

2020 Environmental, Social and Governance Snapshot





Message from Our CEO

Like a good neighbor, State Farm is there.®
It's more than a tagline. It's how we operate.
It's how we make the world better.

Our noble purpose to help people guides our daily interactions with customers and the steps we take to make our communities stronger and safer. We seek to empower people to be good neighbors, to protect what matters most and to build more resilient futures for themselves and others.

This first environmental, social and governance report focuses on the year 2020 – one of unprecedented perils with tremendous opportunities to help.

When Americans started driving less as they hunkered down at home, the Good Neighbor Relief Program passed back more than \$4.2 billion in savings to auto insurance customers in dividends and rate decreases. When customers experienced sudden economic uncertainty this spring, we provided bill payment flexibility. When local communities needed help, State Farm® agents delivered joy to nursing home residents with flowers and cards and supported first responders with donations of food and supplies.

Our national and local philanthropic annual giving totaled nearly \$57 million, \$16 million of which was dedicated to pandemic relief.

On March 12, 2020, more than 90% of State Farm associates worked inside an office. Six days later, that same percentage was working from the safety of their homes. Still, the virtual Good Neighbor spirit was alive and well as employees donated \$1.7 million

to the Employee Assistance Fund, providing more than \$1.6 million in grants to their co-workers who unexpectedly needed financial assistance.

There is no way we could do what we do at State Farm – help people manage the risks of everyday life, recover from the unexpected and realize their dreams – without the power of conversation. It's how we build relationships with our customers and one another. It's how we live our shared values of quality service and relationships, mutual trust and integrity. It's how we approached the summer months as our nation realized we must do better on the issues of social and racial justice.

Dozens of conversations were well worth having among agents and employees, as we listened, cried, reflected and vowed to do even more. Formalizing the Chief Diversity Officer role was part of our decades-long dedication to recruit, hire, train and develop people from every walk of life so they can be their best, authentic selves at work.

In this report are stories of people helping people, accentuating the good amidst the strife and turmoil of the last year. Although the pall of division and anger still lingers in America, we can use 2020 as a lesson to cultivate more compromise, empathy and compassion.

At State Farm, we offer hope at some of the darkest times for our customers, our communities and our people. We help – as our purpose calls us to do – and we invite others to join us as a beacon of good the world desperately needs.

Good neighbors. Better world.



Michael L. Tipsord
Chairman, President & Chief Executive Officer
State Farm Mutual Automobile Insurance Company

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Throughout this report, terms such as “State Farm,” the “Company,” and “we/us/our” shall mean State Farm Mutual Automobile Insurance Company (as the parent of other insurance and financial services subsidiaries) and affiliates that make up the State Farm Family of Companies. These companies provide insurance and financial services, as well as various types of support to those insurance and financial services providers, and specifically includes several State Farm-branded companies

along with Dover Bay Specialty Insurance Company and HiRoad Assurance Company. State Farm Mutual Automobile Insurance Company acquired GAINSCO, Inc. and its related companies (“GAINSCO”) on 12/31/2020, but the ESG activities of GAINSCO are not included in the scope of this report.

Numbers throughout report reflect State Farm at year-end, 12/31/2020, unless otherwise noted.



Overview

Good Neighbors Since 1922

For almost 100 years, State Farm has succeeded on the belief that being a good neighbor means being good stewards of the neighborhoods we serve. It's not enough to simply do business with people, we must also be good neighbors alongside them. It's the right thing to do.

Over the century, we've constantly evolved to match the ever-changing expectations of customers, agents, employees and our communities.

Consumers now are invested in improving and advocating for the places where they live and work more than ever before. The world is getting smaller. Technology breaks down barriers, ignores borders and brings us all closer together. The neighborhoods we serve are larger and more diverse than ever and the problems we solve are not only local, they're globally connected.

We want to help make a better world by building resilient futures. We want to help make a better world

by empowering good neighbors. We want to help make a better world by protecting what matters.

State Farm is uniquely positioned to be a part of positive change. We have the resources and determination to be part of the solution. Whether it's providing financial pandemic relief to customers and associates, promoting autonomous vehicle safety standards or protecting customer information, our next hundred years will be defined by local solutions to globally connected problems. We'll help more customers manage the risks of everyday life, recover from the unexpected and realize their dreams.



Our Story: There for You Since Day One

In 1922, motivated by his philosophy of fairness and doing right by the customer, G.J. Mecherle sold his first auto policy for \$11.17. And, on that day, State Farm was born.

State Farm was founded as a mutual company, which allows us to keep our focus on our customers with a long-term vision to serve their needs. The policyholder group and customers are the principal stakeholders. Because we don't need to worry about short-term stockholders' returns, we can make decisions with a long-term view.

We are people who make it our business to be like a good neighbor; who built a premier company by making and keeping promises through our agents and employees who bring diverse talents and experiences to our work of serving the State Farm customer. Today, we provide about 100 products to our customers, including property and casualty insurance, life and health insurance, annuities, mutual funds and banking products (in alliance with U.S. Bank and Quicken/Rocket Mortgage). In our communities, online and offline, whether through statefarm.com® or one of more than 19,000 agent offices, State Farm is there.



What Guides Us

Vision

Be the customer's first and best choice in the products and services we provide. We will continue to be the leader in the insurance industry. Our customers' needs will determine our path. Our values will guide us.

Mission

Help people manage the risks of everyday life, recover from the unexpected, and realize their dreams.

Our Shared Values

Quality service and relationships, mutual trust, integrity, and financial strength.



State Farm by the Numbers



85M+
Policies & accounts*



27.4M
Total State Farm
Households



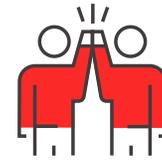
\$100.7B
Individual life
insurance issued*



\$7B+
Paid in catastrophic
loss claims*

Agents and employees working nationwide

19,200
Independent Contractor Agents
in 48 states



57,500
Employees
in 50 states

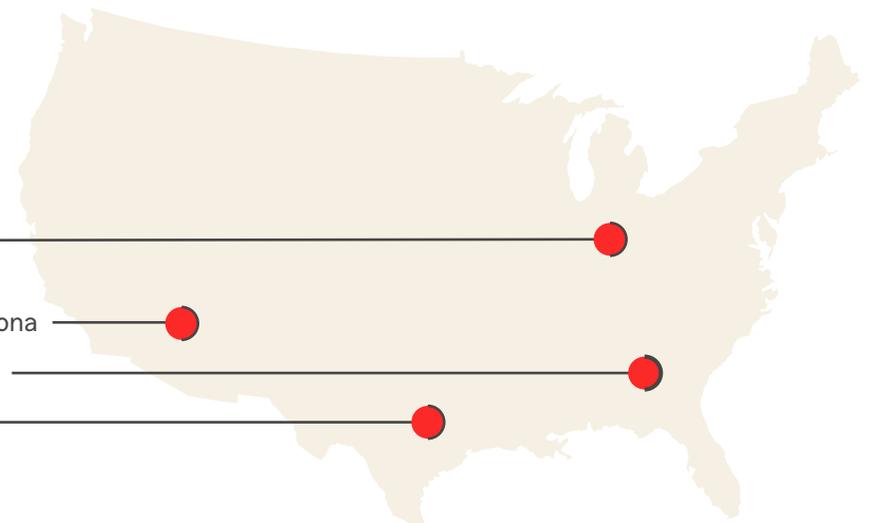
Headquartered in
Bloomington, Illinois

Hub Locations

Marina Heights – Phoenix, Arizona

ParkCenter – Atlanta, Georgia

CityLine – Dallas, Texas



*Metrics previously released on StateFarm.com with our 2020 financial results, on 2/26/21.

Our Affiliates

State Farm-branded products are marketed through independent-contractor, exclusive agents.



State Farm Mutual Automobile Insurance Company

State Farm Life Insurance Company

State Farm Life and Accident Assurance Company

State Farm Fire and Casualty Company

State Farm Indemnity Company

State Farm Guaranty Insurance Company

State Farm General Insurance Company

State Farm Florida Insurance Company

State Farm Lloyds

State Farm County Mutual Insurance Company of Texas

State Farm Bank*

State Farm Investment Management Corp.

State Farm VP Management Corp.

State Farm Ventures, LLC



*In March 2020, State Farm announced a strategic alliance whereby U.S. Bank will assume State Farm Bank's existing deposit and credit card accounts and State Farm agents will have the unique opportunity and tools to introduce U.S. Bank deposit products and co-branded credit cards to State Farm customers. The transition began in late 2020 and will continue into 2021.



ESG Framework

State Farm has a long-standing commitment to excellence in environmental, social and governance (ESG) areas of our work. In 2020, we made a concerted effort to more holistically place ESG activities at the forefront of our business strategy and everyday practices. We are in the early stages of implementing our long-term strategy, including specifically our framework for disclosures and progress reporting. This document serves as a status update for the work done to date and outlines the steps we'll take to evolve our ESG efforts in 2021 and beyond.



Good Neighbors. Better World.

At State Farm, our work aligns with the purpose of Building Strong Neighborhoods Together. We know that a better world tomorrow starts with a strong neighborhood today.



Building Resilient Futures
Environmental

Impacting the planet starts inside our walls and in our neighborhoods. Being a good neighbor means going beyond our sidewalks to being strong stewards of our planet.



Empowering Good Neighbors
Social

Building a diverse and inclusive culture where all people can develop meaningful careers and use our business as a force for good. Together we support our communities every day when they need it most.



Protecting What Matters
Governance

Fostering a culture of ethics, integrity and accountability to ensure we deliver on our promises to customers, agents, employees and communities.



Our Environmental Impact

Building Resilient Futures

State Farm has always made it our mission to help people manage the risks of everyday life and recover from the unexpected.

State Farm is committed to meeting these challenges head-on and we will continue to build on the foundation of good we have already achieved for our organization and the communities we serve. We will go beyond “Reduce, Reuse, Recycle” and passionately work to be a part of the solution to the environmental challenges we face as a global community.





Working to Reduce Our Environmental Impact

State Farm has a history of engaging in environmentally sustainable behaviors on behalf of our customers and associates, and the future is even brighter. We continue to examine methods

to minimize our environmental impact and will focus our efforts on lessening our carbon footprint, reducing waste and committing to materials and facilities that improve efficiency.

Environmental Sustainability Team

In 2020, we created a dedicated team to help drive, measure and advance the Company's environmental work. The team is focused on three strategic imperatives:

- Drive continuous improvement efforts that will positively impact our internal operating efficiencies.
- Promote community resiliency and sustainability through philanthropy and public policy.
- Support socially responsible external business practices through industry partnerships and Company leadership.



“This important work is going to take all of us working toward a purpose that is greater than ourselves. We aren't just like good neighbors, we ARE good neighbors doing good for our people, our communities and our planet.”



Terri Layne
Administrative Services
Leads the State Farm Enterprise
Environmental Sustainability Team



Working to Reduce Our Environmental Impact

Minimizing Greenhouse Gas (GHG) Emissions

We are committed to minimizing our greenhouse gas emissions. In 2020, our Enterprise Environmental Sustainability Team worked with external consulting and auditing firms to evaluate our impact and find the best ways to improve in the future. Those collaborations resulted in baseline metrics, long-term targets and goals to announce in 2021. Our GHG strategy includes reducing our fleet emissions, energy efficiency, renewable energy options and emerging technologies.

Using Less and Reusing More

Recycling

We make it easy for our employees to recycle.

Between the recycling containers under each desk, the used ink cartridge box alongside each printer or the plastic, glass and metals recycling containers in hallways and break rooms, the opportunity to recycle is around every corner.

All efforts add up

A recent campaign among employees to print on both sides of the paper saw a **reduction in paper usage of 30%**.

Going Paperless

State Farm is driving a paperless movement to reduce the amount of paper used. Paperless customer communications, online employee collaboration spaces and standardizing duplex printing have saved millions of pages of paper. That reduction benefits the environment and the bottom line – increasing efficiency in serving customers and reducing expenses in purchasing, recycling and waste disposal.

At the end of 2020, 3.4 million customers had signed up for paperless billing. Paperless billing eliminated 27.8 million paper bills in 2020, which saved \$14.9 million in printing and mailing costs and over 7,000 trees.



Cutting Down on Plastics

In 2020, State Farm eliminated all single-use plastic bottles in our large offices across the country, potentially avoiding the use of 2.3 million bottles, or the equivalent of over 100,000 pounds of plastic each year.

State Farm associates are working to make their little corner of the world a greener place

State Farm Consumer Reporting Analyst Karen Walch changes the world around her one plastic water bottle at a time, knowing full well how the smallest gesture toward environmental friendliness has profound effects and great results. For her, that means picking up a piece of paper, styrofoam cup, soda can or any other roadside trash when out for a walk in her neighborhood. “You’re already out for a walk anyway, why not carry a bag with you and pick up garbage?” Karen said. “It’s a great way to clean up your neighborhood while helping to ensure garbage isn’t finding its way to lakes, rivers or eventually our oceans.” Karen has completed more than 950 environmental Acts of Good. Learn more about the Acts of Good program on page 18.

“If you do what you can where you are, and help others see what they can do where they are, we will make a difference.”



Karen Walch, 2020 Winner of the State Farm Outstanding Environmental Steward Award



Improving Our Facilities



State Farm planned and completed large-scale building and renovation projects in recent years, including the construction of hub centers in Atlanta, Dallas and Phoenix, and renovations at Corporate Headquarters in Bloomington, Illinois. These projects allowed State Farm to initiate environmentally-sound building practices and energy-saving advances and technology. The result is a dramatic step forward in energy efficiency in our facilities.

On our Bloomington campus, we've increased green space and continue to reintroduce native grasses into the landscape. These efforts reduce mowing and chemical use, provide habitat for wildlife, control storm water runoff and sequester carbon underground.

State Farm regularly recycles a wide variety of materials and items used in the maintenance of our facilities. This includes glass, aluminum, cardboard and fluorescent light tubes. State Farm also undertakes efforts to reduce the amount of waste that needs to be recycled.





Improving Our Facilities

Building LEED Certified Buildings

State Farm ensures our facilities incorporate environmentally friendly management practices. Our three hub facilities – Atlanta, Dallas and Phoenix – were built to Leadership in Energy and Environmental Design (LEED) standards, and the Atlanta and Dallas facilities are LEED Gold Certified. LEED Gold Certified buildings use 20% less energy, on average, according to the U.S. Green Building Council. LEED certification earned our Dallas Hub the Economic Development Growth and Expansion (EDGE) Award from the city of Richardson, Texas, in the environmental category.

Using Energy Efficiently

State Farm established energy baseline metrics, long-term targets and goals in 2020 and continues to create new strategies to improve our energy efficiency and reduce energy use.

Through ongoing efforts to improve energy efficiency, more than 80% of State Farm buildings have an internally calculated Energy Star Score of 75 or higher. For instance, we have installed energy-efficient appliances and equipment in our facilities.

An Energy Star Score of 75 and higher classifies a building a ‘top performer’ by energystar.gov and Energy Star-certified buildings use an average of 35% less energy than non-certified buildings, according to the U.S. Environmental Protection Agency.

Ensuring Efficient Transportation

We encourage green living among our employees by promoting the use of public transportation at our hub facilities and shuttle services among our Bloomington HQ facilities. We developed our hub facilities (Atlanta, Dallas and Phoenix) in areas that provide access to public transportation.

For employees who choose to use personal transportation methods, we’ve installed electric vehicle charging stations at our Bloomington offices and, in the near future, at hub locations.

COVID-19 and our work-from-home policies have impacted our ability to gather metrics on the usage and energy savings of these stations, but these metrics will be updated and shared as data becomes available in the future.



“I installed LED troffer lights that are easier on people’s eyes but provide high-efficiency lighting. Eighty percent of the furniture in my office is upcycled. We purchased old bankers’ desks and cabinets and refurbished them. And we painted the office walls with recycled paint produced in a plant in Denver, Colorado. I also started a “green up” challenge where I encourage other businesses in my area to be more green and share tips and ideas!”



Baile Barbour, an agent in Erie, Colo., has taken steps to green her office and is challenging her fellow business owners to follow in her footsteps.



Helping Others Do Their Part, Too

Being a good neighbor not only means setting a good example, but also helping those around you do the right thing. State Farm provides resources and products that encourage our policyholders to manage and potentially reduce their energy consumption and impact on the planet.

Educating & Promoting the Right Behaviors

- Articles on statefarm.com provide energy-related educational tools, resources and solutions.
- By improving building resiliency and promoting fewer miles driven, we are reducing the strain on resources and encouraging sustainable behaviors.

Discounts & Product Options

- State Farm Drive Safe & Save™ offers premium discounts for fewer miles driven, which means fewer greenhouse gas emissions.
- We extend an impact-resistant roof discount to policyholders whose roofs meet certain standards. There are more than 230,000 customers receiving these discounts. This results in less damage from storms and fewer shingles in landfills.
- We offer discounts and incentives in many states for homes that have Insurance Institute for Business & Home Safety fortified designations.
- We extend a home fire sprinkler discount to customers whose homes meet certain sprinkler standards. In the event of a fire, homes protected with fire sprinklers sustain less damage and fire suppression water is a few gallons compared to thousands of gallons used by the fire department.
- We offer an optional coverage that will pay up to 150% of the cost to replace a damaged water heater, heating or air conditioning unit with similar equipment that is more energy efficient.





Our Social Impact

Empowering Good Neighbors

For nearly a century, State Farm agents and associates have worked and lived in thousands of neighborhoods across America. So, when our neighborhoods need help, they can count on us to step up for them.

We believe that being a good neighbor means being good stewards of the neighborhoods we serve. It is not enough to simply do business with people; we must also do good alongside them because it's the right thing to do. Whether it's supporting the need for upskilling in education or providing financial relief to customers during a pandemic, we believe our next 100 years will be defined by local solutions to problems with global connections.





Empowering Our Communities

Good Neighbor Community Grants

We make it our business to be like a good neighbor, helping to build safer, stronger and better-educated communities across the United States. To realize these dreams, State Farm provides charitable contributions to nonprofits across the United States to make an impact in the community.

\$57M

In Good Neighbor Community Grants

State Farm grants are focused around three areas: safety, community development and education.



State Farm Mutual Company Giving

In 2020, nearly \$44 million in charitable contributions were made to 1,659 schools and non-profits. These include large grants, like a \$2 million donation to Local Initiatives Support Corporation (LISC), as well as smaller grants to individual schools, fire departments and non-profits in towns across the U.S.

State Farm Companies Foundation

The Foundation was established in 1963. It provides support for scholarships, as well as associate-directed programs such as Matching Gift and additional Good Neighbor Grant support.

In 2020, nearly \$13 million in funding was provided by the foundation through 23,625 grants.



Empowering Our Communities

Disaster Response Grants

In addition to safety, community development and education grants, State Farm gave more than \$1.5 million in grant funding following disasters such as wildfires, hurricanes, tornadoes, a derecho and even social unrest, including:

- \$25K to American Red Cross in Iowa to support shelter, meals, emergency relief supplies and mental health services following the derecho.
- \$25K to United Way of Southwest Louisiana to support food, cleaning supplies and building supplies following Hurricane Laura.
- \$45K to Oregon Department of Forestry to support equipment for fuels mitigation efforts, and education and outreach emphasizing the need for defensible space following observations of the California wildfires.



Safety Grants

State Farm values the importance of keeping our neighbors and communities safe. The grants, which support both local and national needs, are directed toward:

- Auto and Roadway Safety
- Teen Driver Education
- Home Safety and Fire Prevention
- Disaster Preparedness
- Disaster Recovery

State Farm partnered with **Students Against Destructive Decisions (SADD)** to support two virtual auto safety campaigns: Parent Road Trip Tips and National Teen Driver Safety Week discussions. Agents from across the U.S. shared their voices and experiences with parents and young drivers to help them make responsible decisions and prepare for the responsibility of driving. State Farm Agent David Im shared tips about graduated driver license laws in his video.



Empowering Our Communities

Community Development Grants

Strong neighborhoods are the foundation of a strong society. We're committed to maintaining the vibrancy of our communities by assisting nonprofits that support them. Through community outreach and community development grants and investments, State Farm gives back to the neighborhoods we serve and helps develop stronger neighborhoods by reinvesting in the community.

Our national and local funding is directed toward:

- Affordable housing
- Job training
- Neighborhood revitalization
- Small business development
- First-time homeownership
- Financial literacy

In addition to grants, the State Farm Community Development Portfolio supports community needs through low-interest loans for affordable housing and small business-related needs.

In 2020, the combination of grant funding and community investments:

- Initiated \$15 million in new investments in Illinois and California.
- Contributed to the creation or preservation of 7,212 affordable homes.
- Supported 12 Financial Opportunity Centers in cities across the U.S. through LISC grants



In addition to supporting Habitat for Humanity through national grants, **State Farm was a sponsor of the 2020 Home is the Key campaign.** State Farm Agent Jennie Dibala jumped at the chance to participate in the local build of a Habitat home.

“When I found out that Habitat for Humanity had a lot of support from State Farm, I thought, wow – that is so cool. My family was a recipient of a Habitat home, and my mom still lives there today. I was telling people here that what you are doing today is going to make such a lasting impact on the family that will receive this home.”



Agent Jennie Dibala,
Corpus Christi, Texas



Empowering Our Communities

Education Grants

We believe education is critical for healthy, vibrant communities and believe all youth deserve an education that will help them reach their greatest potential. Our support goes to programs that provide today's youth with the tools and resources that help them achieve life skills and an education, equipping them for future opportunities and helping them realize their dreams:

- Academic performance improvement programs that impact K-12 students
- Education initiatives that more directly support underserved individuals (13 years and older), helping them enroll in post-secondary education and obtain the skills and credentials they need to be successful in today's workforce
- Service-learning programs that provide students opportunities to connect and apply learning skills from the classroom to address unmet needs that exist in their community

State Farm Education Assist[®]

The State Farm Education Assist program provides funding to colleges, universities and nonprofits to help meet the needs of underserved students. Through this community-based program, an integrated suite of services supports post-secondary pathways helping students successfully obtain skill development critical for long-term economic security.

Georgia

The first State Farm Education Assist program has been in place at Georgia State University (GSU) since April 2017. The Learning, Income and Family Transformation (LIFT) program focuses on the success of students at GSU's Decatur campus of Perimeter College. LIFT tracks student progress to identify and proactively provide the help needed to overcome a variety of educational obstacles.

Through LIFT, 50 State Farm scholarships are awarded annually to deserving students at Perimeter College. State Farm Scholars earned an average GPA of 3.19 compared with all Perimeter College Decatur students who earned an average GPA of 2.6. They also earned nearly three credit hours more than their peers. To date, 44 State Farm Scholars have graduated from Perimeter College.

Arizona

In February 2020, State Farm Education Assist launched its second program with Arizona State University. A commitment of \$30 million will support Arizona State University's Pathways for the Future program.

This skill-based education and career development program focuses on high school, community college and university students, and career professionals who wish to compete for new and evolving jobs in the changing marketplace. The program provides a personalized approach to higher education with a focus on innovative and technological skills through online courses, academic tracks and certificate programs.

“It is an honor to continue that legacy that has been established — the legacy of success and striving to be the best. With the opportunity of the State Farm Scholarship, I am able to leave my own mark on this legacy.”



Adar Hussein
State Farm Scholar

“State Farm gave me a lot more than just schooling. It gave me a community. It gave me a family. It gave me a sense of feeling like I am important.”



Alex Navarro
State Farm Scholar



Empowering Our Communities

Additional Ways We're Making Education a Priority

State Farm and the State Farm Companies Foundation also provide grants to 13 colleges and universities as part of the Priority School program. These schools are located near our headquarters in Bloomington, Illinois, and our hub locations in Atlanta, Georgia; Dallas, Texas; and Phoenix, Arizona; as well as in Tacoma, Washington.

Annual funding supports:

- Programs that assist diverse and low-income, underserved populations
- State Farm invested more than \$497 million in bonds for school districts that serve a majority of low-income students.
- Emergency grants and crisis funding programs to help student retention with crucial needs such as transportation, food insecurity and textbooks/supplies
- Student support and career coaching services
- College-to-Career programs to improve workforce and life readiness skills
- Programs with a focus on future workforce skills due to advances in technology, artificial intelligence and automation
- State Farm supports many other education-focused nonprofits. These organizations focus on academic performance improvement of K-12 students, service-learning programs, financial literacy, teacher development and support of teachers in underserved areas.





Empowering Our Communities

Good Neighbor Relief and Responsive Rate Reductions

In an effort to help customers during the pandemic, **State Farm returned \$2 billion in dividends*** to auto insurance customers. On average, this Good Neighbor Relief Program provided a 25% dividend to most customers for the period March 20 – May 31.

As part of the Good Neighbor Relief program, we also encouraged customers facing financial challenges to call their State Farm agent for flexible payment options.

In addition, State Farm responded to modified driving behaviors during the pandemic by **reducing auto rates in every state**. The national average for the rate reductions in mid-2020 was 11%, saving customers a total of approximately \$2.2 billion.

*Dividends were to State Farm Mutual Automobile Insurance Company auto insurance customers.



Giving in the Midst of COVID

State Farm stepped up in the midst of a global pandemic, donating and investing more than \$26.3 million in funding.

- \$10 million in community investments for minority and women small business owners in our home state of Illinois through the Small Business Rescue Fund established with LISC.
- \$8 million in Good Neighbor Community Funds, distributed by our network of more than 19,000 agents to support groups in need in their communities. This funding provided meals and PPE for essential workers, stocked food pantries and helped with education needs as schools switched to remote learning.
- \$7.2 million in additional charitable giving to support organizations filling critical needs such as Feeding America and American Red Cross.
- \$1.1 million in COVID-related funding through the Employee Assistance Fund PPE to frontline workers.

\$4.2B
 approximate amount **State Farm auto customers received in savings** from both the dividend and a rate reduction.

Support for community needs comes in many forms. **Feeding America received \$1.3 million from State Farm in 2020** in both charitable and cause-marketing campaigns:

- \$500K**
charitable donation
- \$250K**
through Amazon Smile Cause Marketing Initiative collaboration
- \$200K**
through iHeart Radio Concert Series sponsorship
- \$200K**
in collaboration with cable channel TNT + Partners Feeding America
- \$150K**
through a "Parks & Recreation" Reunion Show sponsorship



Empowering Our Communities

Agent and Employee Giving

Even in the middle of a year of uncertainty, our agents and employees continued to step up for the causes that matter most to them.

In 2020, the number of agents and employees participating in the Matching Gift program increased 24%. Through agents and employees giving and Matching Gift funding from the State Farm Companies Foundation, that's more than \$14 million in funding for nonprofits and schools across the country.



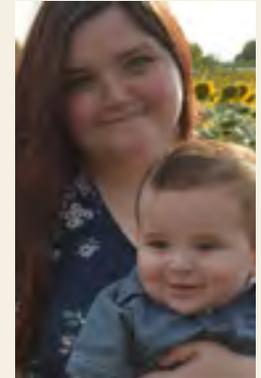
\$647.5K

Even in the midst of a pandemic, **State Farm agents and employees logged nearly 98,000 volunteer hours through the Good Neighbor Grant program in 2020.** Through the program, State Farm Companies Foundation provides a \$500 grant when an employee or group of employees volunteer 40 or more hours with a single organization. The result? \$647,500 in grant funding to organizations close to the hearts of our people.

\$1.6M

\$1.6 million in grants paid to employees to bridge critical financial gaps through the Employee Assistance Fund. Available for the first time in 2020, this funding was donated by other employees and the State Farm Companies Foundation.

When Claims associate Devin Kelly and his wife, Amber, got the call that a close family member needed someone to take custody of a newborn baby, they had 48 hours to make a decision to welcome little Malachi to their home. Amber was able to keep her job, but had to miss two months' worth of paychecks while taking time to bond with Malachi. Thanks to the Employee Assistance Fund, Devin and Amber were able to pay for necessities like diapers, formula and clothing.



“I would tell all employees who might be in unexpected and financially stressful situations to apply for an EAF grant. This program really cares for employees and they are here to help those of us who might need it.”



Devin Kelly
Claim Associate – Express



Empowering Our Communities

Link Centers

State Farm has established Link Centers located in each of our major hub locations in Dallas, Phoenix and Atlanta, as well as our headquarters in Bloomington, Illinois. These centers are staffed with teams specifically focused on connecting employees and agents to one another and their communities through developmental offerings and volunteerism.

The Link Centers keep a lens on the current and emerging needs in our communities while working with a portfolio of local nonprofits to proactively contribute our manpower and dollars to the prosperity of our communities.

Because of COVID-19, in-person events and activities were impacted. However, we remained resilient and enhanced our virtual presence by offering virtual employee growth and engagement opportunities as well as virtual volunteer offerings that resulted in over 5,000 hours of volunteer time by our employees.

Employees contributed to three major drives in 2020 to benefit the community:

- **Peanut Butter Drive** — Over 20,000 jars of peanut butter were donated to local food banks by employees. Due to its long shelf-life and high nutritional value, peanut butter is a favorite of food banks for their clients.
- **Back 2 School Drive** — Over 103,000 supplies and 6,300 kits for teachers were donated to 15 schools or nonprofits to support the 2020 school year. Despite the approach to the school year, schools and community partners expressed that supplies were still a desperate need.
- **Holiday Drive** — Over 2,500 gifts were donated by employees to benefit the clients of 19 nonprofits during the holiday season.





Empowering Our Communities



Supporting Diversity & Racial Equality

As part of our commitment to being a good neighbor, we support minority communities through charitable and community investment efforts.

\$100 million commitment to minority communities

In October 2020, State Farm committed to \$100 million in support for minority communities and issues of racial equity and justice over the next five years (2020 – 2024). The commitment is part of our partnership with Business Roundtable, an association of CEOs of America’s leading companies working to promote a thriving U.S. economy and expanded opportunity for all Americans through sound public policy.

The contribution will support a variety of community-focused projects, including small business support, funding for affordable housing programs and educational advancement programs. Funds will be a combination of charitable contributions and community investments in current relationships and future new relationships.

Some examples of our work in this space in 2020 include:

- \$12.1 million in grant funding to 399 organizations and their programs serving at least 50% minority populations with their services
- \$10 million Small Business Rescue Fund through LISC, serving minority and women business owners in Illinois in the wake of the pandemic
- \$5 million investment with Enterprise Community Partners focused on affordable housing needs in California

We have a long history of partnering with organizations committed to social justice. We work with nonprofit organizations dedicated to supporting the most pressing needs of a variety of community groups. In 2020, \$8.3 million in grant funding was directed to these strategic partnerships and their programs specifically targeting minority communities.

We will continue to support research and education initiatives to advance racial equity and human rights, educational and economic opportunities.

While many of the community organizations we work with are local, these represent some of the national community groups that receive grant funding from State Farm.

\$1M

donation to the **NAACP Legal Defense and Educational Fund, Inc. (LDF)** toward education and research around social injustice

\$1.65M

to support African American-led organizations including **Congressional Black Caucus Foundation, 100 Black Men of America** and **National Urban League**

\$2.14M

to support Hispanic/Latino-led organizations including **UnidosUS, Congressional Hispanic Caucus Institute, National Association of Latino Elected and Appointed Officials (NALEO) Education Fund**

\$600K

to support AAPI-led organizations including **Organization of Chinese Americans** and **Southeast Asia Resource Action Center**

\$110K

to support LGBTQ organizations including **Out & Equal, The Trevor Project** and **Matthew Shepard Foundation**



Embracing Diversity and Inclusion



Our Differences Make Us Stronger

We are committed to diversity and inclusion (D&I). They are not just words, they are truly part of how we do business and lead our organization. We nurture an environment where diversity and inclusion are welcomed and expected in everything we do. These beliefs are central to who we are and evident in every relationship we have – within the workplace where all associates are treated with respect and dignity, across the marketplace by how we interact with our customers and suppliers, and in the community through charitable giving and community service.

We've been prioritizing diversity and inclusion for almost 20 years. We don't just practice diversity and inclusion because we have to, or because stakeholders are demanding it more today than ever before. A D&I focus helps us attract top talent, retain top talent, provide better service to our customers and achieve our business goals.

Over the decades since our Diversity Advisory Council was established in 2001, we've continually refined our D&I strategy and evolved the Council to meet current business realities. In 2016, we migrated to an Enterprise Diversity and Inclusion Council (EDIC) consisting of appointed executive and mid-manager-level leadership representing each business function across the enterprise.



Embracing Diversity and Inclusion

Our Chief Diversity Officer

In June 2020, State Farm appointed Victor Terry our Vice President of Public Affairs and our first-ever Chief Diversity Officer, which formalized a role that we've had a senior-level executive informally serving in for many years. Victor began working with State Farm in 1997, and spent many years supporting diversity and inclusion through his involvement as an executive sponsor of the African American Forum ERG. His appointment as CDO drives more

formalization of D&I efforts, including the creation of a D&I Governance Council made up of senior executives from across the enterprise. Where the EDIC focuses on D&I within their functional areas, the Governance Council will operate at an enterprise-wide level, establishing the strategic vision for diversity and inclusion and holding leaders and business areas accountable for their roles in realizing that vision. Victor is passionate about mentoring, and will work alongside all leaders to build a culture that embeds diversity and inclusion in all that we do.

We recognize that appointing a CDO is just another part of our evolution. Diversity and inclusion have been, and will continue to be, a journey for us as we address new challenges and opportunities to ensure our organization is the first and best choice for employees and customers. While we are pleased with our progress in D&I maturity, we know there is still much work to do and will relentlessly focus on advancing diversity and inclusion in all aspects of our business.



Ongoing dialogue to increase understanding and connections

In February 2020, State Farm took specific action for diversity and inclusion by focusing on a "Day of Understanding," when Senior Vice President Annette Martinez hosted a live session featuring several executives talking about racial bias and allyship. The event opened the door for ongoing discussion on challenging and thought-provoking diversity and inclusion topics, in sessions we now call "Conversations Worth Having." Victor hosted the October session, where five courageous leaders shared their experiences with injustice of all kinds and offered their perspectives about how we can take steps to impact change. Through ongoing dialogue, we are building trust, encouraging compassion and empathy, and reinforcing our commitment to a culture of diversity and inclusion. These events continue online while we work from home, and among employees, the October session was the most-watched live broadcast of the year.





Embracing Diversity and Inclusion

State Farm has developed a D&I Strategic Roadmap intentionally focused on moving to higher levels of D&I maturity within our organization. This plan informs our D&I work and maintains our focus and pace. We are guided by these three strategic objectives:

- Embed diversity and inclusion into all aspects of the business;
- Promote workforce diversity at all levels; and,
- Model organizational inclusion in everything we do.

Accomplishments in 2020:

- Our leadership and collective workforce are engaged in open, honest dialogue on topics including social injustice and bias, to provide an avenue to share personal experiences, encourage compassion and broaden perspective.
- We are carrying out a comprehensive, Company-wide D&I Learning Strategy with specific learning outcomes and targeted training solutions for all levels of employees designed to promote inclusive behaviors and diversity in our organization.
- We conducted a multifaceted environmental scan involving surveys and focus groups to better understand the experience across all employee groups. This research informed the development of specific tactics to positively impact inclusion, career advancement and professional development.

“State Farm strives to be known for our commitment to diversity and inclusion. We are stronger and better together when we seek the broadest perspectives, invite fresh, new ideas and encourage healthy, respectful debate. But these are just words. We make this real when we each commit and empower ourselves to continue to nurture an environment where diversity and inclusion are welcome and expected in everything we do. Our customers and associates deserve nothing less.”



Michael Tipsord
State Farm Chairman, President and CEO

“While I have the formal title, and it’s something where I have a high degree of ownership and accountability, the truth of the matter is for any diversity and inclusion initiative to be successful, it has to live in the business, it has to be integrated into everything that we do.”



Victor Terry
VP – Public Affairs
Chief Diversity Officer



Embracing Diversity and Inclusion

Our success in fostering a diverse and inclusive environment is reflected in the makeup of our workforce. We'll continue to positively impact hiring, development and promotional opportunities through ongoing initiatives, such as the recent formation of a D&I Governance Council to implement management practices that align with the Company's diversity and inclusion goals.

In the last six years, State Farm increased the percentage of minority employees by 10 points, from 30% to 40%.

Workforce demographics*



57% of employees are women



40% of employees identify as a minority**

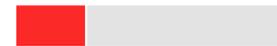
Leadership demographics



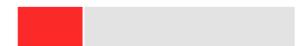
45% of those in management roles are women



37% of executive leaders are women



26% of those in management roles are minorities



24% of executive leaders are minorities

*Employment demographics for State Farm do not include HiRoad Assurance Company.
**According to race/ethnic identification.

2020 Awards and recognition

Human Rights Campaign Corporate Equality Index

Received a perfect score of 100 on the Human Rights Campaign – Corporate Equality Index, every year since 2016.

Top Companies for Executive Women

Awarded by the National Association of Female Executives (NAFE), since 2008.

Hispanic Association on Corporate Responsibility (HACR)

Corporate Inclusion Index Recognized by HACR each year, since 2009. For 2020, State Farm was recognized as an HACR CII Five Star Company within the category of Employment.

GI Jobs Magazine Top 100 Most Military-Friendly Employer

Recognized as a Military Friendly company supporting veterans and military employees, since 2009.

Diversity Best Practices Inclusion Index Company

Received the honor of being named a Leading Inclusion Index Company.

AnitaB.org Top Companies for Women Technologists

Recognized for building a workplace where women in technology roles can thrive, participated since 2018.

Working Mother Best Companies for Multicultural Women

Recognized by Working Mother magazine every year since 2009.

Working Mother Best Companies for Dads

Recognized as an organization that recognizes the increasing need to help fathers be equal parenting partners.

Working Mother 100 Best Companies

Recognized for having inclusive benefits for families.



Employee Resource Groups (ERGs)

To help State Farm employees stay connected with other employees, and provide development and community volunteer opportunities, State Farm sponsors Employee Resource Groups (ERGs). First formed in 2002, ERGs are groups of employees that voluntarily form around a demographic segment or other identity and have a Company-approved mission and purpose. The groups support our employee engagement goals to build a sense of community and belonging among employees, and offer personal and professional development opportunities that contribute to business results and Company success. Many ERGs also offer employees opportunities to get involved with causes they're passionate about while giving back to local communities.

10,170 Employees Engaged in 12 Employee Resource Groups (ERGs)

ERGs support the business and engage employees in many ways, including:

- Promoting networking, mentoring and employee development activities
- Providing diverse perspective on business challenges and opportunities
- Fostering community relationships through outreach and volunteerism
- Building a sense of belonging through awareness of diverse cultures
- Raising awareness of talent within the organization and supporting recruiting efforts



State Farm Currently Sponsors 12 ERGs:

- Advocacy for Disabilities and Education (ADE)
- African American Forum (AAF)
- AsiaNET
- Helping Others Parent Effectively (HOPE)
- Hispanic Employee Resource Organization (HERO)
- Military Affinity Group (MAG)
- Minority Men Affinity Network (M².A.N.)
- My Generations (MY Gen)
- Pride
- Women and Technology (W&T)
- Women's Networking Group (Wnet)
- Young Business Professionals (YBP)

“Co-leading the Pride ERG was one of the most rewarding experiences of my entire State Farm career. It gave me the opportunity to build a network outside of my own department and work with people I wouldn't normally get a chance to work with, which was great, and I think it's made me a much better leader. Being involved in the ERG, hearing people's stories and helping them when I could, it's really made me a better listener. I'm able to consider things from a lot more different points of view, which has helped in my day-to-day role.”



Wade Smith
Learning Technology Manager
Former Co-Lead/Current Member Pride ERG



Employee Resource Groups (ERGs)

ERGs' Positive Impact in Our Neighborhoods

State Farm ERGs positively impact our neighborhoods by awarding Company-funded grants to various non-profit organizations of ERG members' choosing.

Some of the work done by these non-profits includes:

- Supporting active/veteran military personnel and their families
- Combating hunger and homelessness for at-risk groups, including LGBTQ youth
- Empowering women to achieve economic independence
- Serving as liaisons in matters affecting Asian Americans and Pacific Islanders in the areas of education, immigration, health and civil rights
- Providing comprehensive services to individuals with disabilities and their families
- Mentoring, serving and assisting Black/African American youth to help realize their potential and become successful adults
- Advancing equality by offering educational opportunities on topics such as racism and human rights
- Offering free legal services to low-income persons
- Inspiring Hispanic/Latino families to make healthy choices by providing access to affordable resources

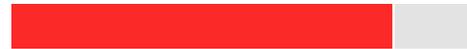




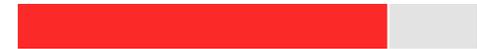
Empowering Our Employees

We promote a culture where all people have the opportunity to develop meaningful careers and use our business platform as a force for good – supporting our communities every day and when they need it most. It’s a business strategy, but at its core, it’s about relationships – with each other, the customer, within the community and everyone with whom we do business. It’s through those connections that we develop our people and collectively, we can best support customers.

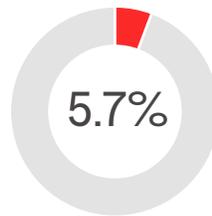
Employee Satisfaction Numbers¹



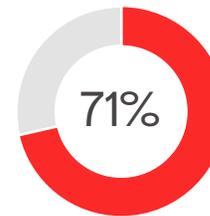
Employee Engagement Insights:
4.12 on 5 point scale¹



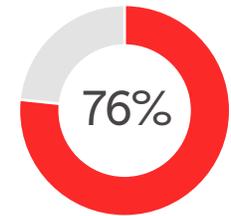
Organizational Environment Insights:
4.02 on 5 point scale¹



Voluntary separation rate: Lowest rate in past 5 years²



7 out of 10 employees believe they have developmental opportunities at State Farm¹



3 out of 4 employees are satisfied with their jobs¹

Employees’ perception on diversity and inclusion remains stable and favorable¹

Employees’ have favorable perceptions of the support they receive from their coworkers and supervisors¹

100K

Associates working from home within six days

During the first weeks of the pandemic affecting the United States in early March, State Farm made the decision to transition as many employees to working from home as possible to minimize the spread of COVID-19. In those first six days, 100,000 employees, agents and agent team members were able to transition their work to the safety of their home while still continuing regular operations.

¹ All indices reflect 2020 results derived from quarterly employee surveys. The Employee Engagement Insights is a measure of Job Satisfaction, Organizational Commitment and Job Initiative which are outcomes linked with employee engagement. The Organizational Environment Insights is a measure of the environment our leaders influence by measuring employee perceptions of: Diversity, Inclusion, Developmental Opportunities, Recognition and Knowledge of Performance. Employee survey results for State Farm do not include HiRoad Assurance Company.

² 2020 Annual Voluntary Separation rate – an employee separation where the separation was initiated by the employee.



Our Governance

Protecting What Matters

Our customers trust State Farm to help them prepare for and recover from the unexpected.

Strong governance practices are foundational to upholding that promise. We hold ourselves to high standards of ethics and integrity, and expect that same level of commitment in the workplace, in the marketplace in which we operate, in the communities we serve and from the suppliers with whom we work. The values upon which State Farm was founded nearly 100 years ago serve as our guiding light to promote ethical and inclusive behavior that enables us to do the right thing above all else.

State Farm's culture is rooted in our employees at all levels doing the right thing.





Our Leadership

Leadership

Led by our Chief Executive Officer (CEO), the management team sets and communicates shared values, standards of conduct and employee expectations through the Code of Conduct, messaging and day-to-day visible leadership behavior. State Farm strives to continually improve communication and reaches employees in a variety of ways throughout all levels of the organization to help ensure all employees understand our values, policies and expectations. Training on these concepts and subject areas are foundational to the success of the organization and its employees in doing the right thing.

Board of Directors

The board of directors has as its primary responsibility the oversight of the organization, its strategy and its risks. This oversight extends to management to lead in a manner which promotes long-term organizational sustainability, and thus, financial strength and operational effectiveness.

The board of directors is composed of individuals from diverse backgrounds and perspectives who have demonstrated a high degree of integrity and ethics. The composition of the board of directors aligns with the expertise and experiences needed to oversee strategic objectives and consider varying aspects of business and customer needs.

[Learn more about our current board of directors.](#)

State Farm Executive Management Team



Michael Tipsord
Chairman, President & CEO



Mary Schmidt
EVP & Chief Administrative Officer



Paul Smith
EVP & Chief Operating Officer



Rand Harbert
EVP & Chief Agency, Sales & Marketing Officer



Jon Farney
SVP, Treasurer and CFO



Joe Monk
SVP – Financial Services



Steve McManus
SVP & General Counsel



Cathy Wallace
SVP & Chief Risk Officer



Chris Schell
SVP – Property & Casualty



Fawad Ahmad
SVP & Chief Digital Officer



Kristyn Cook
SVP – Agency & Marketing



Robert Yi
SVP – P&C Claims

State Farm Mutual Automobile Insurance Company Board of Directors (as of 3/2021)

- Dan E. Arvizu** – Chancellor, New Mexico State University System
- Keith Block** – Former Co-Chief Executive Officer, Salesforce.com, Inc.
- Charles K. Bobrinsky** – Vice Chairman and Head of Investment Group, Ariel Investments
- James Hackett** – Former President and Chief Executive Officer, Ford Motor Company
- W. Steven Jones** – Professor of Organizational Behavior and Strategy, University of North Carolina
- W. H. Knight Jr.** – Professor of Law, Seattle University School of Law
- Allan R. Landon** – Former Chairman of the Board and Chief Executive Officer, Bank of Hawaii Corp.

- Vicki A. O'Meara** – Chairman, AdSverve
- Gary L. Perlin** – Former Chief Financial Officer, Capital One Financial Corporation
- Debra L. Reed-Klages** – Former Executive Chairman, Sempra Energy
- Pamela B. Strobel** – Former Executive Vice President and Chief Administrative Officer, Exelon Corporation
- Michael L. Tipsord** – Chairman, President and Chief Executive Officer, State Farm Mutual Automobile Insurance Company
- Steven C. Williams** – Chief Executive Officer, PepsiCo Foods North America
- Kenneth J. Worzel** – Chief Operating Officer, Nordstrom, Inc.



Accountability

Effective means of assuring we do the right thing includes accountability controls built into our compliance, ethics and auditing functions.

Code of Conduct

All employees and members of the board of directors are responsible on an annual basis for reading the Code of Conduct and taking the accompanying course, as well as completing the Code of Conduct Acknowledgment & Disclosure Form.

In 2020, we achieved 100% completion of the Employee Code of Conduct course, for the fifth year in a row.

Compliance & Ethics Hotline

A Compliance & Ethics Hotline offers 24-hours-a-day, 7-days-a-week access for individuals to report concerns, ask questions or seek guidance about compliance or ethics matters. Individuals can choose to remain anonymous and can access the hotline through a 1-800 phone number or a website. Each report is reviewed and appropriately investigated.



Open Door Policy

There is also a long-standing “open door” policy at State Farm whereby any employee may seek out a member of management to discuss a matter of concern. These are examples of promoting ethical conduct and its critical importance in the governance of the organization.

Organizational adherence to these governing principles yields the desired culture and leads to sustainable long-term performance. State Farm has appointed leadership executives in the areas of audit, compliance and ethics, and corporate governance to monitor behavior and business conduct in accordance with its shared values of integrity, ethics and trust.



Business Practices: Doing the Right Thing



The manner in which State Farm conducts its business is directly tied to the expectations set for employee conduct and behavior in the Code of Conduct. To assure business operations and practices are consistent with those same expectations, there is a broad system of controls and continuous monitoring that are consistently carried out.

Financial Controls

Financial operations are a critical component of the organization’s sustainability and operational effectiveness. Essential accounting and analytics functions – including strategic planning, financial processing and financial reporting – are performed in accordance with internal and external guidelines, including regulatory guidelines, which ensure accurate reporting of financial data. These controls are tested and further evaluated by the internal audit function and external independent auditors, and ultimately overseen at the board of directors level.



Enterprise Risk Management (ERM)

ERM processes allow State Farm to assess risks and opportunities, protecting the organization from making decisions beyond the appropriate risk tolerance range and providing a pathway to explore innovative ideas for the future. This function manages activities that align with the components of an effective ERM program in order to embed risk governance and a risk-aware culture. Further, the function, led by the Chief Risk Officer, facilitates the risk management framework, the aggregation of risk information, and the reporting of risk issues throughout the organization and to high levels for appropriate risk oversight.

Regulatory Oversight

State Farm, which consists of many entities, operates in most jurisdictions across the United States and functions in a highly regulated environment. Operations are performed in compliance with applicable federal laws and regulations, as well as state and local laws and regulations impacting many aspects of the business. At the federal level, scrutiny of the basis may include, for example, tax compliance or employment standards. At the state and local level, insurance regulators pay close attention to financial reporting, information security, underwriting processes and claims practices, for example. The organization aligns operations to be compliant with applicable laws and regulations and foster a culture of compliance.



Business Practices: Doing the Right Thing

Privacy and Data Security

All stakeholders are required to comply with policies and procedures to protect the privacy of customer, consumer and associate personal information maintained and safeguarded by the organization. Information security policies and standards are maintained and enable associates to protect and secure information. Information Security Awareness is another mandatory training curriculum which helps our employees keep Company and customer data secure, reducing the risk of loss, misuse or other inappropriate disclosure. As a key risk, oversight of the privacy and information security processes involves leaders dedicated to these issues, such as a Privacy Official and Chief Information Security Officer, who ultimately report to the Chief Risk Officer.

Internal and External Auditing

The organization maintains an internal audit function that conducts audits and provides business areas with an independent and objective review of the adequacy and effectiveness of their operations' internal controls. Following professional auditing standards, as well as federal and state regulations and laws, the internal audit function supports the broader goals to maintain a financially sound organization, minimize significant risk of losses and drive positive change and opportunity. External auditing firms also engage with the organization to provide an independent review of effectiveness of internal controls, policies and procedures in relation to financial reporting.

Training and Certifications

All stakeholders, including all leadership, must complete mandatory compliance training, which is designed to set expectations for proper business conduct and help ensure ethical and legal behavior to mitigate significant risk, empower employees to take prompt action if a problem is identified and help to improve employee interactions with customers and other employees.

In addition to mandatory training, role-related training is robust and may focus on compliance, internal controls and other policies or procedures applicable to the role. The organization fosters a learning mindset, and encourages continual learning and development, whether specific to the industry or specific to the role or a desired role. This view is reflected in programs that reimburse for tuition and sponsor fees for professional designation achievement.

ESG Executive Steering Council

To complement the existing business areas dedicated to advancing our environmental, social and governance policies and actions, in 2020, State Farm formed an ESG Executive Steering Council. This group connects Company executive leadership and senior leaders overseeing ESG efforts. Stemming off the ESG Executive Steering Council, various working groups ensure the central vision of the ESG Executive Steering Council is enacted across the Company, and accomplishments captured for external reporting.





Business Practices: Doing the Right Thing

Ensuring Supplier Diversity

Embracing diversity and inclusion isn't limited to State Farm's support of agents and employees. It extends to the vendors and suppliers we work with every day. Twenty years ago, the Supplier Diversity program was established to help source qualified diverse suppliers to fulfill State Farm needs. This effort helps us identify potential suppliers from across all communities we serve. A diverse supplier base can help meet business needs and strengthen local economies. Supplier Diversity positively influences customers and communities in ways that go far beyond what we can do alone.

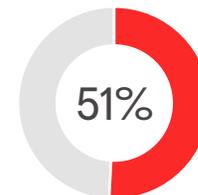
Our Actions

The State Farm Supplier Diversity Team uses several global databases to help source qualified diverse suppliers to meet product and service needs.

As of the end of 2020, the Company spend with diverse suppliers makes up 6.57% of the Company spend with all suppliers.

We continue to aim for at least 10% spend with diverse suppliers.

State Farm's Supplier Diversity program encourages the procurement of goods and services from businesses that are at least 51% owned by minorities, women or veterans; service-disabled veterans; or are owned by Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ) individuals.



Supplier Diversity is an important pillar of the State Farm Diversity and Inclusion commitment.



“I am proud of our commitment to giving businesses as diverse as our customers the opportunity to build strong, profitable relationships with us. Working with diverse suppliers provides the opportunity to receive quality services and products, help support small businesses and better understand local communities.”



Kendra Davis
Supplier Diversity Manager



What the Future Holds

Good Neighbors. Better World

Being a good neighbor is not just about what you've done in the past or one specific action. It's a continuous journey.

The information in this first report provides an overview of our efforts in the environmental, social and governance spaces in 2020. However, in order to create a better world around us, we cannot rely on the efforts of our past. We need to continue these efforts and look for new opportunities to improve the world around us.

That is why "Good Neighbors. Better World." is our ongoing commitment. In the future, you'll hear about new programs and actions dedicated to issues that impact us locally and globally.

We're starting 2021 with an announcement that we will be reducing our greenhouse gas emissions. We worked with external consultants to collect baseline data, build a forecast and establish an enterprise greenhouse gas reduction strategy. You can learn about this exciting and responsible endeavor by [visiting our newsroom](#).

The Good Neighbors. Better World. commitment extends beyond our environmental efforts, too. It's about ensuring we have a strong foundation that enables us to serve our customers and empower our communities. During the next several years, we will roll out a full suite of commitments that will help us in creating a neighborhood that we're proud to pass on to the next generation.

Together, we'll help make a better world by building resilient futures, empowering good neighbors and protecting what matters.

You can stay up to date on our efforts by visiting esg.statefarm.com for the latest on our efforts.

