

Welcome to your CDP Climate Change Questionnaire 2020

C0. Introduction

C0.1

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

The Allstate Corp. is one of the largest publicly held personal lines insurers in the United States. Allstate was founded in 1931 and became a publicly traded company in 1993. Allstate helps customers realize their hopes and dreams by providing the best products and services to protect them from life's uncertainties and prepare them for the future. The company delivers substantially more value than the competition by reinventing protection to improve customers' lives. The Allstate Corp. common stock is listed on the New York Stock Exchange under the trading symbol "ALL." Common stock is also listed on the Chicago Stock Exchange. Its business is conducted principally through Allstate Insurance Company, Allstate Life Insurance Company and other subsidiaries (collectively, including The Allstate Corp., "Allstate"). The Allstate brand is widely known through the "You're in good hands with Allstate®" slogan. Allstate was listed among Fortune Magazine's World's Most Admired Companies (2020), Newsweek's America's Most Responsible Companies (2020), and named to the World's Most Ethical Companies® list for the sixth year in a row.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2019	December 31, 2019	No

C0.3

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

- Canada
- India
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

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

Investing (Asset owner)

Insurance underwriting (Insurance company)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	<p>The Board Risk and Return Committee (RRC) oversees the effectiveness of our Enterprise Risk and Return Management (ERRM) framework, governance structure, and decision-making. Material risks, including climate-related risks, are regularly assessed and reported to senior management and the Board. The RRC assists the Board with this responsibility and reviews a quarterly risk dashboard that identifies key risks and provides an overall perspective of Allstate's risk profile. Material risks are reviewed at least five times annually.</p> <p>The RRC oversees Allstate's aggregate risk profile. This includes the identification, measurement, and management of climate-related risks and the assessment of extremely low frequency scenarios, including weather-related scenarios. For example, in 2018 the RRC was briefed on the wildfires in California to better understand our risks and impacts. The RRC is also briefed on other severe events as needed, such as hurricanes and other severe weather events (recent example: Hurricane Dorian in 2019). The RRC members participate in other Board committees to ensure transparency and alignment in managing risks throughout the</p>

	<p>organization.</p> <p>Example of a climate-related decision made: Each year, reinsurance coverage is purchased based on in-depth analysis of our exposure to catastrophe risk, including weather-related catastrophes such as named storms and severe thunderstorms. The CRO presents an analysis of reinsurance strategy and implementation for RRC transparency and alignment.</p>
Chief Risk Officer (CRO)	<p>The RRC consists of five directors on the Board. The Chief Risk Officer (CRO), Chief Financial Officer (CFO), General Counsel and Chief Legal Officer, Chief Executive Officer (CEO), Vice Chair, and Chief Audit Executive participate in meetings. The committee regularly meets in executive session, including sessions with the CRO.</p> <p>The CRO attends all meetings of the RRC and has regular executive sessions with the committee. The CRO was assigned to attend meetings of this committee because he is ultimately responsible for oversight of Allstate’s risk management program, including management of climate-related risks. The CRO is regularly updated on the impacts of significant climate related events. For example, in 2018 the CRO was briefed on the wildfires in California, and in 2019 was briefed on Hurricane Dorian, in order to provide oversight on the impacts to Allstate. The CRO and RRC review a risk control dashboard on a quarterly basis, which includes climate-related risk. Additionally, in 2020, the CRO and RRC reviewed a risk assessment of exposure to climate change. The CRO also attends other Board committees and reports regularly to the full Board and senior management throughout the organization to ensure alignment on risk-related issues, including climate change.</p>
Board-level committee	<p>The Nominating and Governance Committee (NGC) is a Board committee that oversees, among other things, Allstate’s significant corporate responsibility and sustainability initiatives, including Allstate’s Sustainability Report which contains Allstate’s GHG and other climate-related risk information. The NGC consists of four directors on the Board, and the CEO, General Counsel and Chief Legal Officer participate in meetings. In 2019, the NGC reviewed sustainability matters at two meetings, including in one joint session with the Board.</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a	Governance mechanisms into which climate-	Scope of board-level oversight	Please explain
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scheduled agenda item	related issues are integrated		
<p>Scheduled – some meetings</p>	<p>Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures</p>	<p>Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our insurance underwriting activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our insurance underwriting activities on the climate The impact of other products and services on the climate</p>	<p>The RRC oversees the effectiveness of Allstate’s ERRM framework, governance structure and decision-making. It reviews enterprise risks at least five times annually, which includes climate-related risks on an as-needed basis.</p> <p>The governance mechanisms for the RRC include:</p> <ul style="list-style-type: none"> • Reports at each meeting through an ERRM Summary Report that identifies key risks and provides an overall perspective of Allstate’s risk profile • A review of Allstate’s risk and return position, capital level, and strategic/operating plans • Reviews of extremely low frequency scenarios (“ELFs”) at least annually • Reviews of strategic risks that are assessed in-depth as part of the strategic planning processes. Climate change and severe weather are key risks that are evaluated • Reviews of regulatory Own Risk and Solvency Assessment (“ORSA”) report • Reviews of risk factors included in our Form 10-K, including risks related to climate change and severe weather • The Audit Committee Chair is an RRC member to enhance cross-committee communication • The CRO attends all meetings and has regular executive sessions with the committee <p>In FY19 the Board and RRC continued to oversee efforts to assess and mitigate climate-related risks. The impact of severe weather events, such as Hurricane Dorian in 2019, validated the effectiveness of Allstate’s</p>

			catastrophe response and risk management programs.
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C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Risk committee	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	More frequently than quarterly
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify Enterprise Risk and Return Council	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our insurance underwriting activities	More frequently than quarterly

			Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	
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C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Where in the organizational structure this position(s) and/or committee(s) lie, and why climate-related issues have been assigned to them:

The Enterprise Risk and Return Council (ERRC) is Allstate's senior risk management committee below Board level. It directs ERM by establishing risk and return targets, determining economic capital levels, and directing integrated strategies and actions from an enterprise perspective. Material risks, including those affected by climate, are regularly identified, measured, managed, monitored and reported to senior management and the Board. Risk is evaluated in six key areas: insurance, investments, financial, operational, culture, and strategic execution. The effects of climate change, including catastrophes and severe weather events, are included in several of these areas. The ERRC convenes monthly to discuss key topics, strategies and actions regarding Allstate's significant risk areas. Climate-related issues have been assigned to this committee because the ERRC focuses on identifying and capturing enterprise portfolio risk/reward opportunities, which may include topics such as climate risk.

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

C1.3

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

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

C1.3a

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

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Other (please specify) Climate Risk Management	Allstate’s overall executive compensation program is designed to deliver compensation in accordance with performance and not reward excessive risk-taking. It includes both short-term and long-term incentive components. A significant percentage of executive total direct compensation is “pay at risk” through long-term stock options and equity grant awards linked to actual company performance. This encourages a long-term perspective on risk and return. Monetary incentives for achieving corporate and performance goals include risk and return management of all risks, including those affected by climate, with the impact of weather-related losses incorporated into incentive payouts. Risk and return management includes efforts to mitigate climate-related risk through advocacy for strong building codes, customer education, and product pricing structures to promote property upkeep and maintenance and reduce the potential impact of weather-related loss events due to climate change. Management of risk and return also ensures that pricing is aligned with the full exposure of the risk, including weather-related perils.
Chief Procurement Officer (CPO)	Non-monetary reward	Supply chain engagement	As a member of the corporate executive team, Allstate’s Chief Procurement Officer is held accountable for incorporating sustainability initiatives into Allstate’s purchasing practices. Accordingly, the CPO has spearheaded a sustainability program within the Sourcing & Procurement Solutions department that will assess the environmental risks and opportunities within Allstate’s supply chain and purchasing operations, including the potential to reduce emissions for Allstate’s purchasing operations.

C-FS1.4

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

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

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

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

C2.1b

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

Substantive impact

Allstate does not apply a one-size-fits-all definition of substantive impact. Instead, we consider the totality of various factors. For example, in determining substantive financial or strategic impact to Allstate, the ERRM function weighs multiple factors, including pace of change, likelihood, potential impact and ability to achieve strategic goals. Risks that are deemed substantive are further evaluated using our economic capital models.

Substantive financial or strategic impact on our business for purposes of assessing climate-related risks are identified by qualitatively assessing alignment with our enterprise risk and return appetite and principles. We take risk prudently and purposefully without jeopardizing Allstate's financial and franchise foundation. Our activities and risks are managed in a manner that:

- Maintains capital above a regulatory minimum threshold after a stress event
- Maintains liquidity that will allow the company to meet capital needs and customer obligations
- Maintains an investment-grade senior debt rating
- Allows Allstate to meet planned dividend commitments

- Enables Allstate to maintain its reputation as a top tier institution operating with the utmost integrity

C2.2

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

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

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

Risk identification and assessment

ERRM facilitates a risk identification process that identifies the top risks with a potentially substantive financial or strategic impact on the organization. Risks and opportunities are evaluated in six key areas: insurance, investment, financial, operational, strategic execution and culture. The process evaluates risks by assessing the likelihood of occurrence and the potential impact in the context of the time horizon for achieving our objectives both at the enterprise level and within business units. This evaluation may take into consideration a variety of factors with respect to any particular risk, including its susceptibility to quantitative analysis, its speed of emergence, and our level of preparedness.

Climate-related risks are assessed across several dimensions:

- Strategic and Operating Plans: ERRM completes annual risk and return assessments for both the operating (annual) plan and the strategic (3-year) plan, focused on

alignment to the Risk and Return Principles. The operating plan assessment evaluates internal and external risk drivers, underlying assumptions, quantitative measures, and execution risk. The strategic plan assessment is an evaluation of external factors, underlying assumptions, quantitative measures and execution risk.

- Modeling: Our Catastrophe Modeling and Analytics Team and Pricing Groups monitor climate change information as part of their analysis of weather-related trends. Models developed internally and by third-party vendors are used along with our own historical data in assessing property insurance exposure to catastrophe losses. Losses and changes in exposure are analyzed and reported to senior leaders each quarter. Pricing is aligned with the full exposure of the risk, including weather-related perils.
- Management and Board Reporting: Key risks are assessed and reported at least quarterly through the ERRM's comprehensive ERRM Summary Report prepared for senior management and the Board RRC.

Oversight and decision-making structure

In addition to the Board RRC, an executive management committee structure and business unit chief risk officers (CROs) are responsible for program oversight. The Enterprise Risk & Return Council (ERRC) is the senior risk management committee that establishes risk-return targets, determines capital levels, and directs integrated strategies and actions. The Audit Committee provides additional oversight by reviewing enterprise principles, guidelines and limits for our significant risks, and by monitoring strategies and actions management takes to control these risks.

The Sustainability Council further promotes climate change accountability. Council members bring their unique perspectives and knowledge of the company's operations and customers to identify key risks and opportunities related to sustainable business practices. The Sustainability Council meets three times annually to review existing and emerging environmental and social issues, identify opportunities and strategies to address these issues, and encourage and enable employee engagement with the company's sustainability strategy.

Prioritizing and management

We rely on the ERRC and the Sustainability Council to evaluate, prioritize and enact responses to risks and opportunities related to climate change. Allstate's risk and opportunity management strategies adapt to changes in business and market environments and seek to optimize returns. Risk prioritization and escalation are followed by the development, implementation and/or verification of controls, mitigating actions, guidelines, and limits. Management does not entail elimination or avoidance of risks. Instead, it means that risks are controlled to acceptable levels, which may or may not mean a full elimination of a given risk. Risks are traded off against one another, with the goal of bringing the residual risks to acceptable levels; that is, within risk appetites and limits.

Asset-level detail

Embedded CROs and risk functions work within core business units to identify, quantify, and optimize leadership decisions and escalate risk issues. ERRM works with business

unit contacts to help identify significant risks affecting strategic, business, and financial objectives and to develop appropriate quantitative and/or qualitative measurements and targets for these key risks. A comprehensive set of processes and measurements are used to manage the different categories of risk. Key risks are measured, monitored, and reported to the ERRC, RRC, and Audit Committee.

Physical assets include owned and leased buildings and vehicles used in operations. We create, maintain and test disaster recovery plans for systems and infrastructure as well as business continuity plans for sites and processes to assure continuity during disruptive events, with specific attention on natural disaster forecasts.

Our investment portfolio includes fixed income, real estate, mortgages and equity investments that may include climate-related risks. Evaluation of climate-related risk is part of the ongoing due diligence process.

Transitional risk example

As an insurance provider, we are subject to reputational, market, and legal risks if we experience business continuity issues. For example, our cash and banking operation handles all the claim payment funding for Allstate and requires continual operation. As part of our business continuity initiatives, we have contingency plans in place for impending weather events such as a snowstorm that may shut down our offices. If this occurs, we have set up our employees to be able to work from home with the same technological capability as they have at work. We also perform cash funding functionality tests throughout the year to ensure there are no performance or connectivity issues.

Physical risk example

One example of how we manage physical risk is our approach to potential hurricane losses. We consider one of the greatest areas of potential catastrophe losses due to hurricanes to be major metropolitan centers along the Eastern and Gulf coasts of the United States. We have addressed our risk of hurricane loss by, among other actions:

- Purchasing reinsurance for specific states and countrywide for our personal lines property insurance in areas most exposed to hurricanes,
- Limiting personal homeowners insurance exposure in coastal areas in Southern and Eastern states, and
- Implementing tropical cyclone and/or wind/hail deductibles or exclusions where appropriate.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

Relevance & inclusion	Please explain

Current regulation	Relevant, always included	<p>We are subject to extensive regulation and involved in various legal and regulatory actions, all of which affect specific aspects of our business. We proactively monitor regulatory proposals that will have an impact on our business. Current regulations are included in our risk assessment and risk management process to ensure that any risks are managed properly, including anything climate-related. Additional governance is provided through our compliance processes and independent oversight.</p> <p>For example, although we are not currently subject to climate-related regulations for managing greenhouse gas emissions, it is possible that other types of regulations may indirectly affect our ability to manage climate-related risks to our business. In various states we are required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers. Over time, we have limited our aggregate insurance exposure to catastrophe losses in certain regions of the country that are subject to high levels of natural catastrophes. However, the impact of these actions may be diminished by the growth in insured values and the effect of state insurance laws and regulations.</p> <p>Changes to current regulation, either directly or indirectly climate-related, could result in higher operating costs and expenses for Allstate.</p>
Emerging regulation	Relevant, always included	<p>We are subject to extensive regulation and involved in various legal and regulatory actions, all of which affect specific aspects of our business. We proactively monitor regulatory proposals that will have an impact on our business. Emerging regulations are included in our risk assessment and risk management process to ensure that any risks are managed properly, including anything climate-related. Additional governance is provided through our compliance processes and independent oversight.</p> <p>For example, emerging regulations may affect our ability to manage climate-related risks to our business. In various states we are required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations that provide insurance coverage to individuals or entities that otherwise are unable to purchase such coverage from private insurers. Over time, we have limited our aggregate insurance exposure to catastrophe losses in certain regions of the country that are subject to high levels of natural catastrophes.</p> <p>However, the impact of these actions may be diminished by the growth</p>

		<p>in insured values and the effect of state insurance laws and regulations.</p> <p>Emerging regulations, either directly or indirectly climate-related, could result in higher operating costs and expenses for Allstate. Regulations focused on energy efficiency or carbon reduction could require changes to our operations and infrastructure.</p>
Technology	Relevant, always included	<p>Technological innovations that improve energy efficiency in buildings are of great value to our operations and are considered in our risk assessment process when evaluating these types of capital expenditures. The return on investment is examined, and depending on the total costs involved, it will be reviewed at the appropriate level of approval within our organizational structure.</p> <p>Another example of a climate-related technological risk to Allstate is in the processing of claims during hurricanes or severe weather events. In order to handle claims on-site, we need reliable, secure, and effective technology for all communications and data processing. Vulnerabilities such as connectivity issues, security breaches, or access to electricity must be mitigated, so these risks are included in our risk assessment process to ensure proper business continuity.</p>
Legal	Relevant, always included	<p>Legal risks are included in the six categories of risks regularly assessed by Allstate. Losses from legal and regulatory actions may be material to our results of operations, cash flows and financial condition.</p> <p>We are involved in various legal actions, including class-action litigation challenging a range of company practices and coverage provided by our insurance products, some of which involve claims for substantial or indeterminate amounts. We are also involved in various regulatory actions and inquiries, including market conduct exams by state insurance regulatory agencies. In the event of an unfavorable outcome in any of these matters, the ultimate liability may be in excess of amounts currently accrued, if any, and may be material to our results of operations, cash flows and financial condition.</p> <p>One example of a climate-related legal risk to Allstate is regarding policy coverage and subsequent claim payments for severe weather events. For example, during a hurricane, a homeowner may experience water or wind damage to their property that is covered by their policy. However, if the homeowner is also experiencing water damage from a nearby levee that has been breached, and this is not covered by their policy, then there may be a dispute regarding what is/isn't covered, subjecting Allstate to potential legal action.</p>

Market	Relevant, always included	<p>Allstate considers market risk as the risk that the company will incur losses due to adverse changes in market rates and prices. Since market rates and pricing could be affected by climate-related impacts, the impacts are always included in our corporate risk assessment process so we can mitigate as best as possible. To limit this risk, our senior management has established risk control limits.</p> <p>Adverse changes to rates and prices may occur due to changes in fiscal policy, the economic climate, the liquidity of a market or market segment, insolvency or financial distress of key market makers or participants or changes in market perceptions of credit-worthiness and/or risk tolerance. The active management of market risk is integral to our results. We may use the following approaches to manage exposure to market risk within defined tolerance ranges: 1) rebalancing existing asset or liability portfolios, 2) changing the type of investments purchased in the future, and 3) using derivative instruments to modify the market risk characteristics of existing assets and liabilities or assets expected to be purchased.</p> <p>In addition, catastrophe risk is managed through exposure management processes and external risk transfer. Allstate has taken significant steps to limit our exposure in certain coastal regions.</p>
Reputation	Relevant, always included	<p>Our Strategic Risk Management process addresses loss associated with inadequate or flawed business planning or strategy setting. This includes reputational risk, which is the potential for negative publicity regarding our conduct or business practices to adversely impact profitability, operations, consumer base, or require costly litigation and other defensive measures. Climate-related reputational risks are also included in this process.</p> <p>We proactively monitor our sustainability efforts through collaborative efforts across the organization. The Sustainability Report is published annually, providing insights into our efforts and commitments. Further, ongoing support is provided by senior management through various governance processes, including the Enterprise Risk and Return Council.</p> <p>Additionally, we manage climate-related reputational risk through the Allstate Board and senior management strategy reviews that include a risk and return assessment of our strategic plans and ongoing monitoring of our strategic actions and the external competitive environment. For a property-casualty insurance company, focusing on our ability to pay claims timely and appropriately following losses due to severe weather and catastrophes is critical in managing climate-related reputational risk.</p>

		<p>Allstate seeks to maintain an understanding of climate risks that directly affect both our liability insurance products and our assets, and we act to modify those products and protect those assets accordingly to protect our shareholders, our customers and our reputation. By acting on this understanding, we enhance our reputation and increase support from consumers, which can lead to increased willingness to buy a policy and recommend us to other potential customers.</p>
Acute physical	Relevant, always included	<p>The increased frequency and severity of weather events and natural catastrophes affect the cost and number of claims submitted by our customers. Associated rate increases can also impact the Allstate customer experience and our reputation. Our success depends, in part, on our ability to properly model, price and manage climate-related risks, as well as develop products and services to address climate change.</p> <p>For example, there is generally an increase in the frequency and severity of auto and property claims when severe weather conditions occur. We consider one of the greatest areas of potential catastrophe losses due to hurricanes generally to be major metropolitan centers in counties along the Eastern and Gulf coasts of the United States.</p> <p>Anything related to hurricanes and severe weather is included as a financial risk in our climate-control risk assessments. In addition, CAT teams model hurricanes and tropical storms as well as severe weather such as tornadoes and hail. We monitor experience closely to ensure trends are reflected in our pricing, thus mitigating our exposure and aligning pricing with exposure.</p>
Chronic physical	Relevant, always included	<p>Allstate understands that in addition to exacerbating the frequency and severity of natural catastrophes, climate change will likely also have chronic impacts such as sea level rise. Chronic climate-related physical impacts are regularly included in our risk assessment process, to ensure we are properly mitigating the potential risks.</p> <p>The increased frequency and severity of damage in coastal regions due to sea level rise affect the cost and number of claims submitted by our customers. Associated rate increases can also impact the Allstate customer experience and our reputation. Our success depends, in part, on our ability to properly model, price and manage climate-related risks, as well as develop products and services to address the chronic physical impacts of climate change.</p> <p>For example, in order to mitigate the impact of our losses in areas subject to sea level rise, we are being selective with personal homeowners insurance new business underwritings in certain coastal</p>

		<p>areas, as well as utilizing deductibles or exclusions where appropriate.</p> <p>We monitor experience closely to ensure trends are reflected in our pricing, thus mitigating our exposure and aligning pricing with risk.</p>
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C-FS2.2b

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

	We assess the portfolio's exposure	Please explain
Investing (Asset owner)	Yes	<p>Responsible Investing</p> <p>Our investment decisions represent a critical part of our corporate responsibility footprint, affecting employees, customers and investors. We provide the best value for shareholders by taking a competitive and holistic approach with our \$88 billion investment portfolio (as of 2019). As a steward of this portfolio, Allstate understands that environmental, social and governance (ESG) issues may influence investment performance. Our investment analysis and decision-making process consider these issues along with our values.</p> <p>Accountability</p> <p>In 2019, we formed a Responsible Investing Committee (RIC) with representatives from The Allstate Corporation and Allstate Investments. The RIC’s actions may include monitoring ESG investing trends, understanding ESG investing best practices, and periodically reporting about its activities to other authorities within Allstate, among other responsibilities.</p> <p>Policies and Procedures</p> <p>In June 2020, Allstate’s Investment Management Committee adopted our Responsible Investing Policy. The Policy outlines our expectations for investment professionals to consider available data for ESG-related factors when making investment decisions and requesting our external money managers to do the same. We expect our investment professionals to refrain from making certain types of investments that may result in significant ESG-related risks and consult with the Responsible Investing Committee, as needed, on any related asset selection decisions. In addition to our Responsible Investing Policy, our Investment Management Guidelines state that investment managers’ analysis and decision-making consider environmental, social and governance issues</p>

		<p>alongside our values and reputation when assessing the risk/return trade-off of a particular investment. Investment managers are expected to act in accordance with the letter and the spirit of the guidelines.</p> <p>Programs and Performance Climate Risk</p> <p>When evaluating our investment portfolio, we are mindful of climate change risks. We purposefully evaluate and manage exposure to certain catastrophe risks in our commercial real estate portfolio, like those that may be impacted by climate change. When considering new investments in physical assets, including commercial real estate, we evaluate whether the risk profile is consistent with our risk appetite as determined by senior leadership.</p>
<p>Insurance underwriting (Insurance company)</p>	<p>Yes</p>	<p>Allstate works to understand climate risks that affect our insurance products and assets. Allstate’s Catastrophe Modeling and Analytics Team and pricing groups monitor climate change information and update leadership regularly. We manage climate-related risks and opportunities within our Enterprise Risk and Return Management (ERRM) framework, which applies risk-return principles, governance, modeling and analytics, while maintaining our strong foundation of financial strength, building strategic value, and optimizing return. Climate-related risks are identified, measured, managed, monitored and reported while focusing on insurability, underwriting and investments. Allstate has been able to adapt to increased catastrophe risk through actions that include:</p> <ul style="list-style-type: none"> • Purchasing multi-year reinsurance protection as well as aggregate coverage, giving Allstate protection in years with extreme losses across multiple risk types • Limiting new business for our personal lines auto and property insurance in areas most exposed to hurricanes, including coastal areas in Southern and Eastern states • Implementing Tropical Cyclone and/or Wind/Hail deductibles or exclusions where appropriate • Partnering with federal and state governments for over 25 years to create programs to help provide protection for insureds most exposed to climate change through the establishment of entities like Florida Citizens, the Florida Hurricane Catastrophe Fund, the Texas Windpool Insurance Association, the California Earthquake

		<p>Authority, as well as leading industry initiatives through the founding of Protecting America.org</p> <ul style="list-style-type: none"> • Limiting coverage exposure for existing and new risks as hurricanes/tropical storms imminently approach landfall
Other products and services, please specify		

C-FS2.2c

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

	Portfolio coverage	Assessment type	Description
Investing (Asset owner)	Majority of the portfolio	Qualitative and quantitative	Allstate’s Investment ESG policy requires Investment professionals to consider ESG risks. When evaluating our investment portfolio, we are mindful of climate change risks. We purposefully evaluate and manage exposure to certain catastrophe risks in our commercial real estate portfolio, like those that may be impacted by climate change. When considering new investments, we evaluate whether the risk profile is consistent with our risk appetite as determined by senior leadership.
Insurance underwriting (Insurance company)	All of the portfolio	Qualitative and quantitative	<p>Allstate works to understand climate risks that affect our insurance products and assets. Allstate’s Catastrophe Modeling and Analytics Team and pricing groups monitor climate change information and update leadership regularly. We manage climate-related risks and opportunities within our Enterprise Risk and Return Management (ERRM) framework, which applies risk-return principles, governance, modeling and analytics, while maintaining our strong foundation of financial strength, building strategic value, and optimizing return. Climate-related risks are identified, measured, managed, monitored and reported while focusing on insurability, underwriting and investments. Allstate has been able to adapt to increased catastrophe risk through actions that include:</p> <ul style="list-style-type: none"> • Purchasing multi-year reinsurance protection as well as aggregate coverage, giving Allstate protection in

			<p>years with extreme losses across multiple risk types</p> <ul style="list-style-type: none"> • Limiting new business for our personal lines auto and property insurance in areas most exposed to hurricanes, including coastal areas in Southern and Eastern states • Implementing Tropical Cyclone and/or Wind/Hail deductibles or exclusions where appropriate • Partnering with federal and state governments for over 25 years to create programs to help provide protection for insureds most exposed to climate change through the establishment of entities like Florida Citizens, the Florida Hurricane Catastrophe Fund, the Texas Windpool Insurance Association, the California Earthquake Authority, as well as leading industry initiatives through the founding of Protecting America.org • Limiting coverage exposure for existing and new risks as hurricanes/tropical storms imminently approach landfall
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C-FS2.2d

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

	We assess the portfolio’s exposure	Portfolio coverage	Please explain
Investing (Asset owner)	Yes	Minority of the portfolio	Allstate Investments assesses water-related risks in investments that could potentially be impacted.
Insurance underwriting (Insurance company)	Yes	Minority of the portfolio	For the peril of flooding, Allstate reviews exposure to storm surge from hurricanes as part of our quarterly modeling and annual projection processes. This information is likewise a consideration for pricing for the Net Cost of Reinsurance for the auto lines of business, as well as an input for the underwriting risk model which is leveraged for determination of the cost of capital. In order to mitigate the impact of our losses in areas subject to sea level rise, we are being

			selective with personal homeowners insurance new business underwritings in certain coastal areas, as well as requiring other deductibles or exclusions where appropriate. We monitor experience closely to ensure trends are reflected in our pricing, thus mitigating our exposure and aligning pricing with risk.
Other products and services, please specify			

C-FS2.2e

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset owner)	Yes	Minority of the portfolio	Allstate Investments assesses forest-related risks in forest-related investments
Insurance underwriting (Insurance company)	Not applicable		Allstate’s underwriting portfolio is almost entirely comprised of personal lines risks for which there would be no exposure to forests-related risks and opportunities.
Other products and services, please specify			

C-FS2.2f

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

	We request climate-related information	Please explain
Investing (Asset owner)	Yes, for some	The implementation of the Allstate Investments Management Committee’s Responsible Investing Policy encourages Investment Professionals to request ESG policies from 3rd party money managers and General Partners.
Insurance underwriting (Insurance company)	Not applicable	No climate-related data is requested directly from those seeking insurance coverage, however, some 3rd party data which is climate-related is used as a determination in underwriting.

Other products and services, please specify		
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C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

C2.3b

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

	Primary reason	Please explain
Row 1	Other, please specify Risks exist, however management of these risks is fully integrated into our business model.	<p>On an ongoing basis, Allstate identifies, assesses, mitigates, reports and monitors material risks, including climate change, through our integrated Enterprise Risk and Return Management (ERRM) program. The ERRM Program enables holistic management of key risks and incorporates risk and return management within our business model. The ERRM Program uses governance principles, risk and return modeling, and analytics and applies our risk appetite statement, risk-return principles, and risk limits, with risks that are considered material being escalated to senior management and the Board.</p> <p>Risk is evaluated across six key areas: insurance, investments, financial, operational, culture and strategic execution. Climate change risks facing Allstate primarily pertain to insurance and investment risk categories due to the impact of climatic change on catastrophes and severe weather events and performance of some investments. Our evaluation of climate-related risk is summarized below:</p> <ul style="list-style-type: none"> • Allstate continuously evaluates products to ensure our prices adequately reflect risks, including climate change. We monitor state-specific risks and scientific consensus on climate change impacts, as well as competitor trends and competitor pricing methods. We also continually evaluate our pricing methodology to identify better ways to estimate future expected loss. • Climate-related risks overwhelmingly apply to our homeowners insurance business, which can be repriced to reflect experience. Where Allstate is unable to adjust prices, additional underwriting measures can be used to manage the risk as desired. The

		<p>investment portfolio can be adjusted, if needed, given its strong liquidity profile.</p> <ul style="list-style-type: none"> • Losses from homeowners and auto insurance enable detailed analysis of trends as they emerge. • Climate change unfolds over a long multiyear horizon. Allstate’s advanced data and analytics processes help identify long-term trends in our risks. In the short term, natural fluctuations in loss experience significantly exceed potential changes due to long-term climate changes. • The short-tail nature of our personal lines business facilitates the ability to respond to changes in underlying trends. • Allstate has a strong reinsurance program. The program is designed to mitigate significant fluctuations in loss experience and to preserve capital. • Sustainability efforts help guard against reputational damage.
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C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

C2.4b

(C2.4b) Why do you not consider your organization to have climate-related opportunities?

	Primary reason	Please explain
Row 1	Opportunities exist, but none with potential to have a substantive financial or strategic impact on business	<p>Our Sustainability Council meets three times annually to review existing and emerging environmental and social issues, identify opportunities and strategies to address these issues, and encourage and enable employee engagement with the company’s sustainability strategy. By properly managing the risks and opportunities our stakeholders care most about, we aim to leverage potential opportunities that may arise.</p> <p>We also identify and assess climate-related opportunities through our sustainability materiality assessment process, in which key issues are evaluated to determine the relevant importance to stakeholders, and importance to the business.</p> <p>Opportunities are assessed using the same financial and strategy criteria of the ERRM risk process. In 2019 we re-evaluated climate-related opportunities regarding the reputational benefits of strong climate-related performance. For example, by improving Allstate’s reputation as a sustainability and climate leader,</p>

		<p>customer and consumer behavior may shift, increasing demand for our products and services and thereby potentially increasing our customer base.</p> <p>While this opportunity does play a role in our strategic goals and activities, it was not determined to meet the threshold of significance to be considered a substantive financial or strategic opportunity for the business.</p> <p>Allstate does not apply a one-size-fits-all definition of substantive impact. Instead, we consider the totality of various factors. For example, in determining substantive financial or strategic impact to Allstate, the ERRM function weighs multiple factors, including pace of change, likelihood, potential impact, and ability to achieve strategic goals. Risks and opportunities that are deemed substantive are further evaluated using our economic capital models.</p> <p>Our Sustainability Council will continue to review potential climate-related opportunities at least annually, or more frequently as issues arise.</p>
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C3. Business Strategy

C3.1

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

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify Customized scenario analysis as a part of	We analyze the potential impact of climate-linked changes as part of the Strategic Planning process. For example, the Strategic Planning process

our Strategic Planning process	<p>has considered the impact of weather and climate and the related impact on our insurance and non-insurance businesses. These scenarios and topics are discussed with the Allstate Board of Directors as part of the planning process.</p> <p>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 our own historical data in assessing property insurance exposure to catastrophe losses. Our projections for hurricane activity include climate variables such as sea surface temperatures. Losses and changes in exposure are analyzed and reported to senior leaders each quarter. Additionally, our internal stress tests focus on predicting business continuity, resiliency and solvency through a variety of catastrophe scenarios.</p> <p>The Catastrophe Modeling and Analytics Team also partners with our Investment group to model mortgage and real estate portfolios under consideration. For commercial real estate, we classify our investments based upon their modeled exposure to certain catastrophe risks and incorporate these risks in our underwriting and insurance practices. The portfolio is geographically diversified with modest exposure to coastal properties and areas of California most prone to wildfires due to deliberate underwriting around wildfire, flood and hurricane exposure.</p>
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C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Allstate seeks to understand climate risks that directly affect both our insurance products and our assets. We modify those products and protect those assets accordingly, to protect our shareholders, our customers and our reputation. For example, the company provides the Homeowners Policy Green Improvement Reimbursement Endorsement, which allows a customer to replace covered, damaged, or destroyed equipment with more energy-efficient items. This endorsement includes a provision under which customers are reimbursed the additional cost incurred to replace such appliances.

		<p>In addition, Allstate offers Milewise, a “pay-per-mile” personal auto insurance product which invites drivers to “Drive Less. Save More” and may decrease total miles driven and result in lower total emissions.</p> <p>Management of the Commercial Real Estate portfolio reflects potential impacts of climate change to commercial real estate investments.</p>
Supply chain and/or value chain	Yes	<p>At Allstate, environmental and social leadership in our purchasing decisions helps us demonstrate Our Shared Purpose. Under our Chief Procurement Officer, the Sustainability Sourcing Lead is dedicated to overseeing our sustainable procurement strategy that evaluates, tracks, and mitigates ESG risk exposure, increasing visibility and transparency in the supply chain.</p> <p>By understanding how suppliers are managing factors such as GHG emissions, waste, regulatory compliance and cybersecurity, we can better articulate Allstate’s expectations. By actively managing these risks, we enhance our reputation and align procurement decisions with environmental and social responsibility, which increases the confidence of stakeholders who depend on Allstate’s performance.</p>
Investment in R&D	Yes	<p>Allstate’s long-term strategy includes investments in technology, data, and analytics to further drive efficiencies in our operations and the products we offer our customers. The transformation of the personal transportation system – brought about by trends in vehicle connectivity, electrification, shared mobility and autonomous driving technologies – will result in tremendous efficiencies and benefits, including environmental.</p> <p>Allstate is pursuing several initiatives to support the transformation of the personal transportation system, including using data analytics to enhance traffic flows and further support system efficiencies. Two personal auto insurance products developed by Allstate, called Drivewise and Milewise, are changing the landscape of auto insurance and offering customers greater transparency and pricing sophistication, thanks to significant developments in technology and data analytics. We’ve launched Avail, a peer-to-peer car sharing platform that connects drivers and</p>

		<p>car owners, providing a protected car sharing experience conveniently located where people live, work and travel. Allstate is also supporting the adoption of different transportation modes by providing insurance solutions to ride hailing providers such as Uber.</p>
Operations	Yes	<p>Allstate seeks to maintain an understanding of climate risks that directly affect our insurance products, assets and investment portfolio, and to adjust our strategy and risk profile accordingly to protect shareholders, customers, and our reputation. Specifically, weather and natural catastrophe loss volatility and other climate impacts are factored into our ERRC-approved risk limits and growth strategies, which are reviewed with the Board. Our business objectives and strategy are then informed by identified risks, as applicable.</p> <p>Additionally, Allstate is conscious of the environmental footprint of our operations and continuously strives to decrease our impact. Efforts include reducing companywide paper use and helping customers do the same, as well as promoting recycling and energy reduction efforts at our facilities.</p> <p>We continually address our risk of hurricane loss by, among other actions, purchasing reinsurance for specific states and on a countrywide basis for our personal lines property insurance in areas most exposed to hurricanes; limiting personal homeowners, landlord package policy and manufactured home insurance in coastal areas in Southern and Eastern states; implementing tropical cyclone deductibles where appropriate; and not offering continuing coverage on certain policies in coastal counties in certain states. We are also working to promote measures to prevent and mitigate losses and make homes and communities more resilient, including enactment of stronger building codes and effective enforcement of those codes, adoption of sensible land use policies, and development of effective and affordable methods of improving the resilience of existing structures.</p>

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	<p>Revenues</p> <p>Direct costs</p> <p>Indirect costs</p> <p>Capital expenditures</p> <p>Capital allocation</p> <p>Acquisitions and divestments</p> <p>Access to capital</p> <p>Assets</p> <p>Liabilities</p> <p>Provisions or general reserves</p> <p>Claims reserves</p>	<p>Climate-related risks and opportunities factor into our financial planning process for the elements listed. Examples below:</p> <p>Revenues: The insurance industry is exposed to climate-related risks, such as catastrophes and severe weather events which may subject our P&C business to significant losses. These risks could impact our revenues in a variety of ways. For example, Homeowners premium growth rates and retention could be adversely impacted by adjustments to our business structure, size and underwriting practices in markets with significant severe weather and catastrophe risk exposure. We expect the overall magnitude of this impact to be medium.</p> <p>Liabilities: Increases in frequency or severity of natural catastrophes has a direct impact on our insurance liabilities. For example, there may be increased frequency or intensity of storms, tornadoes and hurricanes as well as wildfires and flooding in various geographic areas. Additionally, there may be an impact on the demand, price and availability of automobile and Homeowners insurance, reinsurance coverages as well as the value of our investment portfolio. Due to significant variability associated with future changing climate conditions we are unable to predict the impact climate change will have on our business.</p> <p>Case Study: Impact of rising sea levels, increased flooding, and hurricane exposure on Florida real estate, and potential impacts factored into planning</p> <p>A. Expected impacts of increasing temperatures by 2050:</p> <ol style="list-style-type: none"> 1) Hurricanes – Lower frequency but increasing severity. Average loss is similar with increased volatility 2) Flooding – increased precipitation and sea levels □ more storm surge with hurricane events, more localized '100 year' floods <p>B. Evaluation of potential risks within the social/economic system</p> <ol style="list-style-type: none"> 1) Allstate has direct exposure to hurricanes through our products 2) Some risk is mitigated by passing to reinsurers. The Florida Hurricane Cat Fund (FHCF) and other state-specific wind pools exposes us to some credit risk and assessment exposure 3) Flood exposure is covered by the National Flood Insurance Program (NFIP), for which we administer claims 4) Poor customer experience with NFIP can expose us to reputation risk 5) Increasing costs of direct damage coverage suppresses existing property values

		6) May lead to secondary exposure in certain assets, such as State/Municipal debt
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C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.2

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.2a

(C-FS3.2a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Investing (Asset owner)	Sustainable/Responsible Investment Policy Other, please specify Investment guidelines	All of the portfolio	The Allstate Investments' Responsible Investing Policy covers this topic and Investment Guidelines restrict certain coal-related investments
Insurance underwriting (Insurance company)	Risk policy Insurance underwriting policy	All of the portfolio	Allstate works to understand climate risks that affect our insurance products and assets. Allstate's Catastrophe Modeling and Analytics Team and pricing groups monitor climate change information and update leadership regularly. We manage climate-related risks and opportunities within our Enterprise Risk and Return Management (ERRM) framework, which applies risk-return principles, governance, modeling and analytics, while maintaining our strong foundation of financial strength, building strategic value, and optimizing return per unit of risk. Climate-related risks are identified, measured, managed, monitored and reported while focusing on insurability, underwriting and investments. Allstate has been able to adapt to increased catastrophe risk through actions that include:

		<ul style="list-style-type: none"> • Purchasing multi-year reinsurance protection as well as aggregate coverage, giving Allstate protection in years with extreme losses across multiple risk types • Limiting new business for our personal lines auto and property insurance in areas most exposed to hurricanes, including coastal areas in Southern and Eastern states • Implementing Tropical Cyclone and/or Wind/Hail deductibles or exclusions where appropriate • Partnering with federal and state governments for over 25 years to create programs to help provide protection for insureds most exposed to climate change through the establishment of entities like Florida Citizens, the Florida Hurricane Catastrophe Fund, the Texas Windpool Insurance Association, the California Earthquake Authority, as well as leading industry initiatives through the founding of Protecting America.org • Limiting coverage exposure for existing and new risks as hurricanes/tropical storms imminently approach landfall <p>The following walkthrough has been provided to demonstrate one way the previously identified coverage restrictions would apply, namely in the case of Tropical Cyclone Deductibles (TCDs). Allstate's Texas Homeowners product requires policies to be written on an ex-wind basis if they are in a designated coastal zone, except for select ZIP codes within the zone. Those ZIP codes still restrict coverage, though, unless the insured property is a minimum stated distance from the coast. For any policy which can be written with wind coverage, a mandatory TCD is</p>
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			enforced. Those areas of the state which allow wind coverage were selected based on an analysis of Allstate's corporate risk tolerance. Allstate's corporate risk tolerance is, in part, guided by anticipated exposure to future hurricane risk. This framework results in different restrictions by state and/or line of business but is directly informed by consideration of climate-related issues.
Other products and services, please specify			

C-FS3.2b

(C-FS3.2b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Investing (Asset owner)	New business/investment for new projects	Investment Guidelines restrict certain coal-related investments: 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. 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.

C-FS3.3

(C-FS3.3) Are climate-related issues factored into your external asset manager selection process?

Yes, for some assets managed externally

C-FS3.3a

(C-FS3.3a) How are climate-related issues factored into your external asset manager selection process?

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

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2010

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2007

Covered emissions in base year (metric tons CO₂e)

188,715

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

66

Target year

2020

Targeted reduction from base year (%)

20

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

150,972

Covered emissions in reporting year (metric tons CO₂e)

126,094

% of target achieved [auto-calculated]

165.9142092573

Target status in reporting year

Achieved

Is this a science-based target?

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

Please explain (including target coverage)

Reduce energy use at owned facilities 20% by 2020. Percentages are calculated based on changes in energy consumption (btu) over time and therefore differ from changes in emissions over time. Note, base year emissions have been adjusted to reflect structural changes. This target was achieved in 2014 and is maintained each year. We anticipate a continued reduction in our real estate footprint as our remote workforce increases.

As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2020.

C4.2

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

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	2	15,763
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Transportation
Company fleet vehicle replacement

Estimated annual CO2e savings (metric tonnes CO2e)

303

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

34,450

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

1,625,000

Payback period

4-10 years

Estimated lifetime of the initiative

3-5 years

Comment

Allstate operates a fleet of about 3,000 sedans and SUVs to support the business travel requirements of the Claims, Distribution and Service Businesses teams.

A few years ago, we started to use more hybrid vehicles to improve our fuel economy and reduce CO2 output. We incentivize employees to choose the hybrid sedan by lowering the associated personal use fee. In 2019, we moved to only hybrid offerings in the US and Canada, and as of early 2020 have a fleet comprising about 50% hybrid.

The data provided here is based upon a net increase of 65 hybrid vehicles from 2018 to 2019.

Initiative category & Initiative type

Low-carbon energy consumption

Other, please specify

Wind and solar via RECs

Estimated annual CO2e savings (metric tonnes CO2e)

15,460

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

0

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

36,000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

For several years Allstate has committed to purchasing RECs to cover 10% of electricity use at our corporate headquarters in Northbrook, Illinois and in 2018 we increased this commitment to 100% of electricity use at our Northbrook headquarters. In FY19 we purchased RECs covering 33,709 MWH of electricity and an estimated 17,952 MT CO2e in GHG emissions. By deducting the 2,492 MT CO2 covered by RECs in FY18, we estimate the 'additional' FY19 emissions from RECs at 15,460 MT CO2e.

C4.3c

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

Method	Comment
Employee engagement	<p>We incentivize employees to choose the hybrid sedan for fleet vehicle use by lowering the associated personal use fee.</p> <p>We educate employees about the importance of reducing paper and energy use and easy ways to save paper and energy. Printing usage and purchasing is reviewed almost daily by management.</p> <p>In 2018 we implemented a “Follow Me Print” program, which links all print jobs to employee badges. The employee needs to badge in at the printer in order for the print job to be completed, and if within 72 hours there is no employee action, the print job disappears from the system.</p> <p>Employees are also reminded daily when they see our ‘vacancy sensors,’ which turn the lights off when they don’t see people/movement (lights go off in meetings regularly). These sensors are installed in all new construction projects and are currently in place in 98% of offices and private meeting spaces.</p> <p>We also have “vampire” devices that turn off equipment when not in use. Our flexible work policy also helps drive emissions reductions by offering compressed and part-time work schedules, telecommuting, home-based work, job sharing and flexible starting times. In addition, we held Earth Day events, which promoted energy efficiency and other sustainability-related activities. This year’s event included a “print-free day” to discourage employees from printing unnecessarily.</p>
Internal incentives/recognition programs	<p>In 2010, Allstate set a goal to reduce energy use by 20% by 2020 for Allstate-owned facilities (compared with our 2007 baseline) and we achieved this goal in 2014. Allstate has continued to maintain the 20% reduction goal for the past six years and is currently developing our next energy reduction goal which we expect to announce in 2021. Goals are figured into the employees’ overall performance evaluation that determines career progression and monetary bonuses. Additionally, monetary bonuses for the Allstate Corporate executive team are tied to meeting overall corporate goals. While there are no specific incentives for management of climate change issues, incentives for achieving</p>

	corporate and performance goals include risk and return management of all risks, including those affected by climate change.
Dedicated budget for other emissions reduction activities	For several years Allstate has committed to purchasing RECs to cover 10% of electricity use at our corporate headquarters in Northbrook, Illinois and in 2018 we increased this commitment to 100%. Additional commitments for REC purchases have also been implemented in 2020 and will be reported in our 2021 CDP submission.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

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

Level of aggregation

Product

Description of product/Group of products

To help customers decrease their household carbon footprint, we provide the Homeowners Policy Green Improvement Reimbursement Endorsement, which allows a customer to replace damaged or destroyed appliances or equipment with more energy-efficient items and be reimbursed the additional cost to replace them. The endorsement, available for additional premium, only applies for losses covered in the contract and is subject to limits specified in the endorsement. The additional reimbursement applies to certain categories of Energy Star®-rated products – such as washers and refrigerators; computers and electronics; heating and cooling equipment; and certain plumbing and building equipment. These products generally save electricity or water, reducing a home’s environmental impact while lowering homeowners’ utility bills. Allstate offers the Homeowners Policy Green Improvement Reimbursement Endorsement in most states.

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

Avoided emissions

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

Other, please specify

Internal Allstate Classification

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

% of total portfolio value

Asset classes/ product types

Insurance underwriting
Property & Casualty

Comment

Level of aggregation

Product

Description of product/Group of products

Our pay-per-mile insurance product, Milewise, incents customers to drive less (and subsequently emit less CO₂) by providing real-time savings to those customers. The less you drive, the less you pay because customers of this product pay only for the miles they drive.

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

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

Milewise is currently available in 17 states and 45% of the US market.

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

Avoided emissions

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

Other, please specify
Internal Allstate Classification

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

% of total portfolio value

Asset classes/ product types

Insurance underwriting
Property & Casualty

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2007

Base year end

December 31, 2007

Base year emissions (metric tons CO₂e)

58,691

Comment

Scope 2 (location-based)

Base year start

January 1, 2007

Base year end

December 31, 2007

Base year emissions (metric tons CO₂e)

178,015

Comment

Scope 2 (market-based)

Base year start

January 1, 2015

Base year end

December 31, 2015

Base year emissions (metric tons CO₂e)

114,396

Comment

C5.2

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

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

39,230

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

86,863

Scope 2, market-based (if applicable)

74,230

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

10,528

Emissions calculation methodology

Allstate has estimated the emissions from the production of the paper used in bill documents. Calculations are based on research done by the Paper Task Force, a peer-reviewed study of the lifecycle environmental impacts of paper production and disposal. *Emissions Factor: 1 short ton of paper = ~2.5 MTCO₂e (Source: Documentation for the Paper Calculator Version 3.2

https://s3.amazonaws.com/EPNPaperCalc/documents/Paper_Calculator_Documentation.pdf) * GWP: CO₂: 1, CH₄: 25, N₂O: 298

(Source: IPCC Fourth Assessment Report: Climate Change 2007)

(<http://c.environmentalpaper.org/home>)

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

100

Please explain

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

0

Emissions calculation methodology

Cradle-to-gate emissions associated with carpet & flooring purchases acquired during the reporting year were estimated based on data provided by Interface Carpets for purchases made in FY2019. Allstate purchased 43,367 square yards of Carbon Neutral Flooring which Interface estimated as 335 metric tons of CO₂e. As a part of its Carbon Neutral Flooring program Interface provided a certificate indicating that all 335 MT CO₂e were retired, so we have reported this category as zero emissions. Calculations provided to Allstate by Interface were based in part on the US EPA Greenhouse Gas Equivalencies Calculator. The certificate number is US08182020-1048.

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

100

Please explain

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

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

4,343

Emissions calculation methodology

Electricity losses during transmissions and distribution to Allstate facilities have been estimated to be 5% based on a loss-rate published by the U.S. Energy Information Administration. Emissions associated with these losses have been calculated based on regional eGRID factors. All GWPs were sourced from the IPCC Fourth Assessment Report (AR4 - 100 year)

Scope 2 Location-Based Emissions = 86,863 mtCO₂e x 5% = 4343 mtCO₂e

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

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

3

Emissions calculation methodology

Allstate has estimated the emissions associated with the upstream transportation of paper not already included in Purchased Goods and Services. This estimation is based on the purchase paper transported an average of 229 miles. CO₂, CH₄, and N₂O emissions data for highway vehicles are from Table 2-15 of the Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2012. Vehicle-miles and passenger-miles data for highway vehicles are from Table VM-1 of the Federal Highway Administration Highway Statistics 2012. CO₂e emissions data for non-highway vehicles are based on Table A-116 of the U.S. Greenhouse Gas Emissions and Sinks: 1990–2012, which are distributed into CO₂, CH₄, and N₂O emissions based on fuel/vehicle emission factors. Freight ton-mile data for non-highway vehicles are from Table 1-50 of the Bureau of Transportation Statistics, National Transportation Statistics for 2012. All GWPs were sourced from the IPCC Second Assessment Report (SAR). Distance estimates are based on Commodity Flow Surveys (U.S. Department of Transportation et al. 999, 2004, U.S. Environmental Protection Agency 2006) * GWP: CO₂: 1, CH₄: 25, N₂O: 298 (Source: IPCC Fourth Assessment Report: Climate Change 2007) (<http://c.environmentalpaper.org/home>)

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

0

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

446

Emissions calculation methodology

Home office waste to landfill in FY2019 is estimated at =939.3 tons

GHG Emissions per Ton of Mixed MSW Landfilled (MT CO₂E) = .48 (EPA The Waste Reduction Model (WARM) v2015) 939.3 tons x .48 MT CO₂e/ton = 446 MT CO₂e *
GWP: CO₂: 1, CH₄: 25, N₂O: 298

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

100

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

8,857

Emissions calculation methodology

Estimate reflects round trip commuting for employees out of the Northbrook, IL campus. Assumptions: "Summary of Travel Trends: 2009 National Travel Household Survey 5% public transportation, 10% carpool, 85% single occupancy 23.9 mi/gal (mpg) US EPA "Greenhouse Gas Emissions from a Typical Passenger Vehicle" Passenger car: 8.8 kg CO₂/gal (19.4 lbs CO₂/gal). US EPA "Average Carbon Dioxide Emissions Resulting from Gasoline and Diesel" Bus: 0.058 kg CO₂/passenger mile: US EPA Emission Factors for Greenhouse Gas Inventories GWPs are from the IPCC Fourth Assessment Report.

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

100

Please explain

This category includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

13,412

Emissions calculation methodology

Estimate reflects round trip commuting for employees out of the Northbrook, IL campus. Assumptions: "Summary of Travel Trends: 2009 National Travel Household Survey 5% public transportation, 10% carpool, 85% single occupancy 23.9 mi/gal (mpg) US EPA "Greenhouse Gas Emissions from a Typical Passenger Vehicle" Passenger car: 8.8 kg CO₂/gal (19.4 lbs CO₂/gal). US EPA "Average Carbon Dioxide Emissions Resulting from Gasoline and Diesel" Bus: 0.058 kg CO₂/passenger mile: US EPA Emission Factors for Greenhouse Gas Inventories GWPs are from the IPCC Fourth Assessment Report.

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

0

Please explain

This category includes emissions from the transportation of employees between their homes and their worksites. Emissions from employee commuting may arise from: • Automobile travel • Bus travel • Rail travel • Air travel • Other modes of transportation.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category includes emissions from the operation of assets that are leased by the reporting company in the reporting year and not already included in the reporting company's scope 1 or scope 2 inventories. This category is not relevant to Allstate since all leased assets were included as part of reported scope 1 and 2 emissions.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

This category includes emissions from transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer. This category is not relevant to Allstate since the company does not sell any physical products.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category includes emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by the reporting company. This category is not relevant to Allstate since the company does not sell any physical products.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category includes emissions from the use of goods and services sold by the reporting company in the reporting year. This category is not relevant to Allstate since the company does not sell any physical products.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category includes emissions from the waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life. This category is not relevant to Allstate since the company does not sell any physical products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category includes emissions from the operation of assets that are owned by the reporting company (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or scope 2. This category is not relevant to Allstate since the company does not lease any assets to other entities.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

This category includes emissions from the operation of franchises not included in scope 1 or scope 2. This category is not relevant to Allstate since the company does not have any franchises.

Other (upstream)

Evaluation status

Not evaluated

Please explain

Other (downstream)

Evaluation status

Not evaluated

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00000254

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

113,460

Metric denominator

unit total revenue

Metric denominator: Unit total

44,675,000,000

Scope 2 figure used

Market-based

% change from previous year

21.6

Direction of change

Decreased

Reason for change

GHG emissions per unit total revenue of 0.00000254 decreased by 21.6% in FY2019 when compared with the previous reporting year. The change is driven by a decrease in Scope 1 & 2 market-based emissions of 7.5% and an increase in unit total revenue of 12.2%.

The reduction in Scope 1 & 2 market-based emissions is primarily due to REC purchases covering an 'additional' 15,460 MT CO₂e as well as a decrease in Scope 1 emissions from reduced motor gasoline consumption in our vehicle fleet.

Intensity figure

0.0123

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

113,460

Metric denominator

square foot

Metric denominator: Unit total

9,228,319

Scope 2 figure used

Market-based

% change from previous year

15.2

Direction of change

Decreased

Reason for change

GHG emissions per square foot of 0.0123 decreased by 15.2% in FY2019 when compared with the previous reporting year. The change is driven by a decrease in Scope 1 & 2 market-based emissions of 7.5% and an increase in square foot of 3.6%.

The reduction in Scope 1 & 2 market-based emissions is primarily due to REC purchases covering an 'additional' 15,460 MT CO₂e as well as a decrease in Scope 1 emissions from reduced motor gasoline consumption in our vehicle fleet.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO ₂ e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	15,460	Decreased	12.6	For several years Allstate has committed to purchasing RECs to cover 10% of electricity use at our corporate headquarters in Northbrook, Illinois and in FY19 we increased this commitment to 100% of electricity use at our Northbrook

				<p>headquarters.</p> <p>The 33,709 RECs purchased in FY19 reflected 17,952 MT CO₂e. In FY18 4,979 RECs were purchased which reflected 2,492 MT CO₂e. Therefore the additional RECs purchased in FY19 reflects 15,460 MT CO₂e in 'additional' emissions (17,952-2,492=15,460). This represents a 12.6% reduction from FY18 Scope 1 & 2 combined market-based emissions.</p> <p>$[(-15,460/122,602)*100=-12.6\%]$.</p>
Other emissions reduction activities	303	Decreased	0.25	<p>In FY19 Allstate replaced 65 fleet vehicles with hybrids, resulting in an estimated savings of 530 gallons of motor gasoline, or 303 MT CO₂e. This represents a 0.25% reduction from FY18 Scope 1 & 2 combined market-based emissions.</p> <p>$[(-303/122,602)*100=-0.25\%]$.</p>
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology	12,113	Increased	10	<p>In FY19 we obtained actual energy consumption data for a subset of our leased facilities. The actual consumption was higher than what was previously estimated in FY18 for the same buildings. This increased our emissions for leased facilities by 12,113 MT CO₂e, or 10% of Scope 1 & 2 market-based emissions.</p> <p>$[(12,113/122,602)*100=10\%]$.</p>
Change in boundary				
Change in physical operating conditions				
Unidentified				

Other	5,493	Decreased	4.5	<p>Scope 1 emissions decreased 15% over the previous year or 6,735 MT CO₂e. This is largely due to a reduction in fuel consumption in fleet vehicles, corporate jet flights, and reduced natural gas use in buildings.</p> <p>In addition, electricity usage in our owned facilities decreased, resulting in a reduction in market-based emissions of 940 MT CO₂e.</p> <p>These and other changes cumulated in a decrease of 5,492 MT CO₂e, therefore we arrived at -4.5% $[(5,492/122,602)*100=-4.5\%]$.</p>
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C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No

Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	2	184,037	184,039
Consumption of purchased or acquired electricity		33,709	158,655	192,364
Total energy consumption		33,711	342,692	376,403

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

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

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Allstate FY2019 GHG Verification Statement.pdf

Page/ section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Allstate FY2019 GHG Verification Statement.pdf

Page/ section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Allstate FY2019 GHG Verification Statement.pdf

Page/ section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

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

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Allstate FY2019 GHG Verification Statement.pdf

Page/section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

 Allstate FY2019 GHG Verification Statement.pdf

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	ISO 14064-3	For Scope 1: We have elected to also have our Scope 1 year on year change in emissions verified so that we can make comparisons used for identifying increases or decreases in emissions, and progress towards our goals. It is also used for verification purposes. These additional data points are verified on an annual basis, and for Scope 1 includes 100% of our operations. The Scope 1 emissions are reported in question C6.1 and included in the Year on Year

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

			 1
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 1Allstate FY2019 GHG Verification Statement.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our investee companies

C12.1a

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

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

Other, please specify

All RFX events include questions related to supplier sustainability

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

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

0

Rationale for the coverage of your engagement

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

In 2020, we joined CDP Supply Chain to enable us to measure and manage supplier emissions impact. During our inaugural year, data collected will help us to establish benchmarks for emissions within our supply chain, inform areas of supplier progress and improvement, identify collaborative opportunities and report our progress to investors and our customers. CDP performance is a component of Allstate's Supplier Performance Assessment and suppliers will be rated annually on their emissions reduction activities.

We screen suppliers for ethical and sustainable practices and help them adopt similar behaviors, by asking all suppliers sustainability-related questions during the RFX (i.e. request for proposal) process. We estimate 100% of the 86 416 RFX events conducted by Allstate in 2019 included these questions. This affects 100% of all procurement spend for those events. Figures are reported for this question as we believe they best reflect our efforts to engage with all suppliers on sustainability issues.

We are evolving our category, sourcing and supplier management processes by integrating category-specific ESG criteria into supplier questionnaires, RFX events, and supplier performance assessments, and developing and leveraging sustainability KPIs and metrics.

When considering all the suppliers engaged with over time, we estimate that over 37% of our over 6700 total suppliers have received the supplier questionnaire. This reflects over one-third of all procurement spend during that time. In 2019 these transactions (managed by Sourcing & Procurement Solutions) engaged 727 suppliers (11% of our total supplier chain) which represented 12% of our 2019 total spend.

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

Impact of engagement, including measures of success

Company-specific examples:

Allstate relies on more than 6,700 third-party suppliers to provide us goods and services. illustrating the role that the Sourcing & Procurement Solutions organization can have in driving higher degrees of sustainability within the organization.

One of the tools we use to measure responsible procurement performance is the Electronics Environmental Benefits Calculator provided by our partner HOBİ

International Inc. HOBİ services all Allstate facilities nationwide with IT and mobile asset disposition. The calculator is intended to help companies quantify the benefits of environmentally sound management of electronic equipment.

The most significant environmental impact HOBİ provides is the offset in CO2 emissions through the repurposing and recycling of electronics products. In addition, efforts in the logistics arena minimize the impact of transporting obsolete or excess IT equipment through a global network of processing facilities and the efficient packaging and transportation of materials.

In 2019 Allstate's sustainable procurement activities related to electronic products resulted in 6,000 reused/recycled CPUs, 15,026 reused/recycled LCDs (a 50% increase over 2018), 7,590 reused/recycled notebooks, and 74 reused/recycled mobile phones. The GHG emissions reductions from these activities are estimated to be equivalent to removing 2,047 passenger cars from the road per year, or the energy savings equivalent of powering 4,703 U.S. households with electricity for a year.

As another example, our employees rent cars from a leading car rental company whose leadership has its own set of core values that align with Allstate's. The car rental company provides hybrid vehicles for companies that really want to encourage—and in some cases possibly require—the traveling employee to rent a hybrid because of the lower impact that it has on our environment.

An additional example is the windshield recycling program of a popular windshield repair company. During FY 2019 the company recycled 40,951 tons of glass which represents an increase of 18% over FY2018. The company is currently able to recycle over 90% of the windshield materials. The company estimates that 1 MT of CO2 is saved for every 6 tons of glass recycled, equating to a reduction of 6,825 MT CO2 nationwide in 2019.

Comment

C-FS12.1c

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

Type of engagement

Information collection (Understanding investee behavior)

Details of engagement

Included climate change in investee selection / management mechanism

% of investees by number

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

Portfolio coverage

Minority of the portfolio

Rationale for the coverage of your engagement

Only applies to selection of new external managers and external managers represent a minority of our portfolio

Impact of engagement, including measures of success

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Adaptation or resilience	Support	Allstate actively lobbies Congress on issues relating to flood insurance and the NFIP. This engagement began prior to 2017 and is expected to continue through 2020 and beyond. The purpose of this engagement is to ensure that Congress enacts certain reforms that restore NFIP's financial integrity, encourage private market participation, and improve customer experience.	Allstate supports reforms that restore NFIP's financial integrity, encourage private market participation and improve customer experience. Allstate supported H.R.3111, the National Flood Insurance Program Administrative Reform Act of 2019, which passed the House Financial Services Committee in 2019 but is unlikely to move further in the 116th Congress. Allstate's legislative efforts for the balance of 2020 will focus on reauthorization of the NFIP and recommence advocacy for reforms in 2021.
Adaptation or resilience	Support	Allstate also actively lobbies federal and state governments on catastrophe management issues and building code and land use	Allstate lobbies in favor of legislation to mitigate future loss from flood as part of broader NFIP reform. For example, we support H.R. 2462, the

		<p>planning reform. This engagement began prior to 2017 and is expected to continue through 2020 and beyond. The purpose of this engagement is to help protect consumers from fraud and mitigate catastrophes losses.</p>	<p>Flood Mapping Modernization and Homeowner Empowerment Pilot Program of 2019, and S. 2088, the Repeatedly Flooded Communities Preparation Act. Neither bill has advanced, but they are likely to be incorporated in broader reform legislation considered later in 2020 or in the next, 117th Congress.</p>
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C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

US Chamber of Commerce

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The US Chamber of Commerce Task Force on Climate Solutions collaborates to advance business interests in climate change solutions and clean energy markets. The Task Force advances the shared interests of members in clean energy technology, renewable energy generation and procurement, energy efficiency, greenhouse gas mitigation initiatives, and resiliency of housing and commercial buildings.

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

Allstate has influenced the Task Force's general position in support of actions to encourage greater resiliency.

C12.3d

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

Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

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

Allstate understands that climate change will likely exacerbate the frequency and severity of natural catastrophes. Consequently, we partner with national and local organizations to better prepare and protect communities, strengthen the country's financial infrastructure to deal with major events, promote better loss prevention and mitigation through stronger building codes and sensible land use policies, and develop programs to strengthen first responders' ability to help communities recover from catastrophe.

Allstate maintains critical partnerships aimed at building resilient communities. The Allstate Foundation partners with agency owners and their local nonprofits to prepare communities for disasters by providing emergency kits and other tools. These collaborative efforts increase awareness of weather-related risks and help people better protect themselves and loved ones.

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

In addition, an Allstate officer served on the board of the American Council of Life Insurers (ACLI) in 2019. ACLI advocates on behalf of 280 member companies dedicated to providing products and services that promote consumers' financial and retirement security.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Allstate's Sustainability Council consists of representatives from key functions across the enterprise, including but not limited to, Law & Regulation, Government Affairs, Real Estate & Administration, Investments, Products, Supply Chain and Risk Management. The council studies company policies and practices and their impact on the environment, reviews the policies and engagement of the trade organizations Allstate engages with, and takes into consideration issues related to climate change to ensure consistency with the company's overall climate change strategy. Should inconsistencies arise, the Sustainability Council will address them with the Government Affairs division of our Law department. Allstate's Government Affairs division of Law & Regulation owns Allstate's advocacy relationships.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

 Allstate_2019SustainabilityReport-1.pdf

Page/Section reference

Page 5 – Governance

Page 6 – Risk & Opportunities

Page 7 - Strategy

Page 65-Emissions figures & targets

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Allstate 2019 Sustainability Report

Publication

In mainstream reports

Status

Complete

Attach the document

 allstate-prosperity-report-combo-book-2018.pdf

Page/Section reference

Pages 1-14

Content elements

- Governance
- Strategy
- Risks & opportunities

Comment

Allstate 2019 Prosperity Report

Publication

In voluntary communications

Status

Complete

Attach the document

 Allstate profile on 3BL.pdf

Page/Section reference

Pages 1-3

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Comment

Allstate profile on 3BL

C-FS12.5

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

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

C14. Portfolio Impact

C-FS14.1

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

	We conduct analysis on our portfolio's impact on the climate	Comment
Investing (Asset owner)	No, but we plan to do so in the next two years	<p>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.</p> <p>As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2020.</p> <p>A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target, and we are currently considering the feasibility of expanding our Scope 3 emissions disclosure to include emissions from investments. However Scope 3 emissions from investments are highly complex and difficult to properly estimate in the absence of established protocols. We intend to utilize the revised SBTi guidance which is expected to include guidance on estimating emissions from investments and is due to be released later this year.</p>
Insurance underwriting (Insurance company)	No	<p>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.</p> <p>As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and</p>

		<p>is expected to continue through the remainder of 2020.</p> <p>A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target. We have not yet determined if portfolio emissions from insurance underwriting will be included.</p> <p>We intend to utilize the revised SBTi guidance which is due to be released later this year.</p>
Other products and services, please specify		

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 “Investments” emissions or alternative carbon footprinting and/or exposure metrics)

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.

As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2020.

A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target, and we are currently considering the feasibility of expanding our Scope 3 emissions disclosure to include emissions from investments. However Scope 3 emissions from investments are highly complex and difficult to properly estimate in the absence of established protocols. The information is not readily accessible for all the assets in Allstate’s portfolio and composition of Allstate’s portfolio is regularly changing. We intend to utilize the revised SBTi guidance which is expected to include guidance on estimating emissions from investments and is due to be released later this year.

C-FS14.3

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

	We are taking actions to align our portfolio to a	Please explain
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	well below 2-degree world	
Investing (Asset owner)	No, but we plan to do so in the next two years	<p>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.</p> <p>As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2020.</p> <p>A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target, and we are currently considering the feasibility of expanding our Scope 3 emissions disclosure to include emissions from investments. However Scope 3 emissions from investments are highly complex and difficult to properly estimate in the absence of established protocols. We intend to utilize the revised SBTi guidance which is expected to include guidance on estimating emissions from investments and is due to be released later this year.</p>
Insurance underwriting (Insurance company)	No	<p>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.</p> <p>As we explore setting new targets for our Scope 1 and 2 emissions, we are considering options for developing targets based on climate science, with guidance from the Science-Based Targets Initiative (SBTi). This process is underway and is expected to continue through the remainder of 2020.</p> <p>A part of this evaluation is reviewing which Scope 3 emissions could feasibly be included in a new science-based target. We have not yet determined if portfolio emissions from insurance underwriting will be included.</p> <p>We intend to utilize the revised SBTi guidance which is due to be released later this year.</p>

Other products and services, please specify		
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C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

SC. Supply chain module

SC0.0

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

The Allstate Corp. is one of the largest publicly held personal lines insurers in the United States. Allstate was founded in 1931 and became a publicly traded company in 1993. Allstate helps customers realize their hopes and dreams by providing the best products and services to protect them from life's uncertainties and prepare them for the future. The company delivers substantially more value than the competition by reinventing protection to improve customers' lives. The Allstate Corp. common stock is listed on the New York Stock Exchange under the trading symbol "ALL." Common stock is also listed on the Chicago Stock Exchange. Its business is conducted principally through Allstate Insurance Company, Allstate Life Insurance Company and other subsidiaries (collectively, including The Allstate Corp., "Allstate"). The Allstate brand is widely known through the "You're in good hands with Allstate®" slogan. Allstate was listed among Fortune Magazine's World's Most Admired Companies (2020), Newsweek's America's Most Responsible Companies (2020), and named to the World's Most Ethical Companies® list for the sixth year in a row.

SC0.1

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

	Annual Revenue
Row 1	44,675,000,000

SC0.2

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

SC1.1

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

Requesting member

Verizon Communications Inc.

Scope of emissions

Allocation level

Allocation level detail

Emissions in metric tonnes of CO₂e

Uncertainty (±%)

Major sources of emissions

Verified

Allocation method

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

Allstate intends to work with Verizon prior to the 2021 CDP reporting cycle to better understand the details of this request, in order to provide the most useful and appropriate information.

Requesting member

Prudential Financial, Inc.

Scope of emissions

Allocation level

Allocation level detail

Emissions in metric tonnes of CO₂e

Uncertainty ($\pm\%$)

Major sources of emissions

Verified

Allocation method

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

Allstate intends to engage with Prudential prior to the 2021 CDP reporting cycle to better understand the details of this request, in order to provide the most useful and appropriate information.

SC1.2

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

SC1.3

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

Allocation challenges | Please explain what would help you overcome these challenges

SC1.4

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

SC2.1

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

SC2.2

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

SC3.1

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

SC4.1

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

I have read and accept the applicable Terms