5
	Number of Ethnic/Gender Diverse in Board Leadership Positions	3	3	4	4	4	4
	Number of Diverse Board Members by Ethnicity or Gender	6	6	5	5	5	5
Executive Diversity	Number of Executive Officers	16	13	13	13	12	10
	Number of Female Executive Officers	2	3	4	3	3	3
	Percent of Executive Officers Who Are Female	13%	23%	31%	23%	25%	30%
Board Committees	Number of Board Meetings	10	10	6	7	3	7
	Board Meeting Attendance Percentage	99%	99%	99%	99%	100%	100%
	Number of Directors Attending Less than 75% of Meetings	0	0	0	0	0	0
Audit Committee	Size of Audit Committee	4	4	4	4	4	4
	Percent of Directors on Audit Committee Who Are Independent	100%	100%	100%	100%	100%	100%
	Number of Audit Committee Meetings	9	9	10	9	5	10
Compensation Committee	Size of Compensation and Human Capital Committee	5	5	4	4	4	4
	Percent of Directors on Compensation and Human Capital Committee Who Are Independent	100%	100%	100%	100%	100%	100%
	Number of Compensation and Human Capital Committee Meetings	8	8	7	7	4	8
	Outside Compensation Advisors Appointed	Y	Y	Y	Y	Y	Y
Nomination Committee	Size of Nominating, Governance and Social Responsibility Committee	5	4	5	4	4	5
	Percent of Directors on Nominating, Governance and Social Responsibility Committee Who Are Independent	100%	100%	100%	100%	100%	100%
	Number of Nominating, Governance and Social Responsibility Committee Meetings	5	5	5	5	3	6

## ESG DATA



		2022	2021	2020	2019	2018	2017
Executive Compensation	Clawback Provision for Executive Compensation	Y	Y	Y	Y	Y	Y
	Change of Control Benefits/Double-Trigger	Y	Y	Y	Y	Y	Y
	President and Executive Vice Presidents Stock Ownership Guidelines	Y	Y	Y	Y	Y	Y
	President and Executive Vice Presidents Stock Ownership Multiple of Base Salary	4	3	3	3	3	3
	CEO Stock Ownership Guidelines	Y	Y	Y	Y	Y	Y
	CEO Stock Ownership Multiple of Base Salary	8	6	6	6	6	6
	Director Stock Ownership Guidelines	Y	Y	Y	Y	Y	Y
Director Stock Ownership Multiple of Annual Retainer	6	5	5	5	5	5	
Stockholder Rights	Ownership Percentage Required to Call a Special Meeting	10%	10%	10%	10%	10%	10%
	Ownership Percentage Required to Request Action by Written Consent	10%	10%	10%	10%	10%	10%
	Majority Vote Standard in Uncontested Director Elections	Y	Y	Y	Y	Y	Y
	Supermajority Voting Provisions	N	N	N	N	N	N
	Confidential Voting	Y	Y	Y	Y	Y	Y
	Poison Pill Plan	N	N	N	N	N	N
	Proxy Access Provision	Y	Y	Y	Y	Y	Y
Dual Class Unequal Voting Rights - Common Shares	N	N	N	N	N	N	
AGM Voting Results	Average Director Support Level	96%	96%	97%	97%	98%	98%
	Frequency of Say on Pay Votes	1	1	1	1	1	1
	Say on Pay Support Level	88%	88%	92%	89%	93%	95%
	Ratification of Independent Auditor Support Level	92%	93%	94%	95%	97%	98%
	Years Independent Auditor Employed	30	29	28	27	26	25
GRI	GRI Criteria Compliance	-	Y	Y	Y	Y	Y
	Global Reporting Initiatives Checked	-	N	N	N	N	N

# WORKFORCE COMPOSITION



## New Hires

	2021	2020	2019	2018	2017	2016
<b>Generation</b>						
Silents (1925-1945)	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Early Boomers (1946-1954)	0.3%	0.4%	0.4%	0.5%	0.6%	0.5%
Late Boomers (1955-1963)	3.1%	4.2%	4.4%	5.0%	6.0%	5.0%
Generation X (1964-1978)	18.3%	17.9%	20.0%	22.9%	22.1%	22.4%
Generation Y (1979-1994)	55.9%	51.8%	54.5%	58.1%	62.5%	67.9%
Generation Z (From 1995)	21.6%	25.4%	20.7%	13.5%	8.8%	4.1%
<b>Gender</b>						
Male	36.3%	44.6%	44.2%	46.8%	44.3%	47.6%
Female	63.1%	55.3%	55.8%	53.2%	55.7%	52.4%
Undeclared	0.6%	0.2%				-
<b>Minority Groups*</b>						
White	36.8%	41.8%	47.0%	52.8%	49.1%	55.4%
Black or African American	39.2%	30.2%	27.4%	23.9%	21.5%	19.5%
Hispanic or Latino	13.3%	17.1%	13.9%	12.0%	12.0%	15.0%
Asian	3.8%	6.0%	6.9%	7.2%	7.5%	5.7%
American Indian/Alaskan	0.4%	0.4%	0.3%	0.4%	0.2%	0.5%
Native Hawaiian or Other Pacific Islander	0.2%	0.2%	0.3%	0.2%	0.3%	0.4%
Two or more Races (Not Hispanic or Latino)	4.7%	4.1%	4.2%	3.6%	3.6%	3.6%
Undeclared	1.5%	0.2%			5.8%	

\*For 2017 data, 5.8% - undeclared.

## Total/Exempt/Non-Exempt by Gender & Race

Gender							
	<b>Total</b>						
Female		57.1%	55.20%	55.6%	56.0%	56.3%	55.9%
Male		42.9%	45.80%	44.4%	44.0%	43.7%	44.1%
Undeclared		0.1%		0.08%			
	<b>Exempt</b>						
Female		48.0%	47.4%	47.7%	47.9%	47.5%	46.5%
Male		52.0%	52.6%	52.3%	52.1%	52.5%	53.5%
Undeclared		0%		0.03%			
	<b>Non-Exempt</b>						
Female		59.4%	72.3%	72.2%	76.4%	76.2%	76.7%
Male		40.6%	27.7%	27.8%	23.6%	23.8%	23.3%
Undeclared		0%		0.03%			
Race							
	<b>Total</b>						
African American		21.3%	17.5%	17.7%	17.1%	16.4%	16.3%
Native American		0.4%	0.3%	0.3%	0.4%	0.3%	0.4%
Asian		5.8%	6.2%	5.7%	5.6%	5.3%	4.9%
Hispanic		11.7%	11.3%	11.1%	10.9%	11.0%	11.0%
Native Hawaiian or Other Pacific Islander		0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Two or More Races		2.8%	2.4%	2.3%	2.1%	1.9%	1.9%
White		57.9%	61.5%	62.1%	63.8%	64.8%	65.5%
Undeclared		0.0%	0.4%	1.1%			
	<b>Exempt</b>						
African American		14.2%	13.0%	13.0%	13.1%	12.1%	12.1%
Native American		0.4%	0.3%	0.3%	0.3%	0.3%	0.3%
Asian		7.7%	8.0%	7.3%	6.9%	6.6%	6.0%
Hispanic		9.3%	8.8%	8.4%	8.7%	8.5%	8.5%
Native Hawaiian or Other Pacific Islander		0.2%	0.2%	0.2%	0.1%	0.2%	0.2%

Two or More Races	2.2%	2.0%	1.9%	1.9%	1.6%	1.6%
White	65.5%	67.2%	68.4%	68.9%	70.7%	71.3%
Undeclared	0.5%	0.4%	0.5%	-	-	-
<b>Non-Exempt</b>						
African American	35.1%	27.7%	27.4%	27.1%	26.1%	25.6%
Native American	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Asian	2.0%	2.3%	2.4%	2.3%	2.4%	2.5%
Hispanic	16.2%	16.9%	16.8%	16.3%	16.6%	16.5%
Native Hawaiian or Other Pacific Islander	0.2%	0.2%	0.3%	0.3%	0.2%	0.2%
Two or More Races	4.1%	3.3%	3.1%	2.7%	2.6%	2.4%
White	41.4%	48.8%	49.0%	50.9%	51.7%	52.4%
Undeclared	0.6%	0.4%	0.5%	-	-	-

## Total & Voluntary Turnover

<b>Overall</b>						
Termination Rate	28.3%	23.5%	18.5%	15.4%	15.6%	13.4%
Voluntary Termination Rate (incl. retirements)	23.1%	12.9%	14.1%	12.8%	12.1%	10.7%
<b>Race</b>						
<b>Termination Rate</b>						
Minority	34.0%	27.8%	22.7%	18.3%	17.7%	16.3%
Non-Minority	24.0%	20.8%	15.3%	13.6%	14.3%	11.9%
<b>Voluntary Termination Rate (incl. retirements)</b>						
Minority	28.8%	16.0%	17.4%	14.5%	13.2%	12.6%
Non-Minority	18.9%	11.0%	12.1%	11.8%	11.4%	9.7%
<b>Gender</b>						
<b>Termination Rate</b>						
Male	27.6%	22.1%	17.7%	15.7%	16.6%	13.9%
Female	28.5%	24.6%	18.5%	15.1%	14.7%	13.0%
<b>Voluntary Termination Rate (incl. retirements)</b>						
Male	22.2%	12.5%	14.3%	13.1%	12.5%	11.1%
Female	23.6%	13.2%	14.0%	12.6%	11.7%	10.4%

## Generation

Termination Rate						
Silents (1925-1945)	81.3%	45.1%	29.2%	19.0%	16.1%	19.6%
Early Boomers (1946-1954)	47.1%	44.5%	31.4%	34.7%	31.6%	20.2%
Late Boomers (1955-1963)	29.4%	24.7%	13.6%	13.3%	11.9%	7.6%
Generation X (1964-1978)	17.0%	17.0%	12.2%	9.5%	10.3%	8.9%
Generation Y (1979-1994)	30.8%	24.5%	22.3%	18.8%	20.1%	19.9%
Generation Z (From 1995)	59.4%	46.2%	40.9%	44.1%	60.8%	97.5%
Voluntary Termination Rate (incl. retirements)						
Silents (1925-1945)	79.7%	6.40%	21.2%	16.9%	14.3%	15.0%
Early Boomers (1946-1954)	33.3%	25.00%	25.1%	31.5%	27.9%	17.6%
Late Boomers (1955-1963)	19.4%	8.80%	9.8%	11.3%	8.6%	5.3%
Generation X (1964-1978)	12.6%	6.60%	8.1%	6.8%	7.3%	6.7%
Generation Y (1979-1994)	27.1%	15.60%	18.5%	16.3%	16.0%	16.3%
Generation Z (From 1995)	52.8%	39.10%	35.8%	39.5%	56.4%	88.4%

## Management Type by Gender & Race

### Gender

OFFICER						
Female	29.9%	31.4%	30.2%	30.3%	27.6%	28.1%
Male	70.1%	68.6%	69.8%	69.7%	72.4%	71.9%
MID LEVEL LEADER Managers of managers (ex: Senior Managers, Directors)						
Female	40.9%	40.7%	41.0%	40.6%	40.4%	40.3%
Male	59.1%	59.3%	59.0%	59.4%	59.6%	59.7%
FIRST LEVEL LEADER Managers of individual contributors (Ex: Associate Managers, Managers)						
Female	50.3%	49.5%	49.3%	49.6%	50.6%	49.2%
Male	49.7%	50.5%	50.7%	50.4%	49.4%	50.8%
TEAM MEMBER						
Female	49.7%	48.6%	49.2%	49.2%	48.5%	47.4%

Male	50.1%	51.4%	50.8%	50.8%	51.5%	52.6%
<b>TEAM MEMBER NON EXEMPT</b>						
Female	59.4%	74.2%	75.5%	76.4%	76.2%	76.7%
Male	40.6%	25.8%	24.5%	23.6%	23.8%	23.3%

**Race**

<b>OFFICER</b>						
African American	6.2%	4.9%	3.5%	3.0%	3.5%	4.2%
Native American	0.0%		0.5%	0.5%	0.5%	0.5%
Asian	8.5%	4.9%	4.5%	4.5%	4.0%	4.2%
Hispanic	2.3%	2.7%	2.5%	1.5%	1.5%	1.6%
Two or More Races	0.6%	1.1%	1.0%	1.5%	1.0%	1.0%
White	82.5%	85.9%	87.6%	88.6%	88.9%	88.5%
Undeclared	0.0%	0.5%	0.5%	-	-	-

<b>MID LEVEL LEADER</b>						
Managers of managers (ex: Senior Managers, Directors)						
African American	5.2%	5.3%	5.8%	6.0%	5.7%	5.9%
Native American	0.1%	0.1%	0.2%	0.3%	0.2%	0.2%
Asian	13.6%	12.4%	10.6%	9.7%	9.2%	8.6%
Hispanic	5.2%	5.2%	5.0%	4.4%	4.3%	4.1%
Native Hawaiian or Other Pacific Islander	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Two or More Races	1.4%	1.3%	1.2%	1.0%	0.9%	0.9%
White	74.0%	75.2%	76.9%	78.3%	79.3%	80.1%
Undeclared	0.3%	0.2%	0.3%	-	-	-

<b>FIRST LEVEL LEADER</b>						
Managers of individual contributors (Ex: Associate Managers, Managers)						
African American	14.7%	13.6%	14.1%	13.8%	13.3%	13.2%
Native American	0.6%	0.4%	0.3%	0.4%	0.4%	0.3%
Asian	3.0%	3.1%	3.1%	3.4%	3.3%	3.2%
Hispanic	10.9%	10.6%	10.5%	9.8%	8.5%	8.5%
Native Hawaiian or Other Pacific Islander	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%
Two or More Races	1.9%	1.7%	1.6%	1.7%	1.8%	1.5%
White	68.7%	70.5%	70.2%	70.6%	72.5%	73.1%
Undeclared	0.2%	0.1%	0.2%	-	-	-

<b>TEAM MEMBER</b>						
African American	16.7%	14.9%	15.2%	14.5%	13.2%	13.0%
Native American	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%
Asian	6.9%	7.7%	7.0%	6.9%	6.7%	6.0%
Hispanic	10.6%	9.9%	9.6%	9.5%	9.4%	9.3%
Native Hawaiian or Other Pacific Islander	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Two or More Races	2.6%	2.3%	2.2%	2.1%	1.8%	1.8%
White	62.0%	64.3%	64.8%	65.9%	67.7%	69.3%
Undeclared	0.7%	0.5%	0.7%	-	-	-
<b>TEAM MEMBER NON EXEMPT</b>						
African American	23.4%	28.2%	28.2%	27.1%	26.1%	25.6%
Native American	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Asian	5.5%	2.0%	2.1%	2.3%	2.4%	2.5%
Hispanic	12.4%	16.7%	16.7%	16.3%	16.6%	16.4%
Native Hawaiian or Other Pacific Islander	0.2%	0.2%	0.3%	0.3%	0.2%	0.2%
Two or More Races	3.1%	3.4%	3.1%	2.7%	2.6%	2.4%
White	55.0%	48.6%	48.7%	50.1%	50.6%	52.4%
Undeclared	0.0%	0.4%	0.5%	-	-	-

NOTE: These figures represent U.S. employees only

## GRI Content Index/SDG Alignment 2021

Allstate has published an annual Sustainability Report since 2003. Our 2021 Sustainability Report incorporates the Guiding Principles and Content Components of the Integrated Reporting (IR) framework produced by the International Integrated Reporting Council (IIRC). We address our impacts through the Six Capitals defined by the IIRC, capturing inputs and outputs across Financial, Intellectual, Human, Social, Natural and Manufactured Capitals. We continue to report in accordance with the Global Reporting Initiative (GRI): Core option. Report information reflects year-end 2021 unless otherwise stated.

### GENERAL DISCLOSURES

GRI INDICATOR	DESCRIPTION	LOCATION/ANSWER
Strategy and Analysis		
102-14	CEO Letter	<a href="#">Leadership Message</a>
Organizational Profile		
102-1	Organization name	The Allstate Corporation
102-2	Primary brands, products, and services	<a href="#">10-K</a> , pages 6-7
102-3	Headquarters location	Northbrook, IL
102-4	Where the organization operates	U.S., Canada, India, Northern Ireland, United Kingdom,
102-5	Nature of ownership and legal form	<a href="#">10-K</a> , page 1
102-6	Markets served	U.S., Canada, Europe, Australia and Asia
102-7	Scale of the organization	<a href="#">Integrated approach</a>
102-8	Total number of employees by type	<a href="#">10-K</a> , page 16 As of December 31, 2021, Allstate had approximately 54,300 full-time employees and 400 part-time employees.
102-9	Supply chain description	In 2021, the vast majority of Allstate's supply chain spend consists of professional services (such as advertising, contract programming and lead generation) and claims contractors. 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	<a href="#">10-K</a> , page 1 On January 4, 2021 Allstate acquired National General,

GRI Content Index/SDG Alignment 2021

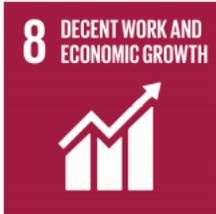
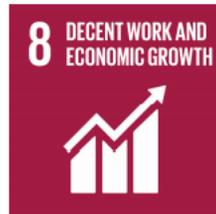
		expanding its independent agent channel business. During the fourth quarter of 2021, Allstate completed the sales of Allstate Life Insurance Company, Allstate Life Insurance Company of New York and certain affiliates.
102-11	Precautionary principle or approach	Allstate does not formally follow the precautionary principle, but we assess risks across our operations.
102-12	External charters, principles, or other initiatives	None
102-13	Membership associations	<a href="#">Public Policy</a>
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Ethics and integrity</a>
102-17	Mechanisms for reporting concerns about unethical or unlawful behavior	Employees may report any illegal, unethical conduct or regulatory compliance concerns by: <ul style="list-style-type: none"> <li>– Contacting their manager, another manager, or a Human Resources representative</li> <li>– Calling the Allstate i-Report Line: 1-800-706-9855</li> <li>– Using the Allstate i-Report website: <a href="http://www.allstatei-report.alertline.com">www.allstatei-report.alertline.com</a></li> </ul>
Governance		
102-18	Governance structure of the organization	<a href="#">Integrated approach</a>
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">Integrated approach</a>
102-22	Composition of the highest governance body and its committees	<a href="#">Allstate Investor Relations Page</a>
102-24	Nominating and selecting the highest governance body	<a href="#">2022 Proxy Statement</a> , pages 17-18
102-30	Effectiveness of risk management processes	<a href="#">10-K</a> , pages 80-82
102-38	Annual CEO compensation ratio	<a href="#">2022 Proxy Statement</a> , page 88
Stakeholder Engagement		
102-40	List of stakeholder groups	<a href="#">Materiality and stakeholder engagement</a>

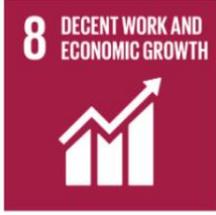
GRI Content Index/SDG Alignment 2021

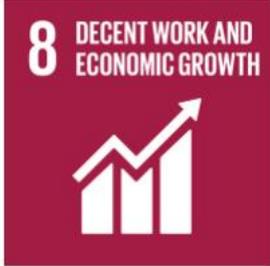
102-41	Collective bargaining agreements	0%; Our businesses are not concentrated in professions usually represented by unions or collective bargaining
102-42	Identifying and selecting stakeholders	<a href="#">Materiality and stakeholder engagement</a>
102-43	Approach to stakeholder engagement	<a href="#">Materiality and stakeholder engagement</a>
102-44	Key topics and concerns raised	<a href="#">Materiality and stakeholder engagement</a>
Reporting Practices		
102-45	Entities included in the consolidated financial statements	<a href="#">10-K</a> , page 1 Allstate finalized its acquisition of National General in January 2021. We are developing our approach to include all National General metrics in our reporting and look forward to fully incorporating National General data in our future Sustainability Reports.
102-46	Defining report content and topic Boundaries	<a href="#">Materiality and stakeholder engagement</a>
102-47	List of material topics	<a href="#">Materiality and stakeholder engagement</a>
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	2021
102-51	Date of most recent report	May 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Allstate Corporate Responsibility and Sustainability Team: <a href="mailto:sustainability@allstate.com">sustainability@allstate.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with the GRI Standards, Core option. It has not been externally assured.
102-55	GRI content index	<a href="#">GRI</a>

## TOPIC SPECIFIC DISCLOSURES

GRI INDICATOR	DESCRIPTION	LOCATION	SDG ALIGNMENT
Environmental			
Climate Strategy and Disaster Resiliency			
103-1	Explanation of the material topic and its boundary	<a href="#">Climate strategy and disaster resiliency</a>	 
103-2	The management approach and its components	<a href="#">Climate strategy and disaster resiliency</a>	
103-3	Evaluation of the management approach	<a href="#">Climate strategy and disaster resiliency</a>	
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Climate strategy and disaster resiliency</a>	
Operational Footprint			
103-1	Explanation of the material topic and its boundary	<a href="#">Operational footprint</a>	
103-2	The management approach and its components	<a href="#">Operational footprint</a>	
103-3	Evaluation of the management approach	<a href="#">Operational footprint</a>	
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Operational footprint</a>	
302-4	Energy reductions	<a href="#">Operational footprint</a>	
305-1	GHG emissions (Scope 1)	<a href="#">Operational footprint</a>	
305-2	GHG emissions (Scope 2)	<a href="#">Operational footprint</a>	
305-3	GHG emissions (Scope 3)	<a href="#">Operational footprint</a>	
305-4	GHG emissions intensity	<a href="#">Operational footprint</a>	
305-5	Reduction of GHG emissions	<a href="#">Operational footprint</a>	
	Paper recycled	<a href="#">Operational footprint</a>	

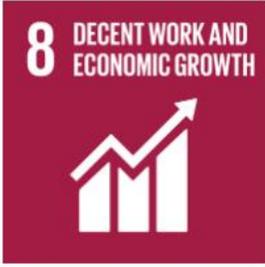
SOCIAL			
Organizational Culture			
103-1	Explanation of the material topic and its boundary	<a href="#">Organizational culture</a>	
103-2	The management approach and its components	<a href="#">Organizational culture</a>	
103-3	Evaluation of the management approach	<a href="#">Organizational culture</a>	
404-1	Average hours of training per year per employee	<a href="#">Organizational culture</a>	
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">Organizational culture</a>	
	Inspire Survey results	<a href="#">Organizational culture</a>	
	Tuition reimbursement	<a href="#">Organizational culture</a>	
	Internal placement rate	<a href="#">Organizational culture</a>	
Talent Recruitment and Management			
103-1	Explanation of the material topic and its boundary	<a href="#">Organizational culture</a>	
103-2	The management approach and its components	<a href="#">Organizational culture</a>	
103-3	Evaluation of the management approach	<a href="#">Organizational culture</a>	
401-1	New employee hires and employee turnover	<a href="#">Organizational culture</a>	
	Employee engagement	<a href="#">Organizational culture</a>	
Inclusive Diversity & Equity			
103-1	Explanation of the material topic and its boundary	<a href="#">Inclusive diversity &amp; equity</a>	
103-2	The management approach and its components	<a href="#">Inclusive diversity &amp; equity</a>	
103-3	Evaluation of the management approach	<a href="#">Inclusive diversity &amp; equity</a>	

	Total diverse supplier spend	<a href="#">Inclusive diversity &amp; equity</a>	 
<b>Social Impact and Community Leadership</b>			
103-1	Explanation of the material topic and its boundary	<a href="#">Social impact and community leadership</a>	
103-2	The management approach and its components	<a href="#">Social impact and community leadership</a>	
103-3	Evaluation of the management approach	<a href="#">Social impact and community leadership</a>	 
	Total giving by Allstate and The Allstate Foundation	<a href="#">Social impact and community leadership</a>	
	Youth Empowerment impacts	<a href="#">Social impact and community leadership</a>	
	Ending Relationship Abuse Impacts	<a href="#">Social impact and community leadership</a>	
	Advancing Racial Equity impacts	<a href="#">Social impact and community leadership</a>	
	Nonprofit board program results	<a href="#">Social impact and community leadership</a>	
	Community leadership impacts	<a href="#">Social impact and community leadership</a>	
	Volunteering results	<a href="#">Social impact and community leadership</a>	
	The Allstate Foundation Giving Campaign results	<a href="#">Social impact and community leadership</a>	
<b>Employee Well-Being and Safety</b>			
103-1	Explanation of the material topic and its boundary	<a href="#">Employee well-being and safety</a>	
103-2	The management approach and its components	<a href="#">Employee well-being and safety</a>	

103-3	Evaluation of the management approach	<a href="#">Employee well-being and safety</a>	
	Allstaters completing wellness assessment	<a href="#">Employee well-being and safety</a>	
	Number of Energy For Life participants	<a href="#">Employee well-being and safety</a>	
	Attendance for personal finance sessions	<a href="#">Employee well-being and safety</a>	
	Participants in Thrive programming	<a href="#">Employee well-being and safety</a>	
<b>Public Policy</b>			
103-1	Explanation of the material topic and its boundary	<a href="#">Public Policy</a>	
103-2	The management approach and its components	<a href="#">Public Policy</a>	
103-3	Evaluation of the management approach	<a href="#">Public Policy</a>	
415-1	Political donations	<a href="#">Public Policy</a>	
<b>Customer-Centric and Responsible Products</b>			
103-1	Explanation of the material topic and its boundary	<a href="#">Customer-centric and responsible products</a>	
103-2	The management approach and its components	<a href="#">Customer-centric and responsible products</a>	
103-3	Evaluation of the management approach	<a href="#">Customer-centric and responsible products</a>	
	Number of Drivewise® connections	<a href="#">Customer-centric and responsible products</a>	

BUSINESS PRACTICES			
Privacy and Information Security			
103-1	Explanation of the material topic and its boundary	<a href="#">Privacy and information security</a>	
103-2	The management approach and its components	<a href="#">Privacy and information security</a>	
103-3	Evaluation of the management approach	<a href="#">Privacy and information security</a>	
418-1	Total number of complaints regarding breaches of customer privacy and losses of customer data	<a href="#">Privacy and information security</a> ; We did not have any material security breaches in which outside actors were able to obtain access to Allstate customer data; We choose not to disclose the total number of substantiated complaints regarding breaches of customer privacy	
Responsible Investing			
103-1	Explanation of the material topic and its boundary	<a href="#">Responsible investing</a>	
103-2	The management approach and its components	<a href="#">Responsible investing</a>	
103-3	Evaluation of the management approach	<a href="#">Responsible investing</a>	
	Dollars invested in specific socially responsible designated categories	<a href="#">Responsible investing</a>	
Technology and Digitalization			
103-1	Explanation of the material topic and its boundary	<a href="#">Technology and digitalization</a>	

GRI Content Index/SDG Alignment 2021

103-2	The management approach and its components	<a href="#">Technology and digitalization</a>	  
103-3	Evaluation of the management approach	<a href="#">Technology and digitalization</a>	

## SASB Index

Allstate protects people from life's uncertainties with a wide array of protection for autos, homes and personal property. Allstate is primarily engaged in the property and casualty insurance business in the United States and Canada. Additionally, Allstate provides customers other protection solutions such as accident and health insurance, protection plans that cover consumer electronics, mobile phones and appliances and personal identity protection. The Allstate Corporation is one of the largest publicly held personal lines insurers in the United States.

In addition to providing wide-ranging disclosure on our website regarding our approach to sustained value creation, which integrates environmental, social and governance factors, The Allstate Corporation is providing the following disclosures aligned with the Sustainability Accounting Standards Board (SASB) standards for the insurance industry. As the SASB standards transition into IFRS Sustainability Disclosure Standards, Allstate will also align its reporting. For more information about SASB, please visit [sasb.org](https://sasb.org). For additional information about Allstate or its subsidiaries, please visit [allstate.com](https://allstate.com).

SASB Standard		Code	Response/Comment
<b>Activity Metric</b>			
Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance		FN-IN-000.A	<ul style="list-style-type: none"> <li>See 2021 Form 10-K, pgs. 42 (Allstate Protection), 51 (Protection Services), and 60 (Allstate Health and Benefits): <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> </ul>
<b>Accounting Metrics</b>			
Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	FN-IN-270a.1	<ul style="list-style-type: none"> <li>Allstate does not have material legal proceedings associated with marketing and communication of insurance product related information to new and returning customers.</li> <li>For further information about ongoing legal proceedings generally, see Note 15 in the 2021 Form 10-K, pgs. 161 - 167: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> </ul>
<b>Accounting Metrics</b>			

Transparent Information & Fair Advice for Customers	Complaints to claims ratio		<ul style="list-style-type: none"> <li>Allstate does not calculate a complaints-to-claims ratio because we do not believe it is a meaningful metric for assessing our claim handling processes. However, state insurance departments voluntarily provide consumer complaint data to the National Association of Insurance Commissioners (NAIC). The NAIC provides a summary listing of all closed complaints by business line for each underwriting company in the U.S. For more information, visit the NAIC website at: <a href="https://www.naic.org/index_consumer.htm">https://www.naic.org/index_consumer.htm</a>.</li> <li>Allstate tracks year-over-year performance on the Net Promoter Score to measure customer satisfaction and reports progress on this measurement in its 2021 Form 10-K (pg. 35). The Renewal ratio (cited below) provides information on customer retention.</li> </ul>
	Customer retention ratio	FN-IN-270a.3	<ul style="list-style-type: none"> <li>See 2021 Form 10-K for the “Renewal ratio” for the last three fiscal years for auto and homeowners, pgs. 42 (Auto) and 43 (Home): <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> </ul>
	Description of approach to informing customers about products	FN-IN-270a.4	<ul style="list-style-type: none"> <li>See 2021 Form 10-K, pgs. 2 - 11 for details about brand strategies, products and services, and distribution channels, and for a description of Transformative Growth: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> <li>One component of Transformative Growth is to expand customer access. Customers can currently access our property-liability products through: Allstate exclusive agents, independent agents, contact centers, and online.</li> </ul>
Incorporation of ESG Factors in Investment Management	Total invested assets, by industry and asset class	FN-IN-410a.1	<ul style="list-style-type: none"> <li>See 2021 Form 10-K, pgs. 68-69 for a listing of fixed income securities by type and sector and equity securities by sector: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> <li>For more information about our Allstate Investments department, see: <a href="https://www.allstateinvestments.com/index.html">https://www.allstateinvestments.com/index.html</a></li> </ul>
	Description of approach to incorporation of ESG factors in investment management processes and strategies	FN-IN-410a.2	<ul style="list-style-type: none"> <li>See Sustainability Report, Responsible Investing for a description of Allstate’s Responsible Investing Committee and Policy: <a href="https://www.allstatesustainability.com/prosperity/responsible-investing/">https://www.allstatesustainability.com/prosperity/responsible-investing/</a></li> <li>See the 2022 proxy p. 48 for further information on our approach to investing.</li> </ul>

SASB Standard	Code	Response/Comment	
<b>Accounting Metrics</b>			
Policies Designed to Incentivize Responsible Behaviors	Net premiums written related to energy efficiency and low carbon technology	<ul style="list-style-type: none"> <li>Allstate does not measure this metric at this time as it is not material to its business but will continue to evaluate in the future.</li> <li>Allstate calculates and discloses premiums by state per regulatory requirements: <a href="https://www.allstate.com/resources/allstate/attachments/about/2020-aic-combined-annual-statement.pdf">https://www.allstate.com/resources/allstate/attachments/about/2020-aic-combined-annual-statement.pdf</a></li> <li>Allstate also calculates and discloses premiums by segment. See 2021 Form 10-K, pgs. 41 (Allstate Protection), 51 (Protection Services), and 60 (Allstate Health and Benefits):</li> </ul>	
	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	FN-IN-410b.2	<ul style="list-style-type: none"> <li>For information about our telematics offerings that encourage safe driving and lower environmental impact from reduced driving, see our 2021 Form 10-K, p. 7: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> <li>For additional information about products that incentivize responsible behavior, see our 2020 Sustainability Report: <a href="https://www.allstatesustainability.com/prosperity/customer-centric-and-responsible-products">https://www.allstatesustainability.com/prosperity/customer-centric-and-responsible-products</a></li> <li>Discounts across our polices are available on Allstate.com under the related policy discount information. For example, auto insurance discounts can be found here: <a href="https://www.allstate.com/auto-insurance/car-insurance-discounts.aspx">https://www.allstate.com/auto-insurance/car-insurance-discounts.aspx</a></li> </ul>
Environmental Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	<ul style="list-style-type: none"> <li>Allstate targets less than a 1% likelihood of annual aggregate catastrophe losses from hurricanes, earthquakes and wildfire events, net of reinsurance, exceeding \$2.5 billion. See 2021 Form 10-K, pg. 46: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> <li>See reinsurance filing: <a href="https://www.allstateinvestors.com/static-files/d977e061-998c-4f31-bce1-3c2ecfb89a3d">https://www.allstateinvestors.com/static-files/d977e061-998c-4f31-bce1-3c2ecfb89a3d</a></li> <li>See 2021 Form 10-K, p. 21 – 22 Item 1A. Risk Factors</li> </ul>

SASB Standard	Code	Response/Comment
<b>Accounting Metrics</b>		
	<p>Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)</p>	<p>FN-IN-450a.2</p> <ul style="list-style-type: none"> <li>Allstate does not separately identify losses by modeled and non-modeled catastrophes as we do not believe this categorization is meaningful to our business. Allstate provides geographic locations of catastrophe losses in monthly press releases if the losses exceed a pre-determined threshold.</li> <li>See 2021 Form 10-K, which discloses annual catastrophe losses, effect of catastrophe losses on combined ratio in total and by line of business, catastrophe losses and reserve re-estimates by line of business, and catastrophe loss by size and type of event, pgs. 44 - 46 and 53 - 55: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> <li>Allstate discloses direct losses paid and incurred by state: <a href="https://www.allstate.com/resources/allstate/attachments/about/2020-aic-combined-annual-statement.pdf">https://www.allstate.com/resources/allstate/attachments/about/2020-aic-combined-annual-statement.pdf</a></li> </ul>
<p>Environmental Risk Exposure</p>	<p>Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy</p>	<p>FN-IN-450a.3</p> <ul style="list-style-type: none"> <li>Allstate measures and monitors insurance risk (which includes claims frequency and severity and catastrophes and severe weather) with different approaches, including stochastic methods and scenario analysis. See 2021 Form 10-K, pgs. 101: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> <li>See <i>Application of Critical Accounting Estimates</i>, Reserve for property and casualty insurance claims and claims expense estimation, Form 10-K, pgs. 86 - 92: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> <li>See also Sustainability Report, Climate Strategy and Disaster Resiliency: <a href="https://www.allstatesustainability.com/planet/climate-strategy-and-disaster-resiliency/">https://www.allstatesustainability.com/planet/climate-strategy-and-disaster-resiliency/</a></li> <li>See 2021 Form 10-K, pgs. 80-82: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> </ul>

SASB Standard	Code	Response/Comment
<b>Accounting Metrics</b>		
Systemic Risk Management	Exposure to derivative instruments by category: (1) total potential exposure to non centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	FN-IN-550a.1 <ul style="list-style-type: none"> <li>• See 2020 AIC Combined Annual Statutory Statement, pgs. 2, 3, and 12: <a href="https://www.allstate.com/resources/allstate/attachments/about/2020-aic-combined-annual-statement.pdf">https://www.allstate.com/resources/allstate/attachments/about/2020-aic-combined-annual-statement.pdf</a></li> <li>• See 2021 Form 10-K, Note 7 (Derivative Financial Instruments and Off-balance Sheet Financial Instruments): <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> </ul>
	Total fair value of securities lending collateral assets	FN-IN-550a.2 <ul style="list-style-type: none"> <li>• See 2021 Form 10-K, pgs. 103 and 124: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> </ul>
	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3 <ul style="list-style-type: none"> <li>• See 2021 Form 10-K, pgs. 72 - 79, 80-82: <a href="https://www.allstateinvestors.com/financials/sec-filings">https://www.allstateinvestors.com/financials/sec-filings</a></li> </ul>

## Approach to Climate Risk

Climate change represents an urgent global concern for all companies, including Allstate. Allstate's approach is to safeguard our customers while having sustainable business practices and adequate returns.

A changing climate means we must identify risks and opportunities, which can be either physical in nature, such as extreme weather patterns, or related to transitions such as policy shifts and the development of new technology. Allstate works to understand how this directly and indirectly affects our products, assets and liabilities.

Allstate's business viability depends on effectively modeling, pricing and managing risks, including risks related to climate change. We manage climate risks within our integrated Enterprise Risk and Return Management (ERRM) Program, which applies risk-return principles, modeling and analytics, governance, and transparent management dialogue to understand the company's highest-priority risks.

We have identified the following climate change risks:

- 1) **Insurance Risk** – An increase in severe weather events has raised loss costs for homeowner's insurance, requiring risk management actions such as changes in pricing, product coverages, reductions in policies in force, underwriting practices, and reinsurance utilization. We expect that the impacts from climate change will continue to be concentrated in property insurance.
- 2) **Investment Risk** – Our business success depends on effectively modeling, pricing and managing climate-related risks, and developing products and services to address the impact of severe weather. We identify, measure, manage and monitor material risks, including climate change, through a risk evaluation framework which is reviewed by the Board of Directors. We employ some of the same practices from our underwriting to model climate risk within our investment portfolio. We consider potential environmental and severe weather risks when we assess the size and maturity profile of our positions. Sectors with higher potential exposure are primarily invested in public markets and we have limited exposure to sectors with higher climate risk including oil, gas and coal production, airlines and airports, and commercial real estate with higher catastrophe risk. Additionally, we incorporate ESG considerations and climate-specific metrics into our asset management decisions.
- 3) **Reputational Risk** – Climate change matters deeply to internal and external stakeholders. They have high expectations for how Allstate manages its response to climate change. Our commitment to mitigating the risks of climate change is collaborative across our external partnerships and public engagements.



## About this Report

Allstate is providing the following table that indicates where readers can find disclosures within publicly available documents that address the recommendations of the **Task Force on Climate-Related Financial Disclosures (TCFD)**. Allstate intends to further align its disclosures with the recommendations of the TCFD by completing scenario analysis work already underway. Allstate is in the process of developing a financed emissions inventory and heat map which helps identify the impact of our portfolio on climate change and facilitate emissions reductions. Allstate also realizes attractive risk adjusted returns through investments that finance solutions to climate change. Allstate will continue to work toward setting science-aligned targets and establish an approach to integrating carbon-reduction targets into investments and operations.

## TCFD Index

Recommended Disclosures	Response/Comment
<b>Governance</b>	
a) Describe the board’s oversight of climate-related risks and opportunities.	<p>The Board has oversight of all risk and return activities and reviews environmental, social and governance (ESG) matters to prioritize efforts and progress. Two committees are also responsible for additional oversight: Nominating, Governance and Social Responsibility Committee and Risk and Return Committee.</p> <p>The Board's Nominating, Governance and Social Responsibility Committee oversees ESG priorities, strategy and reporting.</p> <p>The Board's Risk and Return Committee oversees climate change risks and opportunities through the lens of Allstate's Enterprise Risk and Return Management (ERRM) framework. The Risk and Return Committee conducted a thorough review of Allstate's climate risk and return management approach in 2020 and 2021.</p> <p>For a full description of our Board's oversight of climate risk, please see <a href="#">2022 Proxy Statement, pg. 31</a>, and <a href="#">2020 CDP Climate Change Responses, C1.1, C1.1a, C1.1b</a>.</p>
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<p>The Enterprise Risk and Return Council (ERRC) meets monthly and is Allstate’s senior risk management committee below Board level. The ERRC is made up of Allstate’s CEO, vice chair, chief investment officer, general counsel, treasurer, area of responsibility (AOR) presidents and enterprise and AOR risk and financial officers. It supports ERRM by establishing risk and return targets, determining economic capital levels, and directing integrated strategies and actions from an enterprise perspective. The chief risk officer chairs the ERRC and ensures that it performs its duties, and reports to the CEO. Business areas identify, measure, manage, monitor and report on risks at a granular level, including climate risks, and risks in excess of</p>



limits or tolerances are reported regularly to the ERRC and Board's Risk and Return Committee in the ERRM Summary Report. For a more detailed description of our ERRM framework, see [pgs. 80-82 of the Annual Report on Form 10-K](#).

Allstate also maintains an ESG Steering Committee. Its cross-functional members identify key risks and opportunities related to sustainable business practices and help implement Allstate's enterprise ESG road map. The Committee is comprised of individuals from strategy, finance, financial products, technology, marketing, innovation and corporate brand, enterprise risk and return management, human resources, legal, investments, Property-Liability, and protection products and services. Allstate's senior vice president of corporate strategy and senior vice president of corporate law co-chair the committee, which meets monthly and updates senior executives. The ESG Steering Committee has established three working groups on Climate, Inclusive Diversity and Equity, and Privacy to further drive thought leadership and progress throughout the organization on these important initiatives.

On the Investments side, the Responsible Investing Committee monitors ESG investing trends and best practices and periodically reports about its activities to the ESG Steering Committee and other leaders within Allstate. This Committee also monitors the investment portfolio for exposures to climate change. Different sectors are classified based on exposure to environmental risks, including climate change, and environmental risks are incorporated in the sizing and maturity profile of our positions. Sectors with higher potential exposure are primarily invested in public markets, providing flexibility to adjust exposures. Commercial real estate investments are classified based on their modeled exposure to catastrophe risks. For additional information regarding management's role in assessing and managing climate-related risks and opportunities, see [2020 CDP Climate Change Responses, C1.2, C1.2a, C-FS2.2b, 2022 Proxy Statement, pg. 31](#), and Accountability under the [Climate Strategy and Disaster Resiliency section of our Sustainability Report](#).

## Strategy

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Risks and return opportunities are evaluated across six key categories (strategic, insurance, financial, investment, operational, and culture) with climate impacting all six areas. Increased severe weather has raised loss costs for auto and homeowner's insurance, requiring changes in pricing, product coverages, underwriting practices and reinsurance utilization. Impacts will continue to evolve due to the increasing effect of severe weather driven by climate change. Physical and transition risks exist within the investment portfolio, along with opportunities associated with "green" investments and emerging technologies. See [2022 Proxy Statement, pgs. 49-50](#).



For a more complete description of risks and opportunities identified, please see [2020 CDP Climate Change Responses, C2.2, C2.2a, C-FS2.2b, C-FS2.2c, C-FS2.2d, C-FS2.2e, C2.3b, C2.4b](#), and the [Risk Factors section of the Annual Report on Form 10-K, pgs. 21-29](#), for a list of risks impacting Allstate.

- b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Managing climate-related risks and opportunities has been a priority at Allstate for over 25 years as it impacts all aspects of our business, particularly homeowner's insurance. We have worked to mitigate the effect of more severe weather on customers' homes and shareholder returns, which has impacted where we provide protection, what the protection covers, pricing, utilization of risk reduction efforts such as reinsurance, provision of third-party products, and regulatory and compliance initiatives.

Substantial progress has been made to make homes safer through better building codes, and to improve affordability by pooling risks and modifying our business practices. As the climate continues to change, this expertise will serve customers and shareholders well, and Allstate will continue to adjust its strategy and risk profile to protect shareholders, customers, and its reputation.

The Board's Risk and Return Committee reviewed the impact of climate change on the company's short- and long-term strategies in 2020 and 2021. See [2022 Proxy Statement, pgs. 31 and 50](#).

The catastrophe reinsurance program is part of Allstate's catastrophe management strategy. For information about the reinsurance program, see Risk Management section below.

In 2020, Allstate's Investment Management Committee adopted a Responsible Investing Policy that outlines expectations for Investment professionals to consider available data for ESG-related factors when making investment decisions. Allstate expects its Investment professionals to refrain from making certain types of investments that may result in significant ESG-related risks. In addition to the Responsible Investing Policy, the Investment Management Guidelines state that Investment managers' analysis and decision-making consider ESG issues when assessing risk/return trade-offs for a particular investment. Allstate Investments' compliance department maintains a restricted list that defines prohibited types of investments, which are typically entities whose activities are fundamentally inconsistent with Allstate's values or are likely to result in reputational or other significant risks.



For more information on how climate-related risks and opportunities have influenced Allstate's businesses, strategy and financial planning, please see [2020 CDP Climate Change Responses, C3.1d, C3.1e, C-FS3.2a, C-FS3.2b, C-FS3.3a.](#)

- c) Describe the resiliency of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

We analyze the potential impact of climate-related changes as part of the strategic planning process. Allstate's strategy to increase market share in the personal property-liability business and expand protections offerings for customers is resistant to increased severe weather. After experiencing severe catastrophe losses in 2004 and 2005, Allstate repositioned the homeowner's business, which is now consistently profitable. Along with changing product details and underwriting practices, the company created a comprehensive catastrophe reinsurance program to reduce certain risks.

Additionally, Allstate's Catastrophe Modeling and Analytics Team and Pricing Groups monitor climate change information as part of their analysis of weather-related trends. Models developed internally and by third-party vendors are used along with Allstate's historical data in assessing property insurance exposure to catastrophe losses. Losses and changes in exposure are analyzed and reported to senior leaders each quarter. Allstate's internal stress tests focus on predicting business continuity, resiliency, and solvency through a variety of catastrophe scenarios. The Catastrophe Modeling and Analytics Team also partners with the Investments group to model the catastrophe exposure of real estate investments and portfolios.

Allstate measures and monitors insurance risk (which includes claims frequency and severity and catastrophes and severe weather) with different approaches, including stochastic methods and scenario analysis. For additional details related to the reserving process for property and casualty insurance claims, see [pgs. 86-92 of the Annual Report on Form 10-K.](#)

For a full description of Allstate's process, please see [2020 CDP Climate Change Responses, C3.1a, 3.1b.](#) and Policies and Procedures under the [Climate Strategy and Disaster Resiliency section of our Sustainability Report.](#)

Work is underway to complete our full climate change scenario analysis. We will update this report with further information as soon as it is available.

## Risk Management

- a) Describe the organization's processes for identifying and assessing climate-related risks.

We manage climate change risk as part of the ERRM program. Enterprise risks and opportunities are identified, prioritized, measured, managed, monitored, and reported under an integrated ERRM framework, which includes our risk appetite statement, Risk and Return Principles, key risk and return categories, governance, modeling, analytics, and transparent management dialogue. The Board's Risk and Return Committee also annually assesses risk associated with extremely low frequency scenarios

For a full description of risks and opportunities identified, please see [2020 CDP Climate Change Responses, C2.2, C2.2a, C-FS2.2b, C-FS2.2c, C-FS2.2d, C-FS2.2e, C-FS2.2f, C2.3, C2.3b, C2.4, C2.4b.](#)

For additional information regarding our climate management process, please see [2022 Proxy Statement, pgs. 12 and 49-50](#); and Policies and Procedures under the [Climate Strategy and Disaster Resiliency section of our Sustainability Report.](#)

For information regarding how Allstate manages climate risks and opportunities in our investment portfolio and our operational emission reduction initiatives, please see [2020 CDP Climate Change Responses, C-FS3.2, C-FS3.2a, C-FS3.2b, C-FS3.3, C-FS3.3a, C4.3, C4.3a, C4.3b, C4.3c, C4.5, C4.5a.](#)

- b) Describe the organization's processes for managing climate-related risks.

On an ongoing basis, Allstate identifies, assesses, mitigates, reports and monitors material risks, including climate change, through our integrated ERRM program. This enables holistic management of key risks and incorporates risk and return management into our business model. The ERRM program includes our risk appetite statement, Risk and Return Principles, key risk and return categories, governance, modeling, analytics, and transparent management dialogue. Risks that are considered material are escalated to senior management and the Board.

Allstate manages property risks through pricing, underwriting and reinsurance. This includes:

- purchasing multi-year reinsurance protection as well as aggregate coverage,
- limiting new business for personal lines auto and property insurance in areas most exposed to hurricanes,
- implementing tropical cyclone and/or wind/hail deductibles or exclusions where appropriate, and
- partnering with federal and state governments for over 25 years to create programs to provide protection for insureds most exposed to climate change.



The catastrophe reinsurance program is part of Allstate's catastrophe management strategy, which is intended to provide shareholders with an acceptable return on the risks assumed in the personal lines business, reduce earnings variability, and provide protection to customers. It includes coverage for losses to personal lines property, personal lines automobile, commercial lines property or commercial lines automobile arising out of multiple perils, in addition to hurricanes and earthquakes. The program continues to support a risk tolerance framework that targets less than a 1% likelihood of annual aggregate catastrophe losses from hurricanes, earthquakes and wildfires, net of reinsurance, exceeding \$2.5 billion, based on model assumptions currently used. The program materially reduces exposure to catastrophe losses and employs a multi-year approach to lessen the amount of reinsurance being placed in the market in any one year. See our Investor Relations website for our [Reinsurance Update](#).

On the Investments side, investment physical risks are managed through modeling, underwriting and insurance, and investment portfolio exposure is managed through credit research and liquidity.

- c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Risks and return opportunities are evaluated across six key categories: strategic, insurance, financial, investments, operational, and culture. Climate change impacts all of these categories:

- Strategic: changes to property construction trends and the transportation system create risks and opportunities,
- Insurance: rising severe weather and precipitation levels impact loss trends for auto and homeowner's insurance, and increase the overall market size for homeowner's insurance,
- Financial: liquidity and capital levels must be considered relative to catastrophe losses while potential new financial disclosure requirements could also increase financial reporting risk,
- Investments: there are risk implications for specific holdings and sectors, as well as opportunities in "green" investing,
- Operational: considerations include regulatory compliance, model accuracy and business continuity, and
- Culture: employees are establishing higher standards for acting in the best interest of society.

For additional information, please see [pgs. 80-82 of the Annual Report on Form 10-K](#) and [2020 CDP Climate Change responses, C2.2, C2.2a, C2.3b, and C2.4b](#).

## Metrics and Targets

- a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Please see 2021 Form 10-K, which discloses annual catastrophe losses, effect of catastrophe losses on combined ratio in total and by line of business, catastrophe losses and reserve re-estimates by line of business, and catastrophe loss by size and type of event. See [pgs. 39, 40-46 and 53-56 of the Annual Report on Form 10-K](#).

For information regarding the metrics for our operational climate impact, please see information under Policies and Procedures in the [Operational Footprint section of our Sustainability Report](#).

- b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

For our emissions data, please see [2020 CDP Climate Change Responses, C6.1, C6.2, C6.3, C6.5, C6.10, C7.9a, C7.9b](#).

Our emissions data is also available in the [Operational Footprint section of our Sustainability Report](#).

Risks exist; however, management of these risks is fully integrated into our business model. For more on our related risks, please see [2020 CDP Climate Change Response, C2.3](#).

- c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Allstate intends to further align its disclosures with the recommendations of the TCFD by completing scenario analysis work already underway. Allstate is in the process of developing a financed emissions inventory and heat map which helps identify the impact of our portfolio on climate change and facilitate emissions reductions. Allstate also realizes attractive risk adjusted returns through investment vehicles that finance solutions to climate change. Allstate will continue to work toward setting science-aligned targets and establish an approach to integrating carbon-reduction targets into investments and operations.

