

Allstate sustainability report



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 14 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 personal leadership because every Allstater needs to lead for the company to be successful. As Transformative Growth reshapes organizational capabilities and alignment, we updated Our Shared Purpose to help guide Allstate into the future.

integrated approach



About this report

The Sustainability Report expands 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 and our [EEO-1 report](#). Finally, the report references the [GRI Standards](#) and the [UN Sustainable Development Goals \(UN SDGs\)](#). Our Materiality and Stakeholder Engagement section has more information on how we determined the content of this report. All information represents our 2020 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 electronic devices, furniture 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 stakeholders – customers, employees, agents, suppliers, shareholders and the communities where we operate and beyond. It shapes Our Shared Purpose – to empower customers with the protection they need to achieve their hopes and dreams as well as to build resilient communities. 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 factors along with traditional financial information to strengthen our strategy development and risk management.

What does value creation look like at Allstate?

We've adopted the [International Integrated Reporting Council \(IR\)](#) framework for reporting, which integrates our financial information and sustainability data to showcase the corporation's commitment and progress and create 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 Allstater's in various seats 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 [2021 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, Sustainability Council, Enterprise Diversity Leadership Council 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. 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. 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 21-29 of the [2020 10-K](#).

The Responsible Investing Committee monitors ESG investing trends, understands ESG investing best practices and periodically reports on its activities to other authorities within Allstate, among other responsibilities. In conjunction with the Investments Risk Committee, the Responsible Investing Committee monitors our investment portfolio for potential short- and long-term exposures to climate change.

The Sustainability Council was formed in 2007. Its members identify key risks and opportunities related to sustainable business practices and help implement our enterprise ESG road map. The council, with 40 members representing more than 25 business functions, meets regularly and is led by a vice president in Corporate Brand.

The Enterprise Diversity Leadership Council (EDLC) is made up of 15 senior leaders who help advance Inclusive Diversity & Equity (IDE) at Allstate. The group supports commitments in every business unit to promote IDE through talent recruitment, retention, advancement and development in order to expand diverse representation across all levels at Allstate.

The Sustainability team manages ESG reporting and disclosures, external ratings and rankings, and supports the Sustainability Council. 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 three-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.
- **Year in Review** – A short report that communicates significant financial, environmental, social and governance developments over the past year.
- **Allstate-in-your-State Interactive Map** – Find out what Allstate's doing where you live and explore other state-by-state footprints.
- **Archive** – Find older items in our Sustainability Report archives.
- **Stories of Good** – Learn more about the people and partnerships behind the numbers.

materiality and stakeholder engagement

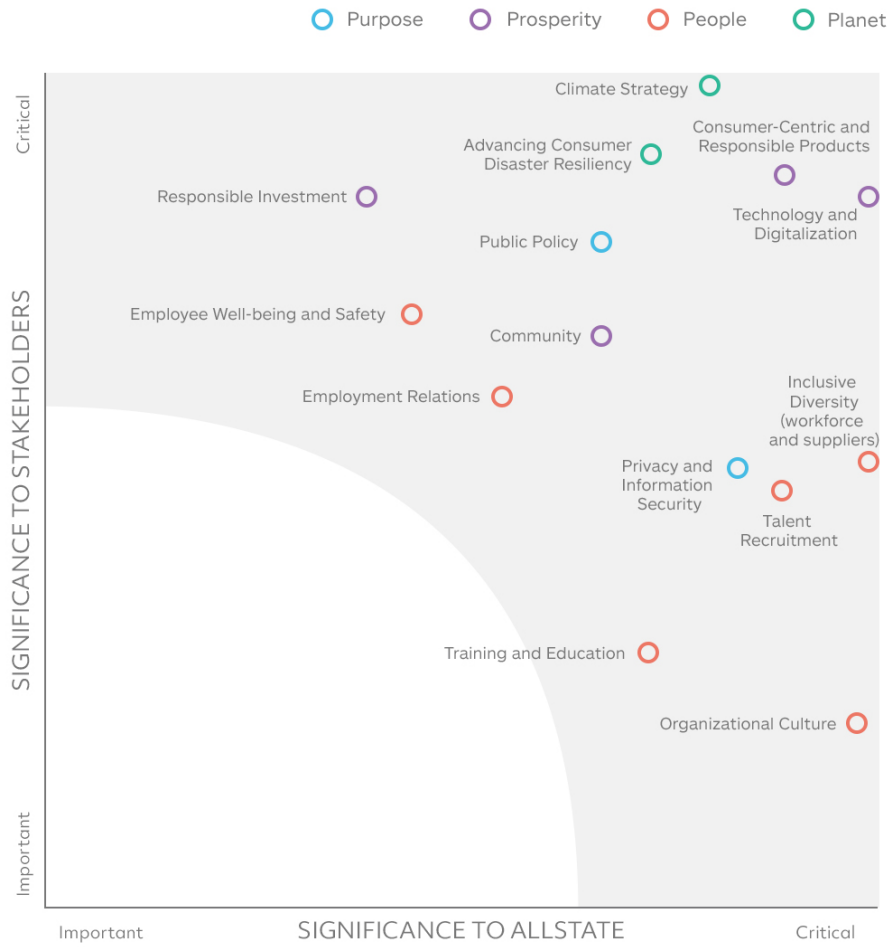


Materiality

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 last year. The materiality assessment helps us focus on what matters most to our company and stakeholders.

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. Our 2020 assessment followed the best practice methodology of identifying, prioritizing and validating material topics.

We interviewed internal and external stakeholders and analyzed written stakeholder sources. We continue to 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 & Disaster Resiliency
- Customer-Centric & Responsible Products
- Data Privacy & Information Security
- Employee Well-Being & Safety
- Inclusive Diversity
- Operational Footprint
- Organizational Culture
- Public Policy
- Responsible Investment
- Social Impact & Community Leadership
- Talent Recruitment & Management
- Technology & Digitalization

Stakeholder engagement

We continually seek stakeholder input to ensure we focus on what matters most. Stakeholder inclusiveness is a core principle of Global Reporting Initiative (GRI) sustainability reports, and we do our best to identify all of Allstate's stakeholders and respond to their expectations and interests.

We identify stakeholder groups through senior leaders, our Sustainability Council, feedback from employees and by mapping the full scope of our impacts, from suppliers to consumers. We select stakeholders according to their knowledge and understanding of our company as a whole, 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 agents, financial specialists, customers and consumers, employees, investors, nongovernmental organizations, opinion leaders, policymakers and suppliers. For our 2020 materiality assessment, we interviewed stakeholders and analyzed stakeholder perspectives available from public documentation.

We have many other ongoing stakeholder engagement efforts. In partnership with The RepTrak Company (formerly the Reputation Institute), we collect feedback from 8,000 individuals across seven stakeholder groups, identify key topics and develop strategies to address gaps. The stakeholders are customers, consumers, investors, agents/financial specialists, employees, policymakers and opinion leaders. There are also stakeholder-specific avenues for engagement. More detail can be found throughout this report.

PURPOSE

privacy and information security



By carefully and responsibly handling data, Allstate maintains our strong reputation, fosters positive business relationships and creates shared value.

Overview

Because of the products and services that Allstate provides to empower and protect consumers, we are often entrusted with their data. Consumers and regulators have expectations of privacy and security with that data, creating both business opportunities and constraints as we work to respect and protect consumer data while striking the right balance between enabling data use and managing it responsibly. Allstate is an industry leader in this area, with Allstate executives highly sought after as speakers and thought leaders in Privacy by Design, an approach that embeds privacy into our day-to-day business activities and makes it a key part of everything we do at the early stages of design. We value data privacy and identity protection so highly that we are offering new, related products and services. 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 securing all of the company's 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 and manages the information security program. This includes our information security policies and standards.

The ISC consists of cross-functional senior leaders from across Allstate and is chaired by the chief information security officer and senior vice president of Information Security. It comprises officers from data privacy, technology, risk, information security, legal and other areas of responsibility. The ISC monitors risk, makes decisions 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. The enterprise privacy team governs personal information throughout the data life cycle, from collection to disposal. It also champions our efforts to enhance privacy awareness throughout the workforce. Additionally, the team conducts risk assessments to determine privacy impact across the enterprise and to our consumers.

Policies and practices

We take employees' and consumers' privacy and security seriously.

Our privacy policies and procedures are designed not only to ensure compliance with all applicable privacy laws, but also to build for strategically sustainable compliance in the future as technology and legislation evolve. In addition, in 2021 we will launch an enterprisewide data ethics framework to ensure we consider not only what "can" we do with consumer and employee data, but what "should" we do.

Our information security program aligns with the National Institute of Standards and Technology's (NIST) Cybersecurity Framework. This is a collection of standards, guidelines, and practices to promote the protection of critical infrastructure. Allstate's information security strategy and the NIST cybersecurity framework guide the decisions and actions of the ISC. Allstate uses a risk-based approach to establish our information security program. It maps to the NIST Cybersecurity Framework and ISO 27001, with support from other standards and best practices, and is designed to ensure compliance with cybersecurity laws and regulations, such as the New York Department of Financial Services Cybersecurity Requirements for Financial Services Companies. ISO 27001 is an information security standard developed by the International Organization for Standardization; the most recent version was released in 2013.

Our information security practices and privacy practices are subject to internal and external audits, which help us evaluate the effectiveness of our information security program. We conduct daily vulnerability analyses across the enterprise using an automated process. We also perform ongoing, rigorous tests and exercises to identify and resolve vulnerabilities.

Our privacy and information security programs, policies and practices are regularly assessed. When nearly all of our workforce transitioned to remote work virtually overnight, Allstate was prepared. Our transition to working from home was seamless. We maintained the information security controls and protections we experienced in the office, as well as continued connectivity to internal Allstate resources. Through our commitment to privacy and information security, we can build for a more flexible future workplace.

Security and privacy in product design

As we expand the circle of protection using innovative digital technologies, we're building in security from the ground up. We use internal privacy standards, aligned with the NIST guidelines and Privacy by Design, which minimizes risk to personal information during development. We ensure product development teams have the training to create products that adhere to Allstate's security standards and ensure all systems are secure before production. Our training plans are continuously updated, including a new training module for developers rolling out this year. Allstate's Enterprise Business Conduct team has created a "strategic resource group" to ensure new products, programs and services are built with privacy, ethics and compliance in mind throughout development.

Allstate Identity Protection

Allstate Identity Protection is reinventing privacy and identity protection by giving consumers the tools to see, control and protect their digital lives. In 2020, as everyone's lives became more digital, Allstate offered free identity protection to all U.S. residents, not just Allstate consumers, starting in April and extending through the end of the year. We helped over 200,000 Americans protect their identity online in 2020. Read more about this in our [Customer-Centric and Responsible Products](#) section.

Training

All employees receive regular training on Allstate's privacy and information security policies. We have an annual compliance confirmation process that requires every employee to complete training courses and agree to follow appropriate company policies. One of the courses, Living Our Shared Purpose, includes information security and privacy topics. As part of the training, all employees must acknowledge and agree to comply with the following:

- 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 compliance confirmation and associated training for the above policies are required annually for our global employees.

The training provides further detail about 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 specific 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 all business processes and systems.

Please see our [Online Privacy Statement](#) for 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; see [The Allstate Foundation](#), [Arity](#), [Allstate Protection Plans](#) and [Allstate Identity Protection](#) for information about their respective privacy practices.

Privacy or security incidents

If employees have a privacy or security concern to bring to the attention of senior leadership, they are expected to alert members of the Information Security team and the Privacy team via the Allstate Global Security Fusion Center hotline and accompanying email addresses. The [Global Code of Business Conduct](#) also includes phone numbers and email addresses for reporting an 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, when needed. If necessary, the incident and response may be escalated to the Operational Risk Council and the Board of Directors. The Privacy team and other leaders help make sure that Allstate complies with the growing body of regulation that applies to the personal information for which Allstate is responsible.

Programs and initiatives

Cybersecurity and privacy programs are a priority at Allstate and get reported to the Board of Directors. Additionally, both programs regularly undergo benchmarking by outside professional groups, with positive results.

Our information security programs continuously undergo independent assessments to evaluate its maturity. The assessment captured the current state of our information security maturity and targeted a maturity range that we plan to reach by focusing on our strategic objectives. We identified key aspects that will drive success of our Transformative Growth strategy and implemented aggressive targets to achieve them.

Also in 2020, we completed a thorough independent privacy program maturity assessment, which concluded that the privacy program was well defined and continues to mature year-over-year. The assessment was designed to evaluate current state maturity and progress against 2019 recommended program enhancements. During this assessment, the Privacy Program was also evaluated and assessed relative to trends in the insurance and technology industries. To complete the 2020 assessment, a fact-finding exercise analyzed, evaluated and verified Privacy Program progress across privacy components through interviews with the privacy team and other enterprise stakeholders.

Under the broad program headings, both the information security and privacy programs continue to drive several key enterprise initiatives. For example, in 2020, we strengthened our Step Change Program, a prioritization and execution mechanism that builds on our information security program. It is aligned with directives from the Board of Directors, supporting the evolving business environment while managing a dynamic threat and regulatory landscape. The program addresses the following 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.

In 2020, we also continued to advance the State Privacy Laws program, a framework used to ensure that we have a strategic way of approaching consumer expectations of privacy and the dynamic regulatory environment. Our approach prioritizes scalability, repeatability and strategic technology deployment to ensure flexibility as the landscape of State Privacy Laws continues to change.

We also created the Enterprise Data Acceleration Program, a new enterprise-wide cross-functional initiative to reduce the personal information footprint across the company. This thoughtful approach to data demonstrates our values around protecting and securing personal information while still providing services that matter to consumers.

Employee awareness

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 security awareness teams lead extensive employee awareness campaigns, including phishing simulations with real-time feedback and training for employees who fail the simulation. As part of the training, relevant leadership is notified when an employee fails the test multiple times. Since beginning this program, we have seen significant improvements in employees’ ability to recognize threats. By utilizing the Gartner Employee Awareness Service, we better understand the way we communicate about information security. For the third year in a row, Allstate outperformed industry peers and other Fortune 500 companies in all categories of secure behaviors and decision-making.

We provide on-demand and topic-specific training, allowing us to customize programs based on 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 four levels:

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

In 2020, Allstate’s Business Information Security Officers group delivered 135 training sessions tailored to their specific areas of responsibility, with a total audience of 12,353 employees. But beyond our formalized training programs, our awareness activities continue all year long. Allstate’s internal information security site provides important resources, such as how to report incidents, alerts of ongoing threats, resources for pro bono training and computer donations, and guidance on using information security services and processes to keep data secure. In October 2020, we celebrated the Department of Homeland Security’s Cybersecurity Awareness Month and saw a 181% increase in traffic to the new internal site.

Training accountability goes beyond the security education team; it’s underscored by education from the Privacy team, the Information Security team, annual compliance and other groups, where the messaging is carefully coordinated to reinforce the importance of information security policy.

Security in our supply chain

Our security and privacy requirements extend to suppliers who have access to, store or use Allstate data. Allstate emphasizes the importance of consumer 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. Privacy issues are tracked through remediation. We also require all contingent workers who have access to our network to complete a training course on Allstate's security policies.

Our expectations for privacy protection are outlined in our [Supplier Code of Business Conduct](#).

ethics and integrity



We are proud of our reputation as an ethical business and our legacy of values-based leadership. Ethisphere again listed Allstate among the World's Most Ethical Companies®, our seventh consecutive year on the list. In our day-to-day activities, we emphasize the importance of our values: integrity; Inclusive Diversity & Equity and collective success.

Accountability

Over 700 employees across the enterprise are involved in the management and oversight of ethics, regulatory and compliance initiatives. Allstate's chief ethics and compliance officer (CECO) leads the ethics and regulatory compliance programs and oversees governance, enforcing the company's code of conduct and ensuring appropriate resources for ethics and compliance. The CECO meets with the Board of Directors twice a year, including in executive session, and reports on the company's performance and initiatives regarding ethics, regulatory compliance and privacy. The CECO is also involved in oversight of integrity investigations.

The CECO reports quarterly at the cross-functional Internal Compliance and Controls (ICC) meeting made up of executive leaders. ICC meets quarterly to discuss management topics related to audits, ethics, privacy and regulatory compliance, including performance, education, risk and culture.

Policies and practices

Global Code of Business Conduct

Allstate's Global Code of Business Conduct, published in English and French-Canadian, outlines our core values and sets expectations for how we conduct our work. Our Global Code addresses the following topics, many of which have supporting policies and procedures that provide more detail:

- Anti-corruption/bribery
- Antitrust/competition
- Confidential information
- Conflicts of interest
- Data privacy (consumers, customers, employees)
- Diversity/discrimination/equal employment opportunity
- 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

Reporting concerns

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

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

- Contacting their manager, another manager or a Human Resources representative
- Calling the Allstate i-Report Line, a 24/7 toll-free number
- Using the **Allstate i-Report website**

If an employee needs to report concerns that someone's personal information may have been breached, misused, accessed or disclosed without proper authorization, they can email the privacy team directly to report their concerns. An email address and contact for the Board's Audit Committee is provided on the Allstate Investor Relations website.

When reporting concerns, employees can choose to remain anonymous, where and when the law permits. In 2020, approximately 39% of employees who filed reports through the hotline did so anonymously. Our Speak Up Process details what is expected of Allstate managers if they receive a report from an employee, including encouraging employees to speak up, communicating expectations, responding to all concerns and thanking employees for bringing any concerns to their attention. Allstate policy and the Global Code of Business Conduct prohibit any form of retaliation for reporting a workplace or ethical concern.

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

Under company policy, Allstate does not discuss details of cases or corrective actions with anyone other than the disciplined employee. A Human Resources representative follows up with the reporting individual to confirm that the case has been investigated, handled and closed. Our case management platform records and logs employee-submitted reports and related investigations. A report on key trends and concerns is shared with the Board of Directors semi-annually.

In 2018, we implemented a new case management platform that offers better metrics and stronger evaluation of trends. It was launched in several Allstate subsidiary companies.

Programs and performance

Board of Directors

Ethical behavior begins with Allstate's most senior leaders and cascades down the organization through our required annual training. Our Board of Directors receives specialized ethics and decision-making training. They also receive education and training on topics such as insider trading, cybersecurity, conflicts of interest and regulatory developments.

Managers

Allstate managers undergo ethics and compliance training that includes a manager-specific annual compliance module. An Ethical Leadership Toolkit is available on the intranet, including our Ethical Dilemma Spotlight series, which features a new ethical dilemma every month in the Leadership at Allstate newsletter. Each scenario is accompanied by a guide that facilitates ethical discussions within teams. Topics cover a variety of ethical issues, including accepting gifts, reporting inaccurate numbers, sexual harassment and retaliation.

We focus manager training on creating an environment where managers feel comfortable handling reports, preventing retaliation and encouraging employees to speak up when they observe unethical behavior.

To measure the impact of our training, we:

- Document manager feedback
- Track misconduct
- Survey employees annually to measure Allstate's ethical culture

Employees

We distribute the Global Code of Business Conduct to all employees and subsidiaries, with accompanying training. We conduct ethics and compliance training as a standard part of onboarding and on an annual basis, and we monitor its effectiveness through internal measures. In 2020, 100% of our employees completed ethics and compliance training on our Global Code of Business Conduct – a condition of employment at Allstate – through the annual compliance confirmation process. We use an upfront assessment that allows tenured employees to demonstrate knowledge of the content and complete related lessons.

In addition to Global Code of Business Conduct training, all employees are required to complete a sexual harassment course and fraud module. Additionally, select employees undergo risk-specific training related to their job function that addresses topics such as anti-corruption, conflicts of interest, data privacy, equal opportunity, insider trading, procurement, social media and money laundering.

Suppliers

In accordance with increased privacy regulation including the California Consumer Privacy Act, we've increased expectations of our suppliers with regard to privacy practices. 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 any supplier handling Allstate data. Our Supplier Code of Conduct was last updated in December 2019 to include additional information on human rights, compensation, child labor, and diversity and inclusion.

Risk assessments

Allstate regularly assesses regulatory compliance risk at the enterprise, business and area of responsibility level. A comprehensive risk assessment process looks at ethics, compliance and privacy to incorporate into a holistic view. We map over 60 potential risks across 30 business units and levels of operation to understand inherent and residual risk, document requirements and controls, create action plans and complete monitoring and testing to ensure ongoing compliance.

Regulatory compliance areas assessed include:

- 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. A new laws triage process helps identify and assess all new laws and regulations to determine applicability, impact and remediation for all business areas and departments.

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

Integrity Index Survey

Conducted by the Gartner Compliance and Ethics Leadership Council, the Integrity Index Survey provides employees an opportunity to offer feedback that may influence company strategy, as well as addressing important cultural issues. About 17,000 employees across The Allstate Corporation and its subsidiaries participated in the annual Integrity Index survey in 2020, an almost 50% increase from 2019.

Survey results are anonymous and confidential and are used to compare the year-over-year effectiveness of Allstate's ethics and compliance program. The survey evaluates employee perceptions of the honesty, integrity and ethical actions of both senior leadership ("Tone at the Top") and direct managers ("Direct Manager Leadership") on a seven-point scale.

The chief ethics and compliance officer presents results to all senior leaders. At this meeting, we identify areas of strength and opportunity, and business areas often develop their own customized solutions to address them.

Metric	2017	2018	2019	2020
Tone at the Top	5.85	5.82	5.77	5.77
Direct Manager Leadership	6.28	6.26	6.25	6.22

Inspire survey results

We believe trust is a significant driver of employee engagement, retention and satisfaction. We conduct the annual Inspire employee engagement survey and measure whether employees feel that their immediate managers create an environment of trust. With our transition to remote work over the past year, we credit our managers for keeping their direct reports engaged from afar, with only a slight dip in Inspire results for 2020.

Metric	2018	2019	2020
% favorable response to: "My immediate manager actively creates an environment of trust"	May 2018: 87% September 2018: 86%	88%	84%

Recognition

In 2021, for the seventh consecutive year, Allstate was named one of the World's Most Ethical Companies® by Ethisphere, a global leader in defining and advancing the standards of ethical business practices. The World's Most Ethical Companies designation recognizes organizations that significantly influence the way business is conducted by fostering a culture of ethics and transparency at every level. The assessment is performed by a third-party benchmarking organization that works to drive industry best practices. Companies are scored 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 2020, including the pandemic, environmental, social, and governance factors, and the topic of equity, inclusion, and social justice. Allstate is the only honoree in the property and casualty insurance category for 2021.

customer-centric and responsible products



Ensuring our products are accessible, competitively priced, and mindful of environmental and social impacts is an essential component of our Transformative Growth strategy. In 2020, Allstate 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 products is a shared responsibility of multiple teams, including Product, Innovation, Marketing and Technology. The executive leadership team, especially the chief marketing officer, oversees our approach to developing and providing customer-centric and responsible products.

Policies and practices

Our purpose is to empower customers with protection to help them achieve their hopes and dreams. We also help society, by making our products more accessible and affordable, in addition to fostering safer habits.

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

We base our homeowners insurance pricing on external factors such as historical weather patterns for the area, the cost of labor and building materials, the home's age and homeowner 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 and using Drivewise to reward and encourage safe driving behavior. Customers may get credit for installing safety features like smoke detectors and home security systems.

Accessible products

We're expanding customer access to our products by broadening distribution and incorporating a direct-to-consumer model. We integrated Esurance into Allstate brand to create Allstate Direct, expanding product availability in the direct-to-consumer channel. Additionally, we released a new Allstate mobile app, which saw a 40% increase in monthly active users.

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. Our telematics offerings reward 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.

Pandemic response

Given an unprecedented decline in driving due to the COVID-19 pandemic, we provided auto insurance customers a Shelter-in-Place Payback representing approximately \$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. Since then, we have reduced auto insurance prices in the majority of states.

As everyone's lives became more digital, Allstate offered free identity protection to all U.S. residents starting in April 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

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.

Drivewise®

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

Crash detection (a Drivewise feature)

Allstate launched free Crash Detection Services through Drivewise. It's a free safety feature available through the Allstate Mobile app. 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. The Allstate Mobile app offers the customer help and quick access to emergency assistance, claims and Allstate Roadside.

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 the 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.

Milewise®

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

Cyber coverages

Allstate Business Insurance offers its business owners policy customers an opportunity to purchase 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 to individuals whose personal information is lost or stolen, and 29% of small businesses have had at least one data breach. The cyber coverage is available in 49 states in different bundle offerings to meet the needs of various classes of business.

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. In 2020, as our lives became more digital, Allstate offered free Allstate Identity Protection services to all U.S. residents, not just existing Allstate customers, starting in April and extending through the end of the year. We helped over 200,000 Americans protect their identity, and 5% of those converted to paying identity protection subscriptions in 2021. In December 2020, we launched the Digital Footprint product integrated in the Allstate Mobile app. Any consumer, not just Allstate customers, can download and create an Allstate Mobile account and run a free Digital Footprint. For the first time, people can see where their data lives within all the online accounts they have created. Through Digital Footprint, consumers can unsubscribe from email communications and request that their data be deleted from organizations they no longer want to be associated with. Additionally, consumers get a simple summary of each account they have, along with the privacy and data sharing agreements they signed when creating those online accounts. This gives consumers the power to take back their digital lives.

Due to the growing and evolving types of identity fraud, some due to the COVID-19 pandemic, AIP handled a record number of identity remediation cases on behalf of customers. As Americans share more personal data online amid COVID-19, unemployment and tax fraud are on the rise and expected to continue to increase during 2021. Scammers are estimated to have already collected about \$26 billion in fraudulent unemployment insurance claims, according to the Department of Labor. After the pandemic started, Allstate Identity Protection saw unemployment fraud spike more than 17,000% from 2019 to 2020, while tax fraud grew 258%.

This is a powerful contrast to pre-pandemic times, when unemployment fraud was a sliver of the overall identity theft picture. Today, it's one of the most prevalent types of fraud we resolve for customers. It also illustrates how quickly cybercriminals adapt to new vulnerabilities, which is why it's so important for consumers to have strong identity protection before fraud can occur. We managed the spike in cases effectively and yielded strong satisfaction scores post-remediation of 97%.

The employee benefits business at AIP remains strong. During open enrollment season leading into 2021, 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® 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.
- HostAdvantage® provides Allstate customers who rent out their homes on sites like Airbnb and HomeAway coverage options to help with their personal property protection gaps.

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. Additionally, the 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.

Avail

Avail connects drivers and car owners, providing a protected car-sharing experience conveniently located where people live, work and travel.

Arity

Arity is a mobility data and analytics company that turns billions of miles of driving data into predictive insights to make transportation safer and improve the accuracy of auto insurance pricing.

In 2020, Allstate implemented the use of Routely, a telematics application used to capture driving behaviors and reward customers for safe driving. As of Dec. 31, 2020, Routely is available in 18 states.

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. Through this discount, we return the savings from less paper use to the customer, in addition to demonstrating our commitment to environmental stewardship and supporting customer retention. In 2020, 61.6% of claim payment transactions were digital, up 19% from 2019.

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

technology and digitalization



Due to the pandemic, Allstate’s technology solutions and digital platforms and products became even more critical in 2020. We are proud to have invested in digital offerings and tools that helped keep customers, agents and employees safe. Our business success depends more than ever on innovating digital products, as well as improving efficiency through technology and digitalization. Transformative Growth leverages technology to make our products more accessible and affordable.

Accountability

Innovation is our engine of strategic success. Our brand, customer base, proprietary data and expertise position our business to grow.

Allstate has innovation-focused teams in all critical business functions, plus an enterprisewide innovation program to identify new opportunities. Our enterprisewide innovation team partners 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. We look at the risks facing households and small businesses across the country using secondary research to track social and cultural megatrends and consumer attitudes. Allstate collaborates with leading academic institutions and is a member of the Center for Automotive Research at Stanford (CARS) 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 is committed to creating a truly differentiated claims experience by leading our industry in digital transformation. We organize around an operating model that follows a design-perform-measure structure, using data to create innovative and superior customer products. We design digital capabilities to achieve our customer experience goals, perform consistently across all locations and measure outcomes to adjust where needed. You can read more in our “Data privacy and information security” section about how we ensure digital products are designed for security, even before we launch them for customers.

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 is revolutionizing 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 trained 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 Partner Network. We accept the estimates from the shops, pay these shops directly and provide a lifetime guarantee to the customer for their work.

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 Virtual Assist app advances service experiences industrywide by making virtual estimating technology available to anyone. Live video interactions grew dramatically in 2020 during the COVID-19 pandemic. This digital solution made staying safe easier for customers and service partners.

Aerial imaging

Allstate has been a leader in aerial imaging research. We use images taken by drones, piloted airplanes or satellites 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 drones and zoom in on the damage, rather than climbing on a customer's roof, to deliver a safer, faster claims experience. By using aerial images for 60% of drone inspections, 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.

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 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, as well as 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 works to empower all people to imagine — and achieve — better for themselves and their community. Allstate employees and agents take a stand to empower youth, uplift survivors of domestic violence, and support the communities where we live and work. Allstater and the Foundation donated resources across the nation to support communities during the COVID-19 crisis. Despite the challenges of 2020, the Foundation team demonstrated agility and responded to community needs.

Overview

We champion bold ideas: From ending domestic violence to bolstering communities to creating a brighter future for the next generation, we believe in setting our sights high and bringing our expertise to address today's greatest social issues.

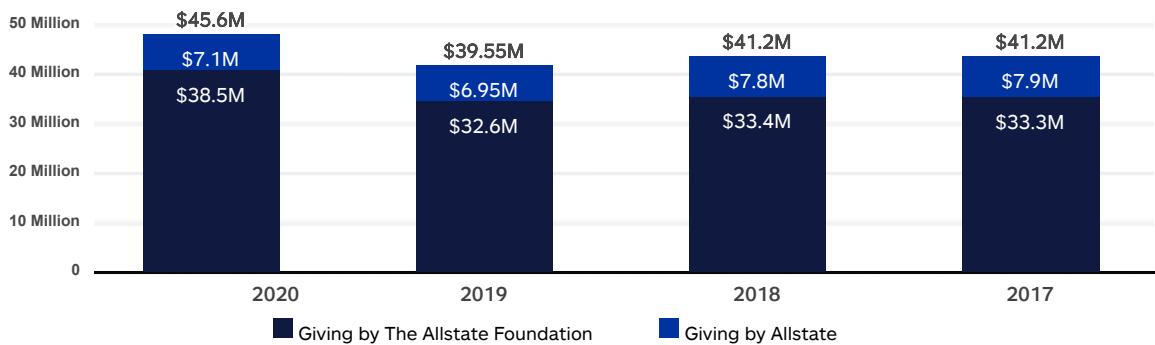
We accelerate change: Together with our partners, we empower today's visionaries and innovators to test, champion and implement the best solutions.

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. Allstate Insurance Company joins forces with the Foundation to create prosperous communities where people are inspired and empowered to realize their hopes and dreams.

In 2020, Allstate and The Allstate Foundation invested more than \$45 million in communities.



Accelerating social impact and community leadership

Through The Allstate Foundation, we dedicate volunteer time, resources, expertise and funding to organizations that build vibrant and resilient communities. In 2020, we announced The Allstate Foundation would formally add equity as a third focus area, in addition to youth empowerment and ending domestic violence. The Allstate Foundation has always applied an equity lens across our programs to provide support to underserved communities, and we'll continue to refine plans in 2021.

Initial racial equity investment

Before determining its long-term approach on this issue, the Foundation invested \$1 million in five organizations with leaders of color who are on the front lines of advancing racial equity with youth and domestic violence survivors. The organizations — Mikva Challenge, Acta non Verba, Lost Boyz, Inc., Profound Gentlemen and Mujeres Latinas en Accion — each received a grant of \$200,000 to pursue their plans to advance racial equity with their staff, on their boards and for their stakeholders.

The Allstate Foundation focuses on key issues to accelerate social change:

- **Youth empowerment** – Prepares young leaders with social and emotional learning (SEL) skills and engages them in service-learning so they can take charge of their future.
- **Ending domestic violence** – Disrupts the cycle of domestic violence through financial education and empowerment for survivors, including healthy relationships education for young people.
- **Equity** – In 2021, we are formally launching equity as a key priority for The Allstate Foundation. We will focus on accelerating equity and helping drive systemic change.
- **Nonprofit leadership** – Ensures nonprofits fulfill their vital missions by providing free leadership development training available to all nonprofit employees in the nation.
- **Community leadership** – Encourages Allstate employees and agents to donate their time, expertise and financial resources to benefit local communities.

COVID-19 response

Providing COVID-19 disaster relief was a priority for Allstate in 2020. Where the Foundation's planned programming had to be canceled, we advanced social impact through general operating grants to longtime partners that provide critical direct services.

Unrestricted grant dollars can be especially valuable to nonprofits, especially during times of crisis. It allows for flexibility and demonstrates a level of trust in the nonprofit's position to best address the most critical community needs. The Foundation contributed \$730,000 in unrestricted grants that not only met needs but also reinvigorated a sector under stress. At its core, trust-based philanthropy is about redistributing power – systemically, organizationally and interpersonally – in service of a healthier and more equitable nonprofit sector. On a practical level, this includes multi-year unrestricted funding, streamlined applications and reporting, and a commitment to building relationships based on transparency, dialogue and mutual learning.

When the COVID-19 pandemic started, The Allstate Foundation promptly activated disaster relief support for our partners to help domestic violence victims, youth and first responders.

Local communities: \$2 million was distributed for relief efforts in our four U.S. hometowns: Chicago; Charlotte, North Carolina; Irving, Texas; and Phoenix.

Domestic violence survivors: Victims of domestic violence have been especially at risk, often sheltering in place with their abusers. The Foundation partnered with the **National Network to End Domestic Violence (NNEDV)** and contributed over \$1 million to support more than 200 local DV organizations through mini grants. The Foundation funded technology to enable the **National Domestic Violence Hotline** to work remotely.

The Allstate Foundation's donation inspired others to give

"I am so happy to report that after The Allstate Foundation's initial gift, to assist with equipment needed to transition to remote work, we were able to raise an additional \$1.4 million from individuals, foundations and corporations wanting to support our response to COVID-19. This includes more than 600 new donors to The Hotline.

We used this emergency funding to expand our advocate staffing, invest in more technology for remote work, begin an official data collection effort related to the pandemic (now being used by the CDC), develop resources specific to COVID-19 for survivors and launch several awareness campaigns on the impact of COVID on survivors.

The Allstate Foundation's gift was the very first and inspired such significant investment by others! We still talk about The Foundation's amazing gift when we speak about COVID-19's impact on our work and how we transitioned to remote work in three days without one moment of lost coverage on our lines!"

**Crystal Justice, Chief Development and Marketing Officer,
National Domestic Violence Hotline**

Youth in need: As students were sent home indefinitely, potentially experiencing anxiety and uncertainty, the Foundation helped make **Inner Explorer's** audio-guided mindfulness program available to families everywhere for free. The Foundation also provided the **National Runaway Safeline** with technology resources for remote counselors.

First responders: The Foundation provided \$1 million in support of first responders, including nurses, and their families.

Employee and agent matching gifts: The Foundation increased its match on Allstate employee and agent charitable donations to dollar-for-dollar (up from 15 cents per dollar in 2019), doubling their contributions. Allstate employees and agents were encouraged to participate in virtual volunteer efforts, which will be a sustained part of our Community Leadership offerings.

In 2020, as a lead sponsor of this bipartisan assembly of experts, the Foundation provided \$500,000 in seed funding to support the education pillar, which created Ten Ways to Make Online Learning Work, addressed learning loss, especially among Black and Latino Americans, with the Meeting the Moment action plan, and hosted a summit with education leaders to plan to reopen schools safely and sustainably. In addition, the Foundation and Collaborative hosted events with Dr. Anthony Fauci and Dr. Marcella Nunez-Smith for Allstate employees and supported an Ad Council Vaccine Education Initiative with former U.S. presidents. An additional \$500,000 was contributed in 2021 by the Foundation.

Youth empowerment

Allstate believes all youth deserve the opportunity to achieve their hopes and dreams — regardless of race, ethnicity or the place where they were born. Some of The Allstate Foundation's largest investments are made in empowering youth — especially marginalized youth — through programs and experiences that can set them on a path to lifetime success. Since 2014, our investment of nearly \$95 million has supported evidence-based programs focused on social and emotional learning and service-learning programs.

Research shows that social and emotional learning skills, like resilience, empathy and teamwork, are a better predictor of lifelong success than academic ability alone, and increasing these skills results in both immediate and long-term improvements in school, work and life, regardless of background, socioeconomic status, interests and aptitudes.

We partner with organizations to scale SEL and service-learning resources for educators, parents and youth, and invest in research and curriculum that translate into better short- and long-term outcomes for young people. We also focus on building awareness of the importance of SEL and service-learning among educators, families and policymakers. If you make a positive impact on enough youth, the ripples will help a family, a school, a community and ultimately the world.

2020 was a school year more challenging than any other, with families and educators facing the impact of remote learning, a global pandemic, a financial crisis and racial inequities. The Allstate Foundation recommitted to making SEL part of every young person's education — whether in the classroom, after school or at home. The Foundation and its nonprofit partners compiled free resources — benefiting 15.4 million youth — to ensure they build important life skills, graduate from high school, prepare for college and the workplace, and thrive in an ever-changing world.

In 2020, we surveyed 1,000 teens age 13 to 18 across the nation and developed an SEL toolkit to help youth manage complex emotions during these difficult times.

Addressing the digital divide during the pandemic

The Allstate Foundation donated more than \$2 million to address racial equity through the immediate needs of students without access to resources to participate in virtual learning.

In 2020, the Foundation identified the most acutely at-risk students in Chicago, Charlotte, Irving and Phoenix to provide access to technology. The following investments were made to address the digital divide and ensure students had the resources to be successful:

- **Communities Foundation of Texas:** Technology and broadband to more than 600 youth and their families living across three districts in South Dallas County: Lancaster, DeSoto and Cedar Hill.
- **Chicago Public Schools and Children First Fund:** Laptops, Wi-Fi hotspots, service and headphones for Options School (alternative school) students to reconnect them to support staff at the schools, enable learning and incentivize attendance for 775 most vulnerable students in Austin, Garfield Park, North Lawndale and South Chicago.
- **Arizona Community Foundation:** Laptops and hotspots for 300 at-risk students within the Phoenix area, with guidance, coordination and technical support provided by AmeriCorps.
- **CMS (Charlotte Mecklenburg School) Foundation:** Devices for 3,100 of Charlotte Mecklenburg's youngest learners to help preserve the interaction between teacher and student that makes it easier to work on key language and literacy skills.
- **Foundation for the Carolinas – Technology Impact Fund:** Laptops for families with more than three students, hotspots, internet access and headphones for five low-income communities.

Domestic violence

Since 2005, The Allstate Foundation has invested more than \$80 million toward disrupting the cycle of domestic violence and helped empower more than 2.5 million survivors on the path to safety and security.

In 2020, more than 55,500 domestic violence survivors received financial education, training and other support services through our grants, and more than 10,700 young people received education on healthy relationships. We also expanded our advocate training strategy and trained more than 6,500 advocates, a 47% increase from 2019.

Allstate employees and agents continued to volunteer and donate much-needed supplies to local domestic violence organizations across the country in 2020. We also launched a social media campaign to increase public understanding of financial abuse and equip the public with ways to improve their financial independence and help prevent abuse before it starts.

In response to the COVID-19 pandemic, Allstate donated more than \$1 million in emergency grants to local domestic violence nonprofits to support ongoing operation costs, purchase PPE and technology, and provide direct assistance funds to domestic violence survivors in need. More than half of the available grants were directed toward nonprofits serving marginalized communities. Through these small, flexible grants, local domestic violence nonprofits in more than 40 states could meet the urgent needs of nearly 13,000 survivors. Many of these survivors were from underserved communities.

Nonprofit leadership

Nonprofit organizations are the lifeblood of our communities. Each year, millions of nonprofit employees heal, shelter, educate, inspire, enlighten and nurture people of every age, gender, race and socioeconomic status. Since 2014, we have strengthened the nonprofit sector through The Allstate Foundation Nonprofit Leadership Center to build more prosperous communities for all.

We partner with the Kellogg School of Management's Center for Nonprofit Management at Northwestern University to offer free in-person and online nonprofit leadership development programs, available to every nonprofit employee in the nation. In 2020, the online development programs were key to providing continuous support during the pandemic.

Each year, our Executive Leadership Program provides 30 competitively selected leaders with academic learning, coaching, networking and mentoring. Our Nonprofit Management Essentials Online courses are available in three formats to meet diverse learning styles and objectives, from self-paced study to group train-the-trainer courses. More than 30 online modules are provided on critical subjects like Data Analytics, Measuring Impact and Building Stronger Community Partnerships. In 2020, more than 6,700 leaders developed their competencies through our Nonprofit Management Essentials Online and Executive Leadership Program, compared to just over 5,000 leaders in 2019.

New in 2020, the Foundation developed online equity training materials to help nonprofits increase the diversity of their boards and staff through curriculum developed by Northwestern and offered at no charge through the Nonprofit Leadership Center to Allstate and Foundation nonprofit partners.

Last year, the Foundation offered a Virtual Nonprofit Leadership Series to help address leadership issues emerging from the pandemic. More than 600 leaders from 31 states and 25 countries participated in the four-part program. We also provided tailored learning related to pandemic challenges through weekly emails from Northwestern to past program participants.

Community leadership

We demonstrate our character where it matters most by encouraging and supporting agent and employee community service and funding local nonprofit organizations in towns across the nation. Since 1976, our Helping Hands volunteer program has empowered Allstate agents and employees across the country to give back and make a difference in their communities. Every day, this spirit of caring is embodied by volunteer leaders across the country, including an employee network of Helping Hands committees. These committees and other local Allstate volunteer leaders collaborate with colleagues, fellow agents and community partners to find meaningful ways to give back. The commitment and creativity of our employees and agents powerfully connect us to local organizations and create grassroots change. To help Allstate employees and agents discover and follow their passions, we offer several ways to get involved.

In 2020, Allstate employees and agents completed 3,608 volunteer projects, and 833 volunteer coordinators inspired their teams to give to and volunteer with our nonprofit partners. In total, 17,490 Allstate employees, agents and agency staff participated by giving and volunteering, benefiting almost 11,490 community organizations. Other highlights:

- To help with food insecurity due to the pandemic, we executed group projects involving 1,277 agents in 43 states benefiting 84 nonprofits with \$1.24 million in grants to get much-needed food and supplies to food banks.
- Over 300 agents helped surprise public school teachers across the country when the Foundation funded 1,821 SEL projects on DonorsChoose, benefiting nearly 300,000 students.

In 2020, 403 employees earned 563 Helping Hands Grants, providing \$281,500 to 378 nonprofit organizations. This represented a 35% decrease in grants over 2019, largely due to in-person volunteerism limitations related to the pandemic. While groups of agents couldn't come together in person due to the pandemic, The Allstate Foundation approved \$3.9 million in Group Helping Hands Grants to ensure nonprofits received much-needed funds.

Agent community leadership

Metric	2018	2019	2020
% Serving as a community leader	61%	66%	57%
Nonprofits benefitting from their service	2,749	2,938	2,358
Communities served	1,581	1,598	1,398

Allstate Officer Nonprofit Board Program

Allstate helps build resilient communities by supporting our nonprofit partners with funds and with our expertise and creativity. Through the Allstate Officer Nonprofit Board Program, officers join the boards of nonprofits whose missions advance our strategic social impact areas. By giving their time and talent, employees build deeper connections with their neighborhoods. In early 2020, the number of officer participants hit an all-time high of 79. By year-end, the number had decreased to 65 Allstate officers serving on the boards of 71 organizations. The decrease in 2020 was largely due to organizational changes at the officer level. Allstate officers support these organizations with their skills, expertise, time and charitable giving. In addition, Allstate gives a portion of our corporate philanthropic dollars to these organizations.

Metric	2017	2018	2019	2020
Number of officers on boards	77	71	79	65
Number of organizations	94	84	88	71

Allstate Fellows

As interest in skills-based volunteering grows, we are connecting more Allstate leaders with nonprofits in critical need of their expertise and counsel. Allstate Fellows is a volunteer engagement program for leaders seeking to develop their skills and provide business advice to help our community partners deliver on their missions. By expanding the program to operate fully virtually in 2020, we've supported new nonprofit partners, broadened our community support and engaged Allstate expertise from across the nation. In 2020, 12 Allstate Fellows were paired with 10 nonprofit organizations.

The Giving Campaign

The Allstate Foundation honors the personal passions of employees and agents by offering a match on their qualifying charitable contributions. Since 1997, the Giving Campaign has raised \$136 million for thousands of nonprofit organizations across the country.

In 2020, the Giving Campaign raised nearly \$6.5 million from Allstate employees and agencies. For every dollar donated, employees, agents and staff could request a \$1-for-\$1 match up to \$500 per person per year. In 2020, Giving Campaign donations were distributed to more than 9,500 nonprofit organizations across the country.

Metric	2017	2018	2019	2020
Giving Campaign pledges	\$6.1M	\$5.4M	\$5.8M	\$4.4M
Corporate match	\$0.9M	\$0.8M	\$1.1M	\$2.1M
TOTAL	\$7.3M	\$6.4M	\$7.2M	\$6.5

Columns may not add precisely due to rounding.

Hometown presence

In 2020, Allstate continued to lead as a force for good by supporting nonprofit organizations in our hometowns of Chicago, Charlotte and Irving, where Allstate has a large employee presence. Our approach includes corporate sponsorships and grants, the Officer Nonprofit Board Program and Allstate Fellows. And, for the sixth year, we continued to focus on programs and partnerships that empower youth – in their own lives and in their communities. As of December 2020, Allstate provided \$5.5 million in corporate giving and invested \$4.9 million of that total to support youth empowerment programs.

Allstate's innovative and strategic funding of more than 180 nonprofit organizations has made a positive difference in the lives of youth in our hometowns. 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 problems solvers, not problem creators. In 2020, we:

- Reached more than 400,000 at-risk youth.
- Provided more than \$4.9 million to youth-based nonprofits, compared to \$4.6 million in 2019.
- Directed 88% of funding to youth-serving nonprofits, compared to 83% in 2019.
- Directed 83% of youth-based funding to the at-risk and acutely at-risk youth population, compared to 78% in 2019.
- Pivoted to a virtual Allstate Fellows program, due to the pandemic.

Our focus is on programs that help youth increase self-awareness, social awareness, relationship skills and responsible decision-making. It is built on:

- A deep commitment to developing the qualities that turn at-risk youth into empowered youth, guided by the skills identified by experts in the field.

- Strong partnerships with local communities' most trusted institutions to create reliable programming and direct access to youth who can benefit most from our support.
- A focus on measurable results that we deliver in partnership with grantees.

Allstate's funding of 240 grants/sponsorships to organizations serving Chicago, Charlotte and Irving continues to make a positive difference in the lives of youth.

Our in-school programming and large gatherings were canceled due to the pandemic, which impacted the number of youth served. Allstate continued to provide operating support to nonprofit partners.

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. BAP offers free tools and resources to help people learn how arguing can help bring people 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. BAP was featured alongside two of The Atlantic's best performing columns, rooted in the notion of building healthier, more sustainable relationships.

Allstate knows that good ideas start at the local level and that communities have the power to create their own prosperity. In 2020, Allstate worked with **The Atlantic** and A57 to continue our work powering The Renewal Project and associated initiatives:

- **The Atlantic Festival** - We co-hosted a virtual roundtable focused on how we can make systematic changes in our business practices while building back from the pandemic.
- **The Renewal Project** and Renewal Awards – We co-hosted a national competition recognizing organizations that use innovative solutions to create lasting change in their communities. 2020's winners were the fifth class of award recipients and were selected from more than 13,000 nominations. Each of the five winners received a \$40,000 grant to amplify their mission of helping others, along with national recognition to elevate their work.

Looking ahead

We are evolving and modernizing our work to help accelerate social impact by empowering and educating the most vulnerable, inspiring today's visionaries and promoting community leadership.

In 2020, we announced that we will add equity as a focus area for the Foundation, building on our success in empowering youth and helping victims of domestic violence. We will work to accelerate equity and help drive systemic change.

While some nonprofit partners responded to the pandemic and took action to survive and even thrive, there is still work to do. Organizations continue to struggle to find innovative ways to raise funds and deliver their services virtually in what will continue to be a challenging environment for the foreseeable future.

Allstate and The Allstate Foundation will continue to find new ways to support our partners.

responsible investing



To most consumers, we are one of America's best-known insurers. Less well known is that one of the ways we can provide security and protection for our customers is through our activities as an institutional investor. As of December 31, 2020, we managed a \$94.2 billion investment portfolio. As a steward of this portfolio, Allstate understands that environmental, social and governance (ESG) issues may influence investment performance. Allstate's investment analysis and decision-making processes consider these issues along with our values.

Accountability

In 2019, Allstate formed a Responsible Investing Committee with representatives from The Allstate Corporation and Allstate Investments. The Responsible Investment Committee's actions include monitoring ESG investing trends, understanding ESG investing best practices and periodically reporting about its activities to other senior leaders within Allstate, among other responsibilities. In conjunction with the Investments Risk Committee, the Responsible Investment Committee also monitors our investment portfolio for potential short- and long-term exposures to climate change.

- 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 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. The policy outlines our expectations for investment professionals to incorporate and consider ESG factors, subject to client investment policy requirements, when making investment decisions and requesting our external money managers to do the same. The policy applies across all asset classes in our investment portfolio.

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

In 2020, we provided training to our investment professionals on our Responsible Investing Policy and related ESG information, which will be offered every year. We also incorporated tools for ESG and climate-related data into our processes, and trained the Investments team on their use. In 2021, we began using ESG data feeds and analysis from expert research firms to assess our assets, exposures and ESG risks.

Finally, our commitment to pursue science-based targets puts us on a path to evaluate the Scope 3 emissions in our investment portfolio. We look forward to providing additional information in the future.

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.

Programs and performance

In addition to incorporating ESG considerations broadly across the entire portfolio, as of December 31, 2020, Allstate also had about \$8.7 billion invested in specific socially responsible designated categories. These categories include municipal bonds in education (\$2.8 billion), utilities (\$1.2 billion), and not-for-profit health care (\$0.9 billion), affordable housing (\$1.6 billion), sustainable real assets (\$1 billion), diverse managers (\$0.5 billion), renewable energy (\$0.2 billion), and other ESG (\$0.5 billion).

As of December 31, 2020, we had grown our low-income housing tax credit portfolio to \$1.1 billion through an additional investment of approximately \$300 million during the year. The 2020 activity adds over 19,000 units to our total portfolio of over 115,000 units. The low-income housing tax credit portfolio provides new and/or preserves existing affordable housing, targeting tenants at or below 60% of area median income. During 2020, we expanded our investments focused in renewable energy with approximately \$70 million committed across fund and direct opportunities.

We're also proud of our Diversity and Emerging Managers program, which influences equity in our financial markets by supporting diverse investment professionals. The goal of the program is to identify the next generation of women and minority investment managers, with comparable, top-quartile risk-adjusted return expectations. We collaborate with GCM Grosvenor to select firms that are at least 33% owned or controlled by women and/or minorities and at least 50% of the firm's profit is paid to women and/or minority staff. Additionally, we have committed to doubling our trading volume with minority-owned firms, subject to our internal policy and procedural requirements.

inclusive diversity & equity



103-1, 103-2, 404-3 >

Systemic racism is prevalent in our society, and we must not be complicit by inaction or silence. For our world to eliminate inequities, each of us needs to have the will to change, the heart to trust and the energy to lead. Allstate condemns racism and is committed to leading change for a more just and equitable society.

Overview

A third-party partner is conducting a top-to-bottom review of our operating practices, pay and promotions for people of color and women to further promote equity and equality at Allstate. The results of this review will refine our strategy.

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. For more information on our company demographics, please see our EEO-1 disclosure.

In 2020, we formally added equity to complement inclusive diversity as a core value. Our commitment to improve diversity representation at higher levels of leadership has been a key component of our Inclusive Diversity & Equity (IDE) strategy for many years. We're increasing our commitment and accountability to drive greater results by establishing enterprise goals to increase female and ethnic/racial diversity at all leadership levels.

- In 2020, we announced The Allstate Foundation would formally add equity as a third focus area, in addition to youth empowerment and ending domestic violence.
- We began observing 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 D&I in the workplace.
- Allstate is one of the founding members of the OneTen coalition, which will combine the power of committed American companies to upskill, hire and promote 1 million Black Americans over the next 10 years into family-sustaining jobs with opportunities for advancement.

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

Accountability

Inclusive Diversity & Equity is a priority at every level of the organization and outside the organization. Allstate is developing an IDE strategy that will be overseen by the Board of Directors.

The Allstate Enterprise Diversity Leadership Council (EDLC), Employee Resource Groups (ERGs) and Agency Owner Advisory Groups provide oversight on IDE. Allstate has 15 officers and directors who are EDLC members and 25 officers who are ERG sponsors.

- Starting in 2021, executive compensation will be tied to their performance against IDE goals
- Allstate is committed to increase our Board diversity representation
- Allstate is committed to doubling the spend with diverse-owned suppliers (against a 2020 baseline of \$235 million)
- Allstate will initiate efforts to improve IDE across the insurance industry

30,976
courses on IDE
completed by Allstate
employees in 2020

Enterprise Diversity Leadership Council

The EDLC is made up of senior leaders throughout the enterprise focused on advancing Inclusive Diversity & Equity at Allstate. The group supports commitments in every business unit to promote IDE through recruitment, retention, advancement and development to expand the diverse representation at Allstate. The group provides recurring updates to the CEO. In 2020, Allstate's Enterprise Diversity Leadership Council was named on the DiversityInc Top Companies for Executive Diversity Councils 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 Inclusive Diversity & Equity 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. It's our individual characteristics, values and beliefs, along with backgrounds and experiences that give us fresh perspective and purpose. We work harder, meet customer needs more effectively, share better, and identify more innovative ideas when we are accepted for who we are by the world around us. Our success comes from a chorus of many different voices. At Allstate, every voice counts.

We actively seek out individuals with varying characteristics (age, gender, race, color, national origin, sexual orientation, disabilities), values and beliefs (religion, attitude, lifestyles, political views), and backgrounds and experiences (personal, educational, functional). At Allstate, employees are not just empowered to help shape our future, they are expected to lead the way.

We are committed to being a positive force for change in the diverse communities we serve. Our employees and customers care deeply about how we contribute to society, which means we need to deliver goods and services, employment opportunities and business results.

Employee Resource Groups (ERGs)

ERGs provide an inclusive and open forum where all employees with a shared interest are invited to connect, develop and collaborate. Allstate supports and funds 11 ERGs, each with unique value propositions and goals. ERGs are aligned to IDE goals at Allstate, providing opportunities to support recruitment, retention, development, and advancement of all forms of diverse talent.

ERGs offer specific opportunities for employees to 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. In 2020, ERGs hosted employee listening series and built resiliency plans for those struggling with mental health issues due to racial trauma and the effects of the coronavirus. As a result, ERG's help drive goals to positively influence our efforts related to retention, promotion and workplace culture.

In 2020, Allstate allocated 52% 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 2020, more than 9,000 employees participated in an ERG, with more than half of those employees participating in two or more ERGs. ERGs offer specific opportunities for employees to partner and collaborate with each other through professional development workshops, recruiting events, volunteer projects and mentoring. Officers from across the enterprise, leverage their time, networks and resources to support the ERGs and advance IDE at Allstate. The shift to a virtual workplace has increased global partnerships and involvement in Allstate ERGs.

Allstate has committed to investing in ERGs to support the ongoing growth, development and impact of these critical groups.

Current ERGs at Allstate:

- Allstate Asian American Network (3AN)
- African American Working Network (AAWN)
- Abilities Beyond Limitations and Expectations (ABLE)
- Allstate Veterans Engagement Team and Supporters (AVETS)
- Allstate Women's "I" Network (AWIN)
- Allstate Foster and Adoption Network (FAN)
- Intrapreneurs@Allstate (I@A)
- Professional Latino Allstate Network (PLAN)
- Allstate PRIDE
- Parents Working Together (PWT)
- Young Professionals Organization (YPO)

Programs and performance

Our Shared Purpose guides how Allstaters conduct business and live their lives every day. Our inclusive culture and emphasis on diversity and equity are strengthened through day-to-day activities and standard practices that encourage us to remain focused on our values.

Talent planning

Allstate is focused on developing best practices in talent planning with a diversity, inclusion and equity lens. For example, in 2020, we imbedded IDE content into the succession planning process and resources.

Inclusive hiring

Our Talent Acquisition team regularly monitors workforce demographics to determine the greatest opportunities to bring more diverse talent into the organization. The team's recruiting and outreach strategies 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. In addition, a Returnship program will be launched in May 2021 with midlevel software engineers returning to the workforce after a gap in employment due to caregiving responsibilities.

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)
- Carolina Women in Tech
- CASY (Corporate America Supports You)
- Disability:IN
- Fleurix
- 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 (NBMBAA)
- National Sales Network (NSN)
- National Society of Black Engineers (NSBE)
- Path Forward
- RecruitMilitary
- SHPE (Society of Hispanic Professional Engineers)
- Society of Women Engineers (SWE)

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 for entry-level through executive positions.

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-Serving Institutions to attract talent to our employment and entrepreneur career opportunities.

Performance and pay practices review

As part of our commitment to fair and equitable compensation practices, we complete an annual pay equity analysis.

The pay equity analysis compares the pay of men and women, and non-minorities and minorities within similar jobs. If any statistically significant gaps in pay are identified, adjustments are made. Based on the 2020 analysis, Allstate has no evidence of systemic gender or racial pay discrimination.

Inclusive Diversity & Equity training

Allstate educates recruiters, managers and hiring managers to foster inclusive hiring and value diversity and equity in the workplace. We require all new employees to complete Inclusive Diversity & Equity training. The training includes topics such as self-awareness regarding cultural identity and unconscious bias, and provides tools to help employees create a more inclusive environment. Participants can complete self-assessments on their level of cross-cultural competency.

Learning about these topics can also happen through open dialogue and sharing. For example, officers held a town hall the week after the George Floyd murder to discuss the societal topic of systemic racism and the impact of recent world events on employees' lives. More than 6,000 Allstaters joined live to listen or share stories.

In 2020, employees completed 30,976 courses on IDE. The number of courses completed in June through December 2020 was more than double the total of IDE courses completed in all of 2019.

The Inclusive Diversity & Equity team, along with leaders and partners throughout the organization, committed to several new workstreams to better support Allstaters as we work to address systemic racism. For example, three new virtual instructor-led sessions were launched in July 2020 in line with our focus on reflection, learning and action:

- Inclusive Diversity Foundations
- Leading with Inclusion Part 1 – Time to Learn
- Leading with Inclusion Part 2 – Time to Act

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 approximately 8,050 employees have participated. In 2020, we launched four courses on disability inclusion, and approximately 100 employees have participated.

In 2020, the Inclusive Diversity & Equity team continued quarterly Inclusive Conversations events and offered monthly sessions after June 2020. Topics included learning to more deeply understand racism, equity, allyship, and family dynamics during the pandemic, and more than 10,000 Allstaters attended. These conversations help Allstaters build Inclusive Diversity & Equity capabilities, foster more meaningful relationships with their peers and discuss current, relevant topics like privilege and unconscious bias. Many business areas partnered with the IDE team to host their own inclusive conversations, and more than 2,000 employees joined.

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 around systemic racism in the world, and the concepts of oppression and equity—are embedded into management development training and programs throughout the enterprise. Two Changemaker Chats were held in 2020 with over 600 attendees, and topics included “Unpacking Racism At The Kitchen Table” and “Inclusive Diversity Changemaker Chat”. 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.

Allstate is committed to doubling participation in diversity training and conversations in 2021, benchmarked against 2019 rates (which had 13,000 participants).

Looking ahead

The third-party comprehensive IDE assessment in 2021 will include a full evaluation of our programs, policies and practices to ensure we are building, maintaining and supporting an inclusive and equitable environment where everyone can achieve their full potential and be their best self.

Supplier inclusion

Allstate strives to improve the communities where we work, live and connect through responsible supply chain practices. In 2020, we spent \$235 million with minority-, woman-, veteran-, LGBTQ- and disabled-owned businesses. In 2020, analysis indicated that \$1 spent with Allstate’s diverse suppliers results in \$1.93 in total economic production. This means the economic impact of Allstate’s purchases with diverse-owned suppliers in 2020 is estimated at \$450 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. In early 2021, Allstate established quantitative spending goals by category and Executive Category Owners, which reinforces shared accountability for growth.

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)
- 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:

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

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:

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

Training the next generation of diverse suppliers

The annual Allstate Supplier Diversity Exchange (Exchange) gives diverse suppliers and startups the opportunity to 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 600 businesses have attended. While attendance at the Exchange does not guarantee business, approximately 200 participants have competed for Allstate's business. In 2020, the virtual event brought together nearly 1,400 leaders from many industries. It included Office Hours and Virtual Capabilities Briefings to connect diverse suppliers with Allstate decision-makers for potential sourcing opportunities. Allstate also hosted an Inclusive Conversations Webinar with employees in September 2020, attended by more than 400 participants.

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 duration, leverage virtual meeting technology to increase the number of cohort participants and accessibility, as well as enable virtual mentorship engagement. The relaunch is expected by the end of the second quarter of 2021.

organizational culture



Allstate’s company culture is one of the foundations for our success. As we accelerate Transformative Growth, we are also focusing on how we recruit, retain, develop and engage employees. In 2019, we made organizational culture one of the risk categories overseen by the Allstate Board of Directors.

Accountability

We define culture as a self-sustaining system of shared values, principles and priorities that shapes beliefs, drives behavior and influences decision-making within an organization. Times of change, like the execution of Transformative Growth, 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.

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 Systems	Senior Leadership Succession	“What If?” Scenario Planning

	April	July	October	November
Focus	Internal succession alternatives across multiple time periods – immediate, less than 2 years, 3-5 years, and long-term under different operating scenarios	Organizational health and pay fairness analyses – how the organization recruits, develops and retains people, including its inclusive diversity commitments	Key leader development and retention	CEO and senior leadership succession – Board dialogue in advance of unexpected succession issues

Policies and practices

Our Shared Purpose

As Allstater, 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.

Our Shared Purpose is a guide to what it means to be an Allstater. It helps create a transparent, innovative and caring environment by empowering Allstater to help shape and transform our future, enabling our collective success for customers, communities, society and the world.

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.

Programs and initiatives

Planning and recruitment

A successful cultural strategy begins before a new Allstater joins our team. We use data and technology to know when, where and who we need to hire — whether the candidate is internal or external. Then, we use our learning platforms to onboard them, which is more important now, with many of our new people beginning remotely.

Strategic Workforce Planning

Our Strategic Workforce Planning team within Human Resources constantly evaluates the skills, number and location of workers we need to succeed. We plan for workers' shifting roles to align our talent strategy with our business strategy.

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 and understand what skills may be required to meet the future needs of the business.

As part of Allstate’s Enterprise Resource Strategy (ERS), we assess employees’ locations and expected labor market trends across our talent centers. Allstate then forecasts where employees are needed and adapts hiring/internal placement to meet those needs. In 2019, Strategic Workforce Planning spent several months helping redefine ERS. We used labor market data to identify which Allstate talent centers were best suited to hire for certain skills, and developed a common framework across AORs to maximize career opportunities.

Enterprise Talent Market and Talent Share

With 41,860 full-time and 300 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. When a position opens in any department across the company, Allstate employees can apply.

Metric	2017	2018	2019	2020
% internal placement rate	43%	43%	43%	42%

Onboarding

As we transitioned a cohort of Esurance employees into Allstate, Enterprise Learning and Development created and launched Allstate & You, a refreshed and more robust onboarding program. We expanded it to the full organization in November 2020. Within the Allstate & You umbrella, there are now options for new employee onboarding, depending on whether the employee is entirely new to the Allstate family of companies, or is transitioning from an Allstate affiliate.

Allstate & You creates consistent orientation for all new employees, helps them connect to the company’s culture and business strategy. The program also helps them understand essential processes over an eight-month period and enables hiring managers to focus on role, team and AOR onboarding journey so employees can be successful.

Work flexibility and remote working

Flexibility makes Allstate a more attractive employer. Many Allstate employees already had flexible work options, but the COVID-19 pandemic in 2020 demonstrated just how flexible work can be. In just one weekend, we transitioned 95% of our workforce to remote working. To support them in working remotely for an extended period, we invested \$14 million in a program that provided employees with equipment to effectively work from home.

After the pandemic, Allstate plans to maintain a flexible, hybrid work model to continue to better meet employees’ needs. We anticipate our physical office capacity to reduce about 50%.

Career management

Each employee receives an annual performance review, with additional 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.

In 2020, Enterprise Learning and Development began a multi-year journey to humanize how Allstate looks at performance, development and growth. They started collecting data through external research and internal focus groups to inform how Allstate could shift to a more human-centered approach around performance management, increase accessibility to career development tools and simplify the process for employees.

Performance management conversations

In 2020, we communicated updated resources for employees and people leaders to help facilitate ongoing conversations about performance management and development. We used quarterly check-in resources, leader sessions and new tools to promote a different way to think about performance for employees. In 2021, leaders across the company will receive additional tools on coaching, performance conversations and practical development resources to help employees grow.

Metric	2017	2018	2019	2020
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%
Inspire survey results: “My immediate manager actively provides encouragement and time for me to participate in development opportunities.”	79%	81%	87%	89%

Enterprise Learning and Development

Allstate’s employability strategy

Several years ago, Allstate leaders recognized the need to invest in upskilling our people for the future of work – earmarking \$40 million toward the employability of the workforce. Employability means employees have relevant skills to grow their careers at Allstate or elsewhere.

To prioritize skill development, Enterprise Learning and Development began to provide learning solutions for continuous capability building, while supporting business goals. From 2018-2020, the team established the infrastructure to make learning resources accessible to employees and raised awareness about the need for a culture of continuous learning. This included investing in external learning platforms and revamping in-house development programs, including leadership and onboarding programs to support employees along their career journeys.

Enterprise Learning and Development also works with Strategic Workforce Planning on initiatives to upskill employees and create opportunities within the organization. This helps employees advance beyond their current skills to be ready for future opportunities. These engagements helped areas of the business identify critical talent gaps and geo-locational opportunities for recruiting, retention and development of employees for the needs of tomorrow.

Continued learning

Allstate now has three learning platforms: LinkedIn Learning (business and creative learning content), edX (university-level learning content) and TalentConnection (Allstate-generated content). This gives employees access to dedicated solutions to build technical, business and creative skills when they need them – on-the-job and off-the-job. The platforms also enable Enterprise Learning and Development and learning teams across the organization to curate a curriculum required for their specific business needs.

We offer an online portal with tools and resources to help employees set career goals. We have modules that help employees identify their strengths and opportunities, grow their networks, develop their résumés, and initiate career-related conversations with managers and peers.

In 2020, we piloted Degreed, which aggregates learning content, making searching for skills-building opportunities easier for employees. Degreed provides insights into skill development within departments and organizations, which allows leaders to understand what skills their employees are building and deploy content strategically where there are gaps. We are deploying Degreed in phases in 2021.

Because of the transition to remote work, we scaled back the launch of some learning campaigns and responded to employees’ needs with “just-in-time” content to support working and leading from a distance.

Metric	2017	2018	2019	2020
# of completed courses	279,843	367,837	451,491	707,985
# of unique learners	41,934	44,268	37,241	39,050
# of hours of learning	348,370	465,749	389,918	503,857

Tuition reimbursement

Allstate offers employees tuition reimbursement for a college degree, an advanced degree or an additional degree. We offer up to \$5,250 per employee per year.

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

Department-specific development

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

Allstate's Claims department piloted a virtual reality simulation for the property division, simulating three loss types – fire, water and wind/hail. Fully immersive and desktop versions were available. Pilot learners demonstrate improved learning proficiency after participation in VR activities, compared to those not in the pilot.

New skills are a crucial part of Allstate's commitment to Transformative Growth. Allstate Technology, Services & Ventures (ATSV) created learning advisers across the organization to deliver specific learning plans for key skill development. ATSV recognized the need for leaders to have a better understanding of artificial intelligence and machine learning. ATSV distributed targeted content to over 790 leaders globally in 2020.

Live and on-demand seminars

In addition to formal training, Allstate provides employees with a variety of in-house learning and development – live and streaming – throughout the year. The Good Work Series celebrates the Good Work pillar of our Employee Value Proposition and focuses on nurturing an inspiring workplace culture.

Leaders as Teachers provides internal perspectives from Allstate executives on leadership and other topics pertinent to our business strategy.

Thought Leader Forum introduces an external point of view on business and leadership to accelerate development.

Quarterly Skill Builders series helps provide leaders with tools and resources to continuously develop their teams on crucial skills for the future of work. In 2020, over 2,387 unique employees attended at least one of the four Quarterly Skill Builders featuring external experts facilitating topics including data visualization, storytelling and talent development, with a total of 4,025 attendees overall.

Global Learning Week promotes a culture of learning and empowers employees to learn new skills with perspectives from industry experts, Allstate leaders and their peers. In 2020, we had 24,000 registrants (7,000 unique employees) attend Allstate's Global Learning Week, more than double the amount of participation than the prior year, with over 2,000 development commitments made to grow one new skill by the end of the year.

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.

In 2020, Allstate began to redesign management and leadership training to help leaders with democratized, modular, self-directed training focused on career mobility, inclusivity and opportunity for growth. To date, there have been more than 5,000 (non-unique) leader participants across mentoring, Talent Share, rotational and new leadership programming.

The Power of Mentoring for Inclusive Diversity (MInD)

Allstate redesigned the Power of Five women mentoring program to focus on the employee lifecycle and expand to include minorities of all genders, renaming it Power of Mentoring for Inclusive Diversity (MInD). It focuses on sponsorship, increasing experience-based job shadows and networking opportunities for attendees based on participant feedback. This includes a capstone job shadow experience for select participants. There were 74 participants in the 2020 cohort, and the program received an overwhelmingly positive response.

Participants take part in 1:1s, mentoring circles and a program conference. We integrated the program with existing development conversations and opportunities such as Skill Builders, Employee Resource Groups and Global Learning Week. With the rebranding in 2019, we added:

- Cohorts for minorities and the LGBTQIA+ community
- Updated guides for mentors, mentees and leaders of mentees
- Resource library of planning activities, monthly toolkits and focus on skills needed for future success

Essentials of Leadership and Management

Essentials of Leadership and Management deployed in the third quarter of 2020. It allows first-time people leaders and those looking to assume leadership positions to develop key leadership and management capabilities. With more than 700 participants to date, employees focus on 13 leadership and management capabilities, share best practices across the enterprise and put case studies into practice.

Talent pipeline programs

Accelerated Leadership Experience – The Leadership Development Program (LDP) and Executive Development Program (EDP) are being merged into a new two-year leadership development program that infuses Allstate with a strong pipeline of diverse, innovative and talented leaders. Beginning in summer 2021, we'll select internal and external candidates with the talent needs of the company who will have a streamlined rotational experience to accelerate their growth. They will collaborate and challenge ideas, contribute to a culture of Inclusive Diversity & Equity, and will be dedicated to collective success. Candidates must also demonstrate a strong commitment to Our Shared Purpose. As part of the program, leaders will be assigned a mentor and career coach, and a foundational curriculum will guide their learning and development.

Employee engagement

Our annual Inspire survey allows Allstate to gather feedback about employee engagement and its drivers. In 2020, 84% of all eligible employees responded to the survey, an increase of 6% from the previous year. The survey results showed that 84% of employees have a favorable view toward engagement at Allstate. Our leadership teams get feedback from the survey regarding manager effectiveness, as well as annual updates about the health of our culture to support continuous improvement.

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 consistently show that providing employees with exciting career paths and educational opportunities improves morale and engagement.

Employee Engagement

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

Employee Life Cycle Survey Program

Allstate's Employee Life Cycle Surveys help us understand the attitudes, beliefs and behaviors of employees at different career stages. This program helps us determine which initiatives and efforts are most important to support employees' satisfaction and well-being. It 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 a wealth of 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 2020, Allstate's total employee turnover was 23.5%, and voluntary turnover was 11.2%.

employee well-being and safety



The COVID-19 pandemic made Allstate even more focused on employee health and well-being. Our commitment to robust safety and well-being practices, training and tools helped keep Allstaters safe. We devote resources to occupational health and safety, and offer benefits and programs to help support employees' physical health, financial security and work-life integration.

Overview

When the pandemic started, we transitioned 95% of our workforce to remote working within one week. We established COVID-19 hotlines for employees to call, and continued to pay employees (full or part time) who couldn't work remotely under shelter-in-place orders. We enhanced safety guidelines and cleaning protocols, and social distancing practices remain in place for in-office workers. We acted quickly and put people first.

Accountability

Allstate's Enterprise Workforce Safety Committee, which includes representatives from Risk Management, Administration and Real Estate, Law & Regulation, Compliance and Corporate Brand, meets regularly to discuss safety issues.

We have many mechanisms for employees to ask questions or raise concerns. Employees can contact the Safety and Environmental teams, or Human Resources through AskHR, a dedicated line to reach the team quickly by phone, email or chat. Speak Up is Allstate's 24/7, independent and confidential process for reporting ethics concerns.

Policies and practices

COVID-19 pandemic response

Our priority during the pandemic was to keep employees safe and healthy. At the onset, only 3% to 5% of employees were deemed essential, representing individuals who were business critical to work in person. Through our Virgin Pulse partnership, we created a health screener for all essential workers to submit before they would be allowed to enter our buildings. In Northbrook, Illinois, we kept the medical center open so employees could continue to receive critical health care.

In the early days of the pandemic, Allstate spent about \$3 million on PPE for staff. We established protocols to ensure social distancing in elevators and other shared spaces within our facilities. With guidance from medical partners, Allstate reconfigured desks to reduce density by 50%. We improved indoor ventilation using MERV-13 filters or similar upgrades. Our app technology allowed claims agents and adjusters to work from home or from a safe distance as much as possible.

For more on our COVID-19 response for customers and communities, see the [Organizational Culture](#) and [Data Privacy and Information Security](#) sections.

Safety Training and Education

Employees' safety training is tailored to their role. Although Allstate is primarily an office environment, our communications center, service centers, record center and engineering employees require targeted training.

In 2020, employees participated in online training on workplace violence prevention. Every U.S. employee completed these online modules: "Your Role in Workplace Violence Prevention," "Gatekeeper Safety" and "Responding to an Armed Attack."

In 2020, Allstate provided targeted safety training to 640 active employees. This 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. Except for first-quarter CPR and AED (automated external defibrillator) drills, all training last year was virtual.

Allstate sends weekly Safety Food for Thought articles and in 2020 made biweekly safety presentations available to all employees. These included COVID-19 health and safety discussions.

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 site audits based on OSHA general industry guidelines.

Metric	2017	2018	2019	2020
Number of employees receiving safety training: CPR/AED Training	553	903 ^[1]	445	166
Number of employees receiving safety training: Grainger Safety Training	570	640	679	640
Number of safety audits	46	51	34	4 ^[2]

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

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

Safety Equipment

We provide personal protective equipment, or PPE, at no charge to employees. All locations have fire extinguishers, and we have 350 AEDs 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 trains employees in CPR and how to use an AED. These classes are held on request and are not required for most employees. In 2020, 166 members of our workforce received CPR/AED 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 (first offered in 2019) 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 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 Wellbeing Champions who help create a culture of well-being.

We conduct well-being assessments to help determine which services, programming 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 lowers the cost of benefits for Allstate employees.

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

Energy for Life

We offer 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.

In 2020, Allstaters completed 6,941 courses in the Energy for Life portfolio. More than 39,000 employees have taken this wellness workshop since 2010, including 45% of active employees and 59% of active managers. Virtual EFL offerings have increased due to the COVID-19 pandemic.

Resilience Resources

The pandemic has increased stress levels 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. Allstate employees can virtually access Mindfulness 101, Yoga 101 and Emotional Intelligence 101 to maintain well-being.

Thrive Programs

Our Good Life offerings include Thrive programs for helping build positivity, optimism, resilience and gratitude. In 2020, 5,321 employees participated in Thrive programming. We had about 24 Thrive Book Clubs in 2020, and we offered virtual yoga and meditation classes with an average of 75 participants per class.

Financial Security

Financial well-being helps employees do their best work. Allstate provides virtual financial well-being seminars throughout the year, including the seventh annual Financial Fitness Week, renamed Money Talks. More than 5,400 employees virtually attended and viewed sessions on personal finance, including decision-making, effective budget management, paying for college and improving financial health in times of crisis (a session presented in partnership with The Allstate Foundation on how survivors of domestic violence are impacted financially, with tips to build financial health). Allstate also offers financial adviser services to employees through its vendor, Alight.

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

Student Loan Repayment

We offer student loan services to employees through a partnership with Commonbond, a provider of education products. Commonbond also 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 Allstate's 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 for taking small steps, like regularly monitoring activity, nutrition and sleep. The earned points lead to rewards when they reach certain point levels. The more they engage with the program, the more they're rewarded. In 2020, 76% of eligible employees enrolled.

Employees in Illinois and 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.

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 has become increasingly important as we learn more about how coronavirus spreads. Allstate took swift and immediate action to improve ventilation and implement social distancing and sanitization services in all buildings.

Allstate leases or owns more than 362,000 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 indoor air quality (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 indoor air quality include volatile organic compounds (VOCs) from paint, furniture, cleaning supplies and office equipment. VOCs are emitted as gases from some solids and liquids. Exposure to elevated levels of VOCs can cause headaches, fatigue and dizziness, among other symptoms. We require low-VOC paint and finishes in our interiors, as well as low-emitting 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



Allstate sees climate change as one of the most critical challenges of our time. It threatens our business and our communities. Through our work to mitigate climate risk, we are part of the solution for a changing world. A changing climate means we must identify risks and opportunities associated with extreme weather patterns, policy shifts and new technology. Allstate works to understand climate risks that directly affect our insurance products and assets.

Accountability

Allstate's business viability depends on effectively modeling, pricing and managing climate-related risks, as well as meeting the needs that arise due to climate change and other strategic trends. We continue to develop 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. 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.

The ERRM Program has key components that 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, and optimizing risk and return across the enterprise.

The Enterprise Risk and Return Committee evaluates climate change risk in coordination with the Sustainability Council, which leads our broader ESG efforts. We evaluate climate risk across six key categories: strategic, insurance, financial, investment, operational and cultural risk.

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 view risks from climate changes in three categories: insurance, investment and reputational.

- **Insurance risk:** We expect increased losses as climate change worsens severe weather events and precipitation. Increased severe weather has raised loss costs for homeowners 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 as adjustments made to respond to climate-induced volatility lag the near-term impact of weather-related losses.
- **Investment risk:** We employ some of the same practices from our underwriting to model risk in our investment portfolio. We incorporate ESG considerations and climate-specific metrics in our asset management decisions. Please read more in our section on Responsible Investing.
- **Reputational risk:** Climate change matters deeply to internal and external stakeholders. They have high expectations for how Allstate manages its response to climate change. Through this report and other platforms for disclosure, we demonstrate our commitment to sustainability and mitigating climate change.

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.

As a member of the corporate executive team, 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 enterprisewide, including the potential to reduce greenhouse gas emissions. Additionally, in 2020, Allstate requested the disclosure of environmental data from companies' supply chains to be reported through CDP Supply Chain. 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 balanced information to decision-makers. The ACI provides an objective measure of extreme weather and sea level rise over time through quarterly updates. We also use AIR, a hurricane modeling software that specifically considers warm sea surface temperatures. AIR looks at data from years with above average sea surface temperatures and the resulting landfalls of hurricanes, to help inform Allstate's approach to increased insurance risk.

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 partners with our Investments group to model mortgage and real estate portfolios under consideration for purchase.

Data science

To better predict the level of risk at properties, we are using 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 inspection, 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 to improve resiliency to weather-related perils, so customers can prevent damage and lower insurance costs.

For example, 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 ways to improve them. Allstate partners with IBHS to promote more durable homes and buildings through better building practices and stronger codes.

The work has 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.

The Allstate Foundation partners with agents and local and national nonprofits to prepare communities for disasters by providing emergency kits and other tools. At Allstate, we believe collaborative efforts like these increase awareness of severe weather-related risks and help people better protect themselves and loved ones.

Advocating for disaster prevention, preparedness and risk response

Allstate uses our industry expertise to formulate public policy solutions to address weather-related risks and reduce their impact. We understand that climate change will likely 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. We have successfully advocated at the state level for addressing climate change by strengthening building codes, expanding emergency response capabilities and creating catastrophe insurance pools.

We support FEMA's Building Resilient Infrastructure and Communities (BRIC) program, which offers grants for mitigation and related activities. We are monitoring FEMA efforts to increase funds for infrastructure mitigation by as much as \$10 billion through COVID-19 programs. 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 a champion for pooled solutions to protect consumers in high-risk areas, such as establishing a Florida-style catastrophe fund to help stabilize the California's homeowners market, along with other reforms and mitigation funding.

You can learn more about our partnerships with other stakeholders, like local, state and the federal government, in our Public Policy section.

Programs and performance

In addition to managing risk from the changing environment broadly, we know we must act to reduce our contributions to the climate crisis.

Climate targets

We have cut energy use beyond our original targets and significantly reduced our greenhouse gas emissions. In 2021, we are committed to adopting science-based targets and continue to report our emissions through CDP. We also published our inaugural Task Force on Climate-Related Financial Disclosures-aligned index in conjunction with this report. The report will evolve with our enhanced practices.

CDP performance

Allstate is a member of the CDP "A List" for Climate Change.

"Our 'A List' celebrates those companies who are preparing themselves to excel in the economy of the future by taking action today." – Paul Simpson, CEO, CDP

To help suppliers manage climate change, in 2020 we performed our first Supplier Sustainability Assessment. More than 120 of our most strategic suppliers disclosed their environmental data via the CDP Climate Change questionnaire.

Looking ahead

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

operational footprint



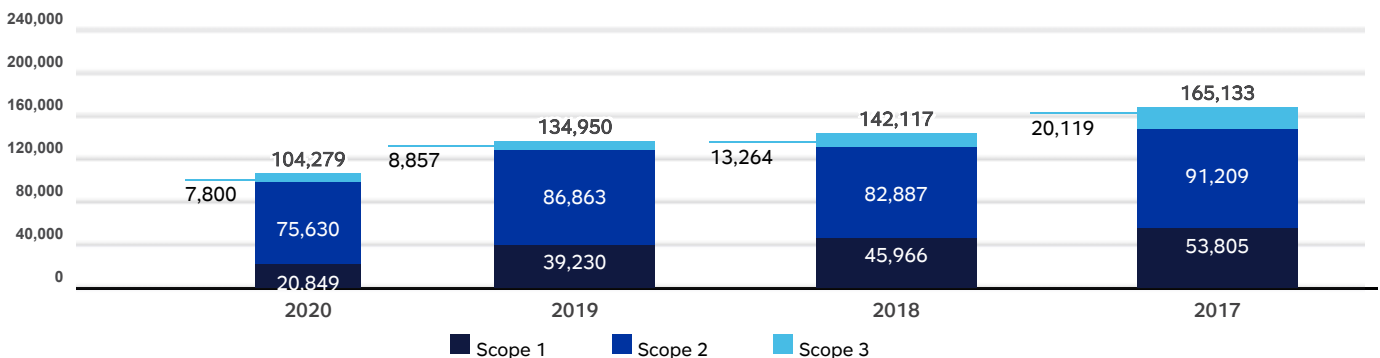
Although we continue to incorporate more digital capabilities into our business activities, we still need some physical resources, like energy, buildings and paper. We are dedicated to being good environmental stewards of the resources required to run our business.

Policies and practices

Over the past several years, we implemented many resource reduction and recycling initiatives related to our buildings, vehicles and business supplies. We encourage electronic customer communications to cut costs and reduce paper waste.

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-based target, which will help ensure our business goals are in line with a lower-carbon future.

GHG Emissions in Metric Tonnes



In the meantime, 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 50% of owned facilities with 100% renewable energy credits 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 362,000 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.

COVID-19

We are taking every precaution to ensure the safety of our employees and contractors at all Allstate locations. We are reimagining workspaces with social distancing in mind. We expect that current density of employees in buildings could drop 50% when they return to offices. With many Allstaters being hybrid and home-based, we'll use desk reservation systems rather than giving every employee a dedicated desk space.

Programs and Performance

Allstate's vehicle fleet

Allstate operates a fleet of approximately 3,000 sedans and SUVs to support the business travel requirements of the Claims, Distribution and Service BusinessesMarket Facing Businesses teams. 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. Several years ago, we started to use more hybrid vehicles to improve fuel economy and reduce CO₂ output. As of early 2020, our fleet was about 50% hybrid. We encourage employees to choose a hybrid sedan by lowering the associated personal use fee. Allstate's goal is to have 100% hybrid vehicles by 2025.

Paper reduction

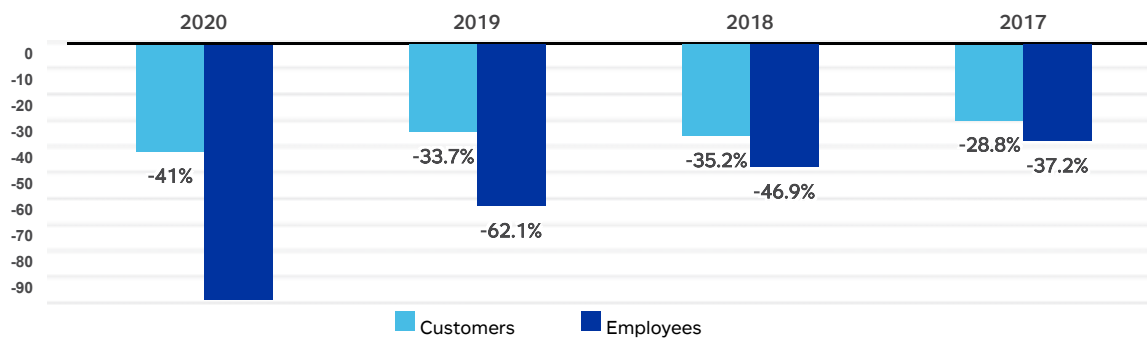
We make every effort to keep documents electronic. Allstate has a Print Optimization and Paperless Task Force made up of business unit leaders from across the company. It monitors and tracks employee and customer printing and paper use and works with Corporate Brand to make employees aware of the operational and ecological costs of printing.

For necessary paper documents, Allstate maintains a secure program so these can be shredded and recycled. Through third-party vendors, Allstate employees recycled 3.84 million pounds of paper during 2019-2020. This helped save 32,878 trees from being used for new paper production.

In 2018, we implemented a "Follow Me Print" program that links all print jobs to employee badges. To have documents printed, the employee scans their badge at the printer. If a print job is not retrieved within 72 hours, it disappears from the system. In 2020, the number of abandoned and deleted print jobs equated to about 1,508,253 sheets, or 3,017 reams of paper.

We encourage electronic customer communications to help cut costs and reduce our footprint and theirs. Allstate has three paperless initiatives for customers: eSignature, ePolicy and eBill. Customers can sign up for these free services through MyAccount, our online customer self-service hub. Since 2015, Allstate has invested \$9.5 million toward helping customers become more paperless by providing an improved digital experience and redesigning documents so they require fewer pages. Over 49.7% of customer policies are enrolled in ePolicy, and nearly 44.9% of customer policies are enrolled in eBill. New business trends higher toward digital adoption, where 68.7% of new customers are enrolled in ePolicy and 49.5% are enrolled in eBill.

Overall, we reduced paper usage by employees 98% and by customers 41% relative to our 2012 baseline. 2020 employee reductions were enhanced by fewer people working in office.



Small electronics recycling

Allstate replaces about 2,400 small electronic items each month, totaling 29,145 in 2020. Of these, approximately 140 items are in condition to be salvaged or recycled. Allstate partners with Clover Wireless to salvage small electronics. If there is no salvage value or the data cannot be removed, the item is recycled. 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 we dispose of in landfills.

Sustainable procurement

The magnitude of our global purchasing 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 emissions, waste, regulatory compliance and cybersecurity, we can better articulate Allstate’s expectations. By actively managing these risks, we enhance our reputation and align procurement decisions with environmental and social responsibility, which increases the confidence of stakeholders who depend on Allstate’s performance.

Supplier impacts

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.

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 purchasing decisions with environmental and social sustainability. The Sourcing & Procurement Solutions department focuses our responsible purchasing program on our 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 purchasing program include:

- Sustainability questionnaires: Category-specific surveys containing key performance indicators (KPIs) to benchmark suppliers on the most relevant sustainability risks for eight commodity areas.
- Sustainable procurement playbooks: Procurement category-specific guidance providing detailed rationale behind assessing material impacts and how suppliers should respond to the KPIs.

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 2020, Sourcing & Procurement Solutions engaged CDP Supply Chain, a global disclosure system that enables corporate purchasers to measure and manage suppliers' environmental impact. This will help us better understand our carbon footprint. We invited 126 suppliers to disclose their environmental data via the CDP Climate Change questionnaire and got an 85% response rate. 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.

Sustainability playbooks

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

awards

Allstate is proud to be an industry leader. The following lists show some of our recent accolades.

Corporate

- Forbes' **America's Best Employers** (2017)
- Fortune's **World's Most Admired Companies** (2020, 2021)
- 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 – 20)

Corporate responsibility

- 3BL's **100 Best Corporate Citizens** (2019, 2020)
- CDP's **A List** (2020)
- Dow Jones Sustainability Index **Member, North America** (2018 – 20)
- Ethisphere Institute's **World's Most Ethical Companies** (2015 – 20)
- 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 – 20)

Diversity

- Black Enterprise's **Best Companies for Diversity** (2011, 2012, 2014 – 18)
- Disability Equality Index (DEI) **Top Scoring Companies** (2020)
- Diversity Best Practices **Inclusion Index** (2017, 2018)
- DiversityInc's **Top 50 Companies for Diversity** (2003 – 20, 17-time award winner)
- DiversityJobs **Top Diversity Employers – Insurance** (2021)
- Forbes' **America's Best Employers for Diversity** (2020)
- Forbes' **America's Best Employers for New Grads** (2020)
- 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 – 21)
- 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 – 17)

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 – 18, 2019 (Gold))

ESG DATA



		2021	2020	2019	2018	2017
ENVIRONMENTAL						
Air Emissions	Total GHG Emissions [Scope 1, 2 (location-based), and 3 (business travel)]	-	104,300	135,000	142,117	165,146
	GHG Scope 1	-	20,849	39,200	45,966	53,818
	GHG Scope 2 (Location-Based)	-	75,630	86,900	82,887	91,209
	GHG Scope 2 (Market-Based)	-	58,970	74,200	-	-
	GHG Scope 3 - Business Travel	-	7,800	8,900	13,264	20,119
	Emissions Reduction Initiatives (y/n)	-	Y	Y	Y	Y
Climate	Climate Change Opportunities Discussed (y/n)	-	Y	N	N	N
	Risks of Climate Change Discussed (y/n)	-	Y	Y	Y	Y
	Climate Change Policy (y/n)	-	Y	Y	Y	Y
	New Products - Climate Change (y/n)	-	Y	N	N	N
	CDP Carbon Disclosure (y/n)	-	Y	Y	Y	Y
Energy	Renewable Electricity Target Policy	-	N	N	N	N
	Energy Efficiency Policy	-	Y	Y	Y	Y
Waste	Waste Reduction Policy (y/n)	-	Y	Y	Y	Y
General Environmental	Environmental Supply Chain Management	-	Y	Y	Y	Y
	Green Building Policy	-	Y	Y	Y	Y
	Sustainable Packaging	-	N	N	N	N
	Environmental Quality Management Policy	-	N	N	N	N
	Biodiversity Policy	-	N	N	N	N
	Verification Type	-	N	N	N	N
SOCIAL						
	Health and Safety Policy (y/n)	-	Y	Y	Y	Y
Employment	Number of Global FTEs	-	41,860	45,780	45,700	42,860
	% actively engaged employees	-	84	84	84	83
	% Women in Workforce	-				
	% Women in Management	-				
	% Minorities in Workforce	-				
	% Minorities in Management	-				

See Workforce Composition tab

ESG DATA



		2021	2020	2019	2018	2017
Human Rights	Social Supply Chain Management (y/n)	-	Y	Y	Y	Y
	Sustainable Supplier Guidelines Encompassing ESG Areas that are Publicly Disclosed (y/n)	-	Y	Y	Y	Y
	Fair Remuneration Policy (y/n)	-	N	N	N	N
	Training Policy (y/n)	-	Y	Y	Y	Y
	Employee CSR Training (y/n)	-	N	N	N	N
	Equal Opportunity Policy (y/n)	-	Y	Y	Y	Y
	Human Rights Policy (y/n)	-	N	N	N	N
	Policy Against Child Labor (y/n)	-	N	N	N	N
Ethics	Business Ethics Policy (y/n)	-	Y	Y	Y	Y
	Anti-Bribery Ethics Policy (y/n)	-	Y	Y	Y	Y
	Employee Protection/Whistle Blower Policy (y/n)	-	Y	Y	Y	Y
	UN Global Compact Signatory (y/n)	-	N	N	N	N
	PRI Signatory	-	N	N	N	N
GOVERNANCE						
Board	Size of the Board	12	11	10	10	11
	Classified Board System	N	N	N	N	N
	Board Average Age	63	63	62	61	63
	Mandatory Retirement Age	Y	Y	Y	Y	Y
	Annual Election of Directors	Y	Y	Y	Y	Y
	Average Director Tenure	7.0	6.8	6.5	6	7
Board Independence	Number of Independent Directors	11	10	9	9	10
	Percent of Directors Who Are Independent	92%	91%	90%	90%	91%
	Independent Chairperson	N	N	N	N	N
	Independent Lead Director	Y	Y	Y	Y	Y
Board Diversity	Number of Women on Board	3	3	3	3	3
	Percent of Directors Who Are Women	25%	27%	30%	30%	27%
	Lead Director and Committee Chairs (Independent Director Only)	5	5	5	5	5
	Number of Ethnic/Gender Diverse in Board Leadership Positions	3	4	4	4	4
	Number of Diverse Board Members by Ethnicity or Gender	6	5	5	5	5

ESG DATA



		2021	2020	2019	2018	2017
Executive Diversity	Number of Executive Officers	13	13	13	12	10
	Number of Female Executive Officers	3	4	3	3	3
	Percent of Executive Officers Who Are Female	23%	31%	23%	25%	30%
Board Committees	Number of Board Meetings	10	6	7	3	7
	Board Meeting Attendance Percentage	99%	99%	99%	100%	100%
	Number of Directors Attending Less than 75% of Meetings	0	0	0	0	0
Audit Committee	Size of Audit Committee	4	4	4	4	4
	Percent of Directors on Audit Committee Who Are Independent	100%	100%	100%	100%	100%
	Number of Audit Committee Meetings	9	10	9	5	10
Compensation Committee	Size of Compensation and Succession Committee	5	4	4	4	4
	Percent of Directors on Compensation and Succession Committee Who Are Independent	100%	100%	100%	100%	100%
	Number of Compensation and Succession Committee Meetings	8	7	7	4	8
	Outside Compensation Advisors Appointed	Y	Y	Y	Y	Y
Nomination Committee	Size of Nominating and Governance Committee	4	5	4	4	5
	Percent of Directors on Nominating and Governance Committee Who Are Independent	100%	100%	100%	100%	100%
	Number of Nominating and Governance Committee Meetings	5	5	5	3	6
Executive Compensation	Clawback Provision for Executive Compensation	Y	Y	Y	Y	Y
	Change of Control Benefits/Double-Trigger	Y	Y	Y	Y	Y
	President and Executive Vice Presidents Stock Ownership Guidelines	Y	Y	Y	Y	Y
	President and Executive Vice Presidents Stock Ownership Multiple of Base Salary	3	3	3	3	3
	CEO Stock Ownership Guidelines	Y	Y	Y	Y	Y
	CEO Stock Ownership Multiple of Base Salary	6	6	6	6	6
	Director Stock Ownership Guidelines	Y	Y	Y	Y	Y
Director Stock Ownership Multiple of Annual Retainer	5	5	5	5	5	
Stockholder Rights	Ownership Percentage Required to Call a Special Meeting	10%	10%	10%	10%	10%
	Ownership Percentage Required to Request Action by Written Consent	10%	10%	10%	10%	10%
	Majority Vote Standard in Uncontested Director Elections	Y	Y	Y	Y	Y
	Supermajority Voting Provisions	N	N	N	N	N
	Confidential Voting	Y	Y	Y	Y	Y

ESG DATA



		2021	2020	2019	2018	2017
	Poison Pill Plan	N	N	N	N	N
	Proxy Access Provision	Y	Y	Y	Y	Y
	Dual Class Unequal Voting Rights - Common Shares	N	N	N	N	N
AGM Voting Results	Average Director Support Level	<i>coming soon</i>	97%	97%	98%	98%
	Frequency of Say on Pay Votes	1	1	1	1	1
	Say on Pay Support Level	<i>coming soon</i>	92%	89%	93%	95%
	Ratification of Independent Auditor Support Level	<i>coming soon</i>	94%	95%	97%	98%
	Years Independent Auditor Employed	29	28	27	26	25
GRI	GRI Criteria Compliance	-	Y	Y	Y	Y
	Global Reporting Initiatives Checked	-	N	N	N	N

WORKFORCE COMPOSITION



New Hires

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

*For 2017 data, 5.8% - undeclared.

Total/Exempt/Non-Exempt by Gender & Race

Gender						
	Total					
Female		55.20%	55.6%	56.0%	56.3%	55.9%
Male		45.80%	44.4%	44.0%	43.7%	44.1%
Undeclared			0.08%			
	Exempt					
Female		47.4%	47.7%	47.9%	47.5%	46.5%
Male		52.6%	52.3%	52.1%	52.5%	53.5%
Undeclared			0.03%			
	Non-Exempt					
Female		72.3%	72.2%	76.4%	76.2%	76.7%
Male		27.7%	27.8%	23.6%	23.8%	23.3%
Undeclared			0.03%			
Race						
	Total					
African American		17.5%	17.7%	17.1%	16.4%	16.3%
Native American		0.3%	0.3%	0.4%	0.3%	0.4%
Asian		6.2%	5.7%	5.6%	5.3%	4.9%
Hispanic		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%
Two or More Races		2.4%	2.3%	2.1%	1.9%	1.9%
White		61.5%	62.1%	63.8%	64.8%	65.5%
Undeclared		0.4%	1.1%			
	Exempt					
African American		13.0%	13.0%	13.1%	12.1%	12.1%
Native American		0.3%	0.3%	0.3%	0.3%	0.3%
Asian		8.0%	7.3%	6.9%	6.6%	6.0%
Hispanic		8.8%	8.4%	8.7%	8.5%	8.5%
Native Hawaiian or Other Pacific Islander		0.2%	0.2%	0.1%	0.2%	0.2%
Two or More Races		2.0%	1.9%	1.9%	1.6%	1.6%

White	67.2%	68.4%	68.9%	70.7%	71.3%
Undeclared	0.4%	0.5%	-	-	-
Non-Exempt					
African American	27.7%	27.4%	27.1%	26.1%	25.6%
Native American	0.4%	0.4%	0.4%	0.4%	0.4%
Asian	2.3%	2.4%	2.3%	2.4%	2.5%
Hispanic	16.9%	16.8%	16.3%	16.6%	16.5%
Native Hawaiian or Other Pacific Islander	0.2%	0.3%	0.3%	0.2%	0.2%
Two or More Races	3.3%	3.1%	2.7%	2.6%	2.4%
White	48.8%	49.0%	50.9%	51.7%	52.4%
Undeclared	0.4%	0.5%	-	-	-

Total & Voluntary Turnover

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

Termination Rate

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

Management Type by Gender & Race

Gender					
OFFICER					
Female	31.4%	30.2%	30.3%	27.6%	28.1%
Male	68.6%	69.8%	69.7%	72.4%	71.9%
MID LEVEL LEADER Managers of managers (ex: Senior Managers, Directors)					
Female	40.7%	41.0%	40.6%	40.4%	40.3%
Male	59.3%	59.0%	59.4%	59.6%	59.7%
FIRST LEVEL LEADER Managers of individual contributors (Ex: Associate Managers, Managers)					
Female	49.5%	49.3%	49.6%	50.6%	49.2%
Male	50.5%	50.7%	50.4%	49.4%	50.8%
TEAM MEMBER					
Female	48.6%	49.2%	49.2%	48.5%	47.4%
Male	51.4%	50.8%	50.8%	51.5%	52.6%

TEAM MEMBER NON EXEMPT						
Female		74.2%	75.5%	76.4%	76.2%	76.7%
Male		25.8%	24.5%	23.6%	23.8%	23.3%
Race						
OFFICER						
African American		4.9%	3.5%	3.0%	3.5%	4.2%
Native American			0.5%	0.5%	0.5%	0.5%
Asian		4.9%	4.5%	4.5%	4.0%	4.2%
Hispanic		2.7%	2.5%	1.5%	1.5%	1.6%
Two or More Races		1.1%	1.0%	1.5%	1.0%	1.0%
White		85.9%	87.6%	88.6%	88.9%	88.5%
Undeclared		0.5%	0.5%	-	-	-
MID LEVEL LEADER Managers of managers (ex: Senior Managers, Directors)						
African American		5.3%	5.8%	6.0%	5.7%	5.9%
Native American		0.1%	0.2%	0.3%	0.2%	0.2%
Asian		12.4%	10.6%	9.7%	9.2%	8.6%
Hispanic		5.2%	5.0%	4.4%	4.3%	4.1%
Native Hawaiian or Other Pacific Islander		0.2%	0.1%	0.1%	0.1%	0.1%
Two or More Races		1.3%	1.2%	1.0%	0.9%	0.9%
White		75.2%	76.9%	78.3%	79.3%	80.1%
Undeclared		0.2%	0.3%	-	-	-
FIRST LEVEL LEADER Managers of individual contributors (Ex: Associate Managers, Managers)						
African American		13.6%	14.1%	13.8%	13.3%	13.2%
Native American		0.4%	0.3%	0.4%	0.4%	0.3%
Asian		3.1%	3.1%	3.4%	3.3%	3.2%
Hispanic		10.6%	10.5%	9.8%	8.5%	8.5%
Native Hawaiian or Other Pacific Islander		0.1%	0.1%	0.2%	0.2%	0.2%
Two or More Races		1.7%	1.6%	1.7%	1.8%	1.5%
White		70.5%	70.2%	70.6%	72.5%	73.1%
Undeclared		0.1%	0.2%	-	-	-
TEAM MEMBER						

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

NOTE: These figures represent U.S. employees only

Allstate has published an annual Sustainability Report since 2003. Our 2020 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 2020 unless otherwise stated.

Global Reporting Initiative (GRI) Content Index

General Standard Disclosures

GRI Indicator	Description	Location
Organizational Profile		
102-1	Organization name	The Allstate Corporation
102-2	Primary brands, products, and services	10-K, pages 99-102
102-3	Headquarters location	Northbrook, IL
102-4	Where the organization operates	U.S., Canada, India, Northern Ireland
102-5	Nature of ownership and legal form	10-K, page 1
102-6	Markets served	U.S., Canada, India, Northern Ireland
102-7	Scale of the organization	Integrated Approach
102-8	Total number of employees by type	As of December 31, 2020, Allstate had approximately 41,860 full-time employees and 300 part-time employees.

102-9	Supply chain description	In 2020, 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, wh
102-10	Organizational changes during the reporting period	None
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	Public Policy

Strategy and Analysis

102-14	CEO Letter	Leadership Message
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Ethics and Integrity

102-16	Values, principles, standards, and norms of behavior	Ethics and Integrity
102-17	Mechanisms for reporting concerns about unethical or unlawful behavior	<p>Employees may report any illegal, unethical conduct or regulatory compliance concerns by:</p> <ul style="list-style-type: none"> • Contacting their manager, another manager, or a Human Resources representative • Calling the Allstate i-Report Line: 1-800-706-9855 • Using the Allstate i-Report website: allstatei-report.alertline.com

Governance

102-18	Governance structure of the organization	Integrated Approach
102-20	Executive-level responsibility for economic, environmental, and social topics	Integrated Approach
102-22	Composition of the highest governance body and its committees	Allstate Investor Relations Page
102-24	Nominating and selecting the highest governance body	2021 Proxy Statement, pages 14-15
102-30	Effectiveness of risk management processes	10-K, page 94
102-38	Annual CEO compensation ratio	2021 Proxy Statement, page 81










Stakeholder Engagement

102-40	List of stakeholder groups	Materiality and Stakeholder Engagement
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	Materiality and Stakeholder Engagement
102-43	Approach to stakeholder engagement	Materiality and Stakeholder Engagement
102-44	Key topics and concerns raised	Materiality and Stakeholder Engagement

Reporting Practices

102-45	Entities included in the consolidated financial statements	10-K, page 1
102-46	Defining report content and topic Boundaries	Materiality and Stakeholder Engagement
102-47	List of material topics	Materiality and Stakeholder Engagement
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	2020
102-51	Date of most recent report	June 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Allstate Corporate Responsibility and Sustainability Team: sustainability@allstate.com
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	GRI

Specific Standard Disclosures

SDG Alignment	GRI Indicator	Description	Location or Direct Answer
Business Practices			
Privacy and Information Security			
	103-1	Explanation of the material topic and its boundary	Privacy and Information Security
	103-2	The management approach and its components	Privacy and Information Security
	103-3	Evaluation of the management approach	Privacy and Information Security
	418-1	Total number of complaints regarding breaches of customer privacy and losses of customer data	Privacy and Information Security We did not have any security breaches in which outside actors were able to obtain access to Allstate customer data; We choose not disclose the total number of substantiated complaints regarding breaches of customer privacy
Responsible Investing			
 	103-1	Explanation of the material topic and its boundary	Responsible Investing
	103-2	The management approach and its components	Responsible Investing
	103-3	Evaluation of the management approach	Responsible Investing
		Dollars invested in specific socially responsible designated categories	Responsible Investing
Technology and Digitalization			
  	103-1	Explanation of the material topic and its boundary	Technology and Digitalization
	103-2	The management approach and its components	Technology and Digitalization
	103-3	Evaluation of the management approach	Technology and Digitalization
Environmental			
Climate Strategy and Disaster Resiliency			
 	103-1	Explanation of the material topic and its boundary	Climate Strategy and Disaster Resiliency
	103-2	The management approach and its components	Climate Strategy and Disaster Resiliency
	103-3	Evaluation of the management approach	Climate Strategy and Disaster Resiliency
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Strategy and Disaster Resiliency
Operational Footprint			
	103-1	Explanation of the material topic and its boundary	Operational Footprint
	103-2	The management approach and its components	Operational Footprint
	103-3	Evaluation of the management approach	Operational Footprint
	201-2	Financial implications and other risks and opportunities due to climate change	Operational Footprint
	302-4	Energy reductions	Operational Footprint
	305-1	GHG emissions (Scope 1)	Operational Footprint
	305-2	GHG emissions (Scope 2)	Operational Footprint
	305-3	GHG emissions (Scope 3)	Operational Footprint
	305-4	GHG emissions intensity	Operational Footprint
	305-5	Reduction of GHG emissions	Operational Footprint
		Paper recycled	Operational Footprint
Social			
Organizational Culture			
	103-1	Explanation of the material topic and its boundary	Organizational Culture
	103-2	The management approach and its components	Organizational Culture



103-3	Evaluation of the management approach	Organizational Culture
404-1	Average hours of training per year per employee	Organizational Culture
404-3	Percentage of employees receiving regular performance and career development reviews	Organizational Culture
	Inspire Survey results	Organizational Culture
	Tuition reimbursement	Organizational Culture
	Internal placement rate	Organizational Culture

Talent Recruitment and Management



103-1	Explanation of the material topic and its boundary	Organizational Culture
103-2	The management approach and its components	Organizational Culture
103-3	Evaluation of the management approach	Organizational Culture
401-1	New employee hires and employee turnover	Organizational Culture
	Employee engagement	Organizational Culture

Inclusive Diversity and Equity



103-1	Explanation of the material topic and its boundary	Inclusive Diversity & Equity
103-2	The management approach and its components	Inclusive Diversity & Equity
103-3	Evaluation of the management approach	Inclusive Diversity & Equity
	Total diverse supplier spend	Inclusive Diversity & Equity

Social Impact and Community Leadership



103-1	Explanation of the material topic and its boundary	Social Impact and Community Leadership
103-2	The management approach and its components	Social Impact and Community Leadership
103-3	Evaluation of the management approach	Social Impact and Community Leadership
	Total giving by Allstate and The Allstate Foundation	Social Impact and Community Leadership
	Youth Empowerment impacts	Social Impact and Community Leadership
	Ending Domestic Violence Impacts	Social Impact and Community Leadership
	Nonprofit board program results	Social Impact and Community Leadership
	Community leadership impacts	Social Impact and Community Leadership
	Volunteering results	Social Impact and Community Leadership
	The Allstate Foundation Giving Campaign results	Social Impact and Community Leadership

Employee Well-Being and Safety



103-1	Explanation of the material topic and its boundary	Employee Well-Being and Safety
103-2	The management approach and its components	Employee Well-Being and Safety
103-3	Evaluation of the management approach	Employee Well-Being and Safety
	Allstate's completing wellness assessment	Employee Well-Being and Safety
	Number of Energy For Life participants	Employee Well-Being and Safety
	Attendance for personal finance sessions	Employee Well-Being and Safety
	Participants in Thrive programming	Employee Well-Being and Safety

Public Policy



103-1	Explanation of the material topic and its boundary	Public Policy
103-2	The management approach and its components	Public Policy
103-3	Evaluation of the management approach	Public Policy
415-1	Political donations	Public Policy

Customer-Centric and Responsible Products



103-1	Explanation of the material topic and its boundary	Customer-Centric and Responsible Products
103-2	The management approach and its components	Customer-Centric and Responsible Products
103-3	Evaluation of the management approach	Customer-Centric and Responsible Products
	Number of Drivewise® connections	Customer-Centric and Responsible Products

SASB Index



The Allstate Corporation is providing the following disclosures aligned with the Sustainability Accounting Standards Board (SASB) standards for the insurance industry.

SASB Standard		Code	Response/Comment
ACTIVITY METRIC			
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"> See 2020 Form 10-K, pgs. 50 (Allstate Protection), 62 (Protection Services), 71 (Allstate Life), 76 (Allstate Benefits), and 79 (Allstate Annuities): https://www.allstateinvestors.com/financials/sec-filings
ACCOUNTING METRICS			
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"> Allstate does not have material legal proceedings associated with marketing and communication of insurance product related information to new and returning customers. For further information about ongoing legal proceedings generally, see Note 14 in the 2020 Form 10-K, pgs. 191-197: https://www.allstateinvestors.com/financials/sec-filings
	Complaints-to-claims ratio	FN-IN-270a.2	<ul style="list-style-type: none"> Allstate does not calculate a complaints-to-claims ratio. Allstate tracks year-over-year performance on the Net Promoter Score to measure customer satisfaction and reports progress on this measurement in its 2020 Form 10-K (pg. 37). The Renewal ratio (cited below) provides information on customer retention.
	Customer retention ratio	FN-IN-270a.3	<ul style="list-style-type: none"> See 2020 Form 10-K for the “Renewal ratio” for the last three fiscal years for auto and homeowners, pgs. 52 (Allstate) and 57 (Encompass®): https://www.allstateinvestors.com/financials/sec-filings
	Description of approach to informing customers about products	FN-IN-270a.4	<ul style="list-style-type: none"> See 2020 Form 10-K, pgs. 2 - 11 for details about brand strategies, products and services, and distribution channels, and for a description of Transformative Growth: https://www.allstateinvestors.com/financials/sec-filings One component of Transformative Growth is to expand customer access. Customers can currently access Allstate branded property-liability products through Allstate agencies, contact centers and online.
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"> See 2020 Form 10-K, pgs. 89-91 for a listing of fixed income securities by type and sector and equity securities by sector: https://www.allstateinvestors.com/financials/sec-filings
	Description of approach to incorporation of ESG factors in investment management processes and strategies	FN-IN-410a.2	<ul style="list-style-type: none"> See 2020 Sustainability Report, Responsible Investing for a description of Allstate’s Responsible Investing Committee and Policy: https://allstatesustainability.com/prosperity/responsible-investing/

SASB Index



The Allstate Corporation is providing the following disclosures aligned with the Sustainability Accounting Standards Board (SASB) standards for the insurance industry.

	SASB Standard	Code	Response/Comment
Policies Designed to Incentivize Responsible Behaviors	Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	<ul style="list-style-type: none"> 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. Allstate calculates and discloses premiums by state per regulatory requirements: https://www.allstate.com/resources/allstate/attachments/about/2020-aic-combined-annual-statement.pdf Allstate also calculates and discloses premiums by segment. See 2020 Form 10-K, pgs. 50 (Allstate Protection), 62 (Service Businesses), 71 (Allstate Life), 76 (Allstate Benefits), and 79 (Allstate Annuities): https://www.allstateinvestors.com/financials/sec-filings
	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"> For information about our telematics offerings that encourage safe driving and lower environmental impact from reduced driving, see our 2020 Form 10-K, p. 7: https://www.allstateinvestors.com/financials/sec-filings For additional information about products that incentivize responsible behavior, see our 2020 Sustainability Report, Customer-Centric and Responsible Products: https://allstatesustainability.com/prosperity/customer-centric-and-responsible-products/ Discounts across our policies are available on Allstate.com under the related policy discount information. For example, auto insurance discounts can be found here: https://www.allstate.com/auto-insurance/car-insurance-discounts.aspx
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"> Allstate targets less than a 1% likelihood of annual aggregate catastrophe losses from hurricanes and earthquakes, net of reinsurance, exceeding \$2 billion: https://www.allstateinvestors.com/static-files/5507ddba-7af1-464c-80ba-c4d3ac567f05 See 2020 Form 10-K, pg. 5: https://www.allstateinvestors.com/financials/sec-filings
	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)	FN-IN-450a.2	<ul style="list-style-type: none"> 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. See 2020 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. 46 - 48 and 64 - 66: https://www.allstateinvestors.com/financials/sec-filings Allstate discloses direct losses paid and incurred by state: https://www.allstate.com/resources/allstate/attachments/about/2020-aic-combined-annual-statement.pdf
	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	FN-IN-450a.3	<ul style="list-style-type: none"> 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 2020 Form 10-K, pgs. 101-103: https://www.allstateinvestors.com/financials/sec-filings See Application of Critical Accounting Estimates, Reserve for property and casualty insurance claims and claims expense estimation, Form 10-K, pgs. 111 – 118: https://www.allstateinvestors.com/financials/sec-filings

SASB Index



The Allstate Corporation is providing the following disclosures aligned with the Sustainability Accounting Standards Board (SASB) standards for the insurance industry.

	SASB Standard	Code	Response/Comment
	capital adequacy		<ul style="list-style-type: none"> See also Sustainability Report, Climate Strategy and Disaster Resiliency: https://allstatesustainability.com/planet/climate-strategy-and-disaster-resiliency/
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"> See 2020 AIC Combined Annual Statutory Statement, pgs. 2, 3, and 12: https://www.allstate.com/resources/allstate/attachments/about/2020-aic-combined-annual-statement.pdf See 2020 Form 10-K, Note 7 (Derivative Financial Instruments and Off-balance Sheet Financial Instruments): https://www.allstateinvestors.com/financials/sec-filings
	Total fair value of securities lending collateral assets	FN-IN-550a.2	<ul style="list-style-type: none"> See 2020 Form 10-K, pgs. 131 and 151: https://www.allstateinvestors.com/financials/sec-filings
	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"> See 2020 Form 10-K, pgs. 98-103: https://www.allstateinvestors.com/financials/sec-filings

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. Increased severe weather has raised loss costs for auto and homeowners insurance, requiring changes in pricing, product coverages, underwriting practices and reinsurance utilization. Impacts will continue due to the increase in severe weather driven by climate change.

Allstate is addressing climate risk by prioritizing three major areas that impact our customers and business:

- 1) **Disaster Prevention, Preparedness and Risk Response** – We have partnered with federal and state governments for over two decades to create programs to help provide protection for insureds most exposed to climate change. This has been accomplished through the establishment of entities like Florida Citizens, the Florida Hurricane Catastrophe Fund, the Texas Windstorm Insurance Association and the California Earthquake Authority.
- 2) **Monitoring and Managing Climate 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.

Insurability – Estimates of losses from major catastrophes are modeled to assess risk levels and appropriate pricing.

Underwriting – Frequency and severity of events are managed through pricing, underwriting and reinsurance.
- 3) **Reducing Our Carbon Footprint Across Allstate** – We have cut energy use beyond our original targets and reduced our greenhouse gas (GHG) emissions. We also converted half of our fleet of sedans and SUVs in the U.S. and Canada to hybrid vehicles, and 100% of the power used at our Northbrook, Illinois headquarters and our Irving, Texas office qualifies for Renewable Energy Certificates.

Risks within the Investment Portfolio

The investment portfolio is monitored for both short- and long-term potential exposures to environmental risks, including climate change. Across the portfolio, we classify sectors' potential exposure to environmental risks. We consider potential environmental risks when we assess the size and maturity profile of our positions. Many holdings in sectors with higher potential exposure are invested in public markets, providing flexibility to adjust exposures as risk and return trade-offs evolve. For commercial real estate, we classify our investments based on their modeled exposure to certain catastrophe risks and incorporate these risks in our practices.

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

TCFD Index

Recommended Disclosures	Response/Comment
Governance	
<p>a) Describe the board’s oversight of climate-related risks and opportunities.</p>	<p>The Board has oversight of all risk and return activities and reviews environmental, social and governance (ESG) matters to prioritize efforts twice a year. 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 2021 Proxy Statement, pg. 36, and CDP Climate Change Responses, C1.1, C1.1a, C1.1b.</p>
<p>b) Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<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</p>

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 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. 104-106 of the Annual Report on Form 10-K](#).

Allstate also maintains a Sustainability Council that was formed in 2007. Its cross-functional members identify key risks and opportunities related to sustainable business practices and help implement Allstate's enterprise ESG road map. The council, with 40 members representing more than 25 business functions, meets regularly and is led by a vice president in Corporate Brand. The council updates senior executives periodically.

On the Investments side, the Responsible Investing Committee monitors ESG investing trends and best practices and periodically reports about its activities to other leaders within Allstate. This Committee also monitors the investment portfolio for short- and potential long-term 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 [CDP Climate Change Responses, C1.2, C1.2a, C-FS2.2b, 2021 Proxy Statement, pg. 36](#), 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 homeowners 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 [2021 Proxy Statement, pgs. 12-13](#) and [Year in Review, pg. 13](#).

For a more complete description of risks and opportunities identified, please see [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. 22-30](#), 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 25 years as it impacts all aspects of our business, particularly homeowners 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 Letter from the Independent Directors in [2021 Proxy Statement, pg. 4](#).

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 [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 homeowners 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. 111-118 of the Annual Report on Form 10-K](#).

For a full description of Allstate's process, please see [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 [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 [Proxy Statement, pgs. 12-13](#); 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 [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 and earthquakes, net of reinsurance, exceeding \$2 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.

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 homeowners insurance, and increase the overall market size for homeowners insurance,
- Financial: liquidity and capital levels must be considered relative to catastrophe losses,
- 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.

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

For additional information, please see [pgs. 104-106 of the Annual Report on Form 10-K](#) and [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 2020 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. 41, 43-48 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 [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 [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 is setting a science-based target inclusive of our Scope 1, 2 and 3 emissions. For information about our absolute emissions target that we achieved previously, please see [CDP Climate Change Responses, C4.1, C4.1a](#), and Policies and Procedures in the [Operational Footprint section of our Sustainability Report](#).

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