



# 2019 Sustainability Report

HOW WE SERVE SOCIETY AND OUR STAKEHOLDERS

## OUR SHARED PURPOSE



We are the Good Hands.<sup>®</sup> We help customers realize their hopes and dreams by providing the best products and services to protect them from life's uncertainties and prepare them for the future.

## OUR SHARED PURPOSE

Our journey begins in 2007, with the launch of Our Shared Vision and a renewed commitment to become a more customer-centric company. In the years that followed, that vision became a purpose — a shared purpose. Our Shared Purpose is the culmination of our commitment to the customer and community, the behaviors we need to stay competitive, the values that have guided us over 89 years and the strategy that will guide our overall business transformation and talent footprint. This is not business as usual. To stay competitive for talent, ideas and customers, we need a culture that's ahead of evolving business needs. With rapidly changing technology and shifting consumer expectations, we're no longer competing just in the insurance space. Data, analytics and emerging technologies will transform our business and deliver more value and a better customer experience. The ability to innovate and be nimble in the way we approach our work is table stakes, as is a customer-centric, agile culture and the willingness to lead from any seat.

## Our Leadership Principles

Innovation and agility don't exist in a vacuum. We need to empower employees to rise up, lead from their seats and drive results. The Leadership Principles represent the behaviors that will keep us at the ready, no matter the challenge. We developed the principles with input from Allstaters of various levels across the organization. They are:

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

## Our Values

Our commitment to our values is foundational to our culture. They are non-negotiable. Without them, we risk losing the respect and admiration earned from an 88-year legacy of doing the right thing. These values guide our every action:

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

## Our Operating Principles

Without our customers, Allstate would not exist. Our customer value propositions define our brands and how we differentiate ourselves from competitors. They guide practices, processes and products to deliver an outstanding customer experience. Every Allstater is a leader in winning and keeping customers. These principles guide our day-to-day operations:

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

## Our Priorities

Every day, we look for ways we can become an even more integral part of our customers' lives so they can experience the good life. We don't wait for bad to happen to do good. Our priorities ensure we focus on the things that drive the success of our business:

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

## LEADERSHIP MESSAGE



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### TRANSFORMING ALLSTATE AND IMPROVING SOCIETY

Allstate's role in society is to serve customers, earn a return for shareholders, create economic growth and strengthen communities. This Prosperity Report highlights our successes and challenges in accomplishing these objectives.

Allstate has been in the catastrophe business for 89 years and helped rebuild communities after hurricanes, earthquakes and wildfires. Islands cut in half by wind, roads turned into asphalt pretzels and homes melted by heat have been rebuilt with America's massive resources, a can-do attitude and Allstate financial support of \$48 billion over the last 25 years. The impact of these events was more geographically concentrated than the coronavirus pandemic yet the lessons from past disasters are valuable in helping customers cope with this crisis. Putting people first, we are giving money back to auto insurance customers as they drive less due to social distancing. Financially struggling customers can defer their payments. The Allstate Foundation and our people are supporting many social service organizations. We will get through this pandemic and be stronger.

Allstate's strategy to stay strong is to increase market share in personal property-liability insurance and provide customers with a circle of protection through life, worksite, consumer product protection plans and identity protection. This is consistent with Our Shared Purpose, which is to protect people from life's uncertainties. Our Transformative Growth Plan will provide customers with simple, affordable and connected products that will differentiate us from the competition. This multi-year undertaking increases operational risk but lowers strategic risk. As technology enables us to serve customers faster and better it will also require employees and Allstate agents to build new capabilities and embrace change.

We begin this transformation from a position of strength with excellent results on 2019's operating and financial priorities. An intense customer focus enabled us to raise the Enterprise Net Promoter Score, a measure of customer satisfaction, for the third straight year. Property-liability written premiums reached \$35.4 billion, an increase of approximately \$2 billion. Adjusted net income\* was \$3.48 billion, reflecting excellent underwriting results in the property-liability businesses and strong earnings from other businesses and the investment portfolio. The adjusted net income return on equity\* was 16.9%, in the range of our long-term goal of 14% to 17%. Shareholders also received \$653 million in dividends and the percentage ownership of a share of stock in the company increased by 4.1% due to \$1.8 billion of share repurchases.

While a sound strategy, excellent operating capabilities and significant capital are all critical to success, it is Allstate's culture that ensures we stay successful. Our Shared Purpose articulates five core values which have resulted in recognition for strong ethics, inclusive diversity and innovation. We define culture as "a self-sustaining system of shared values, principles and priorities that shapes beliefs, drives behavior and influences decision-making within an organization." The Transformative Growth Plan requires us to put even more focus on customers, empowerment and operational excellence. The Board has also elevated culture to one of Allstate's primary risk and return categories.

I believe purpose-driven companies are powered by purpose-driven people. Everybody at Allstate must be a leader and 44% of active employees have completed the Energy for Life program. We also have assembled a senior leadership team that will drive success far into the future. I want to thank Vice Chair Steve Shebik, who has been an outstanding compatriot for 25 years and has decided to retire.



Allstate is a positive force in America and it is my responsibility to ensure it stays that way. We have successfully advocated at the state level for addressing the impacts of climate change by strengthening building codes, expanding emergency response capabilities and creating catastrophe insurance pools. Allstate's Board governance has been recognized as amongst the best for public companies. The Allstate Foundation helps empower millions of youth and supports survivors of domestic violence. With your support, Allstate will continue to protect people from life's uncertainties and help build a better world.

I am proud to have the opportunity to serve you and the millions of people who depend on Allstate.

A handwritten signature in black ink that reads "Tom Wilson". The signature is fluid and cursive, with the first name "Tom" and last name "Wilson" clearly distinguishable.

**TOM WILSON, CHAIR, PRESIDENT AND CEO**

## OUR INTEGRATED APPROACH



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Our 2019 Sustainability Report incorporates the Guiding Principles and Content Components of the Integrated Reporting (IR) framework as produced by the International Integrated Reporting Council (IIRC). Throughout our report, we capture inputs and outputs across the Six Capitals: Financial, Intellectual, Human, Social, Natural and Manufactured. Please access content about these Six Capitals on our report homepage.

## ORGANIZATIONAL OVERVIEW

Allstate's purpose is to protect people from life's uncertainties and prepare them for the future so they can realize their hopes and dreams. Allstate is primarily engaged in the property and casualty insurance business in the United States and Canada. Among Allstate's other offerings are life, accident and health insurance, identity protection, and protection plans for electronic devices. Allstate helps families protect the things that are most important to them. Our business aims to help build resilient communities, not only through our products and services, but also through our commitment to corporate responsibility.

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

## GOVERNANCE

Allstate has a history of strong corporate governance guided by three primary principles: dialogue, transparency and responsiveness. The Board has enhanced governance policies over time to align with best practices, drive sustained stockholder value and serve the interests of stockholders. For in-depth information about our governance practices, please see our [2020 Proxy Statement](#).

## Governance of Sustainability

Our Board of Directors is responsible for the overall performance of Allstate, including sustainability. The CEO and select executive leaders provide counsel, strategic oversight and direction to the Corporate Responsibility and Sustainability team, which is in Allstate's Corporate Brand department. This team — in partnership with The Allstate Foundation and the corporate citizenship team — manages sustainability, environmental reporting, strategic philanthropy, corporate sponsorships and grants, employee engagement and companywide volunteer service. The team regularly reports to senior executives on sustainability trends and initiatives. In addition, the Corporate Responsibility and Sustainability team briefs the Board of Directors on Allstate's corporate responsibility efforts.

Allstate has maintained a Sustainability Council since 2007. Its members identify key risks and opportunities related to sustainable business practices. The council meets three times annually to review existing and emerging environmental and social issues, identify opportunities and strategies to address these issues, and encourage employee engagement with the company's sustainability strategy. The Sustainability Council is led by a vice president in Corporate Brand and represents each of the following departments within Allstate:

- Allstate Brand Operations
- Accounting Services
- Administration and Real Estate
- Allstate Technology, Services & Ventures
- Business Transformation
- Catastrophe Modeling and Analytics
- Claims
- Corporate Strategy
- Enterprise Risk and Return Management
- Finance
- Human Resources
- Investments
- Investor Relations
- Law and Regulation
- Life and Retirement
- Marketing, Innovation and Corporate Brand
- Product
- Sourcing and Procurement Solutions

## BUSINESS MODEL

Allstate is focused on long-term value creation and protection. Financial capital is core to our business, and we responsibly manage our financial input and output to serve stakeholders and enable the company to thrive. Human capital is one of our most important assets. Our people are fundamental to how we do business and how we build resilient communities. Intellectual capital, specifically our data analytics and specialized insights, sets us apart from other companies in evaluating risk and serving customers. We have made acquisitions to expand the protection we provide to customers, including their data and identities. Social capital enables us to be a pillar in the communities we serve, by protecting customers and by giving back to the community. Manufactured capital, such as the buildings we occupy and the technology we use, makes our everyday functions possible. Natural capital considerations help us determine risk and impact on the environment. Collectively, we use these capitals — financial, human, intellectual, social, manufactured and natural — to serve customers and strengthen communities. These capitals are our framework for value creation and protection.

Allstate's operational value chain includes stakeholders such as customers, employees, agents, building operations and suppliers. Our operations impact stakeholders such as: employees, consumers, customers, opinion leaders, policy makers, NGOs, regulators and the environment. For information about our reportable business segments and related market presence, please see Item 1 of our [2019 10-K](#).

## RISKS AND OPPORTUNITIES

Through this report, we outline our material topics and related accountability for managing risks and opportunities. We are increasingly focused on megatrends that represent long-term risks and opportunities for our business. These trends include climate change impacts, pandemics like COVID-19, technology and digitalization advancements, and the future of transportation. Our Transformative Growth Plan, as outlined in our Strategy section below, will enable us to address these risks and opportunities directly through the continued growth and enhancement of our business.

## Enterprise Risk and Return Management (ERRM)

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

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

The Enterprise Risk and Return Council (ERRC) is Allstate's senior risk management committee that establishes risk and return targets, determines economic capital levels and directs integrated strategies and actions from an enterprise perspective. The ERRC is made up of Allstate's CEO, vice chair, chief investment officer, general counsel, treasurer, area of responsibility (AOR) presidents, and enterprise and AOR risk and financial officers. The ERRC reviews enterprise principles, guidelines and limits for Allstate's significant risks, and monitors the strategies and actions management has taken to control these risks. The Board of Directors and the Risk and Return and Audit committees oversee ERRM. For further information on our risk factors, please see pages 21-29 of our [2019 10-K](#).

## STRATEGY

Allstate's strategy has two components: increase personal property-liability market share and expand protection businesses, including Service Businesses, Allstate Life and Allstate Benefits. Allstate has thrived for 89 years by adapting to serve customers. We have implemented a multi-year Transformative Growth Plan to better serve customers in a changing world. The plan will ensure Allstate remains a strong competitor and local agencies continue to provide high value to customers.

The Transformative Growth Plan builds on our success by leveraging the Allstate brand, people and technology to improve our long-term competitive position and accelerate growth. The plan has three components:

**Expand customer access** — Consumers can now access Allstate branded property-liability products through Allstate agencies, contact centers and online. Access will be expanded to enable consumers to select a method of interaction. All consumers will have the opportunity to decide if they want access to an Allstate agency, so we will no longer need to use both the Allstate and Esurance brands for direct sales, and Esurance will be integrated into the Allstate brand in the second half of 2020.

**Improve customer value** — Property-liability products will be redesigned to be more affordable, simple and connected. Insurance pricing will utilize sophisticated rating algorithms, such as telematics, and reflect the service model a customer chooses. Centralized customer service capabilities are being expanded to improve consistency, reduce costs and enable Allstate agencies to focus on acquiring new customers and developing relationships with existing customers. We will improve our expense position by focusing on reducing spending while eliminating redundancies. Simplification efforts will continue to eliminate the need for manual work and optimize our operating model.

**Increase investments in marketing and technology** — Investments in marketing the Allstate brand will be increased by reallocating Esurance spending. New technology ecosystems are being built to support increased connectivity, new products and operational adaptability. This plan is focused on the customer experience, providing a circle of protection through people and technology, along with increased connectivity, combined with distribution, product and technology enhancements.

We are expanding protection businesses utilizing enterprise capabilities and resources such as distribution, analytics, claims, investment expertise, talent and capital. We'll further enhance our Customer Value Proposition using innovative growth platforms (such as telematics and identity protection) and broad distribution, including Allstate exclusive agencies, contact centers, online, retailers, workplace benefits brokers, auto dealers, original equipment manufacturers and telecom providers.

## PERFORMANCE, OUTLOOK AND BASIS OF PRESENTATION

### Performance

Allstate demonstrated strong performance in 2019 across our material topics. Individual sections of this report explain our performance in greater detail.

### Outlook

Our outlook for the short, medium and long term is shaped by our understanding of risks and opportunities for our business. In 2019, we launched the Transformative Growth Plan, outlined above, to ensure the ongoing success of our business.

### Basis of Presentation

Our report leverages the Integrated Reporting Framework of the International Integrated Reporting Council and is prepared in accordance with the Global Reporting Initiative (GRI), Core option. Our Materiality and Stakeholder Engagement section has more information on how we determined the content of this report. All information represents our 2019 fiscal year, unless otherwise noted.

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# Financial capital

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Financial strength enables enhanced well-being for stakeholders. Allstate produces excellent returns and proactively manages shareholders' capital — while integrating social good into the business.

## Our approach

Allstate creates shareholder value by increasing customer satisfaction, growing its business and generating attractive returns on capital. This approach ensures we have long-term profitability and a diversified business platform.

## Progress

Allstate delivered excellent results in 2019 and achieved all five Operating Priorities: to better serve customers, grow our customer base, achieve target returns on capital, proactively manage our investments and build long-term growth platforms. We initiated a Transformative Growth Plan to increase market share in personal property-liability businesses and provide customers with a circle of protection beyond auto and homeowners insurance.

### EXCELLENT RESULTS

Revenues reached \$44.7 billion, and net income totaled \$4.7 billion due to strong operating results. Adjusted net income\* was \$3.5 billion for the year, substantially higher than the previous year, reflecting excellent underlying property-liability profitability and lower catastrophe losses.

### ACHIEVING OPERATING PRIORITIES

The Net Promoter Score, which measures how likely customers are to recommend us, increased 3.1 points for the enterprise, with improvements in most businesses.

### ACCELERATING THE TRANSFORMATIVE GROWTH PLAN

Allstate's Transformative Growth Plan will expand customer access, improve customer value and increase investments in marketing and technology.

## What's next?

Guided by Our Shared Purpose, we will better serve customers in a changing world. We are improving our position in personal property-liability while expanding protection businesses to improve the lives of our customers.

\*For definition of this term, please see the definitions of non-GAAP measures on pages 88–91 of our 2020 Proxy Statement.

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# Intellectual capital

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Allstate innovates to meet the accelerating pace of change so we can continue to protect customers from life's uncertainties. Innovation is critical to ensuring that our business successfully navigates global shifts in mobility, climate, urbanization, technology and security.

## Our approach

With our 89-year legacy as a trusted provider, Allstate serves the full range of emerging customer protection needs and stays ahead of the changing mobility landscape. Our brand, customer base, proprietary data and expertise position our business to grow and expand.

## Progress

Using technology, data and analytics, Allstate restores normalcy for customers as quickly as possible, delivering compassionate service that is fast, fair and easy. We are dedicated to providing products and experiences that meet evolving customer needs and expectations, as well as market conditions.

### QUICKFOTO CLAIM®

QuickFoto Claim has revolutionized our claims model for vehicles that have damage but are still drivable. With this free, user-friendly app, a customer can take photos of a car's damage and submit them directly to our team of highly trained auto technicians, who can remotely calculate the estimated damage.

### DRIVEWISE®

Telematics is the science of collecting data through sensors in a vehicle. Allstate is a pioneer in telematics, and it has enabled us to redefine insurance. Drivewise uses drivers' data to personalize auto insurance and provide insights into their behavior behind the wheel to promote and reward safe driving.

### MILEWISE®

Pay-per-mile coverage is based primarily on the number of miles a customer drives. Milewise gives customers more control over their auto insurance costs with the same great Allstate coverage and claim service.

### ALLSTATE IDENTITY PROTECTION

Allstate Identity Protection is reinventing privacy and identity protection by giving people the tools to see, control and protect their digital lives.

### AVAIL

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

### ARITY

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

## What's next?

Through our continued emphasis on innovation and development, we create strategic platforms for growth. We focus on expanding our business and offerings and on fostering a healthy environment for sustained innovation.

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# Social capital

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From The Allstate Foundation's support of social change, to Allstate employees and agency owners giving their time and talent to nonprofit partners, Allstate acts to serve customers and communities.

## Our approach

We bring out the good. Allstaters across our businesses and brands work together as a force for good where we live and work. Our effort makes our business stronger and helps us create prosperity for all our stakeholders.

## Progress

Community engagement at Allstate spans three major areas.

### FOUNDATION AND CORPORATE GIVING

- In 2019, our social impact investments through The Allstate Foundation empowered at-risk youth by inspiring youth leadership; provided financial education to 55,000 survivors of domestic violence and financial abuse; and transformed communities through access to affordable housing and local grant-making.
- In 2019, The Allstate Foundation gave \$7.5 million in grants to more than 3,100 nonprofits across 1,600 communities in the U.S.

### VOLUNTEERING AND COMMUNITY SERVICE

Since 1976, our Helping Hands volunteer program has empowered Allstate agency owners and employees to make a difference in their communities.

### SUPPORTING SMALL BUSINESSES AND LOCAL NONPROFITS

We support small businesses and nonprofits through financial support, engagement and training. Our Local Presence Community Engagement Programs position our agency owners as local business and civic leaders on issues that are close to their hearts and communities. Our support for small businesses is a cornerstone of Allstate's success.

## What's next?

We protect the communities we serve and give back every day. That commitment has been a part of our DNA since our inception, and it will continue to inspire how we bring out the good in the future.

In 2020, we announced a new focus area for our Foundation efforts. We will add equity as an additional pillar of our work, building on our success in empowering youth and helping victims of domestic violence. We will focus on accelerating equity and helping drive systemic change.



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# Human capital

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Changing the world for the better has been our goal since day one. The well-being of our employees is crucial and starts with a workplace that encourages employees to collaborate and bring their best ideas.

## Our approach

Allstate provides employees with training, mentoring and career development, and promotions. Throughout our program, we encourage inclusive diversity and work-life balance. We monitor engagement through annual employee surveys.

## Progress

Allstate has a proud record of inclusive diversity, best-in-class performance and pay practices, as well as annual training in ethical conduct. We offer healthy environments and programs to support well-being, financial security and work-life balance. Allstateers work together every day as a single, powerful force across our businesses and brands.

### INCLUSIVE DIVERSITY

Inclusive diversity contributes to employees' satisfaction, creativity, innovation, problem-solving ability, engagement and community involvement. Inclusive diversity is a long-held value at Allstate. We seek diverse sources of talent, and our people managers are equipped to attract, retain, develop and advance a diverse talent pool.

### PERFORMANCE AND PAY PRACTICES

We take a thorough approach to ensuring fairness in our performance and compensation programs, which include a comprehensive process for ensuring pay equality. The Board of Directors reviews our pay fairness analyses each year.

### ETHICAL CONDUCT

Allstate provides annual ethics training for employees and a Global Code of Business Conduct. In surveys of the ethical health of our corporate culture, Allstate scores above external benchmarks.

## What's next?

Given the recent national focus on ongoing, systemic inequality and racial injustice in the U.S., the Inclusive Diversity team is continuing to look for ways to build awareness and drive action. In 2020, Allstate has:

- Launched an Anti-Racism Resource Center for employees.
- Added virtual "inclusive conversations" series on an enterprise level and across departments, building off themes of racial inequality, allyship, privilege and other relevant topics.
- Supported leadership messaging through consultation, coaching and resource allocation.
- Partnered with Employee Resource Groups to offer additional support for marginalized groups, including "employee listening" series, as well as built resiliency plans for those struggling with mental health issues due to racial trauma, PTSD and COVID-19.

More work around this issue is being done and will be included in future reports.

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# Natural capital

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For decades, Allstate has been on the front lines of managing climate risk. From cutting our energy use and supporting renewable power, to boots-on-the-ground disaster prevention and risk response, we are motivated by a desire to change the world for the better. We know that the more we do, the bigger impact we will have — in our communities and as a global citizen.

## Our approach

Protection is at our core. Allstate is tackling climate risk in the way we serve and safeguard customers and communities. We are also reducing our footprint. Our work on climate risk is helping us evolve from a traditional insurance company to one that's responsive to a changing environment and positioned for the future.

## Progress

At Allstate, we address climate risk through three major areas that impact our customers and business.

### **WE PROACTIVELY MONITOR AND MANAGE CLIMATE RISK**

Allstate works to understand climate risks that directly affect our insurance products and assets. Allstate's Catastrophe Modeling and Analytics Team and pricing groups monitor climate change information and provide updates to product leadership. Material risks, including those affected by climate, are regularly identified, measured, managed, monitored and reported to senior management and the Board.

### **WE ARE REDUCING OUR CARBON FOOTPRINT**

Across Allstate, we have cut energy use beyond our original targets and reduced our greenhouse gas emissions. A quarter of our fleet of sedans and SUVs has been converted to hybrid vehicles, and we cover 100% of our Northbrook, Illinois, headquarters power with Renewable Energy Certificates.

### **WE FOCUS ON DISASTER PREVENTION, PREPAREDNESS AND RISK RESPONSE**

We advocate for strong building codes and smart land use policies. To help policymakers and the public identify and reduce risk, we participate in and financially support the Insurance Institute for Business and Home Safety, an independent, nonprofit scientific research group working to build safer and stronger homes and businesses.

## What's next?

We know that addressing climate risk will take ongoing courageous leadership. Our purpose to protect and serve communities and to make a difference in the world will continue to drive the way we take on climate risk.

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# Manufactured capital

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Providing our services and fulfilling our commitments to customers requires physical resources. We make every effort to understand and minimize the use of these inputs and their related impact.

## Our approach

As a socially and environmentally responsible company, Allstate believes reducing our footprint is in our best interest as well as that of the world at large. We are committed to monitoring and reducing our physical impact as our business continues to thrive.

## Progress

We have implemented numerous resource reduction and recycling initiatives related to our buildings, vehicles and business supplies. We encourage the use of electronic customer communications to cut costs and reduce paper waste.

### VEHICLE FLEET

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. About a quarter of Allstate's vehicle fleet is now hybrid. We are also focused on moving to a more digital work environment and are using technology to decrease our total vehicle footprint and business miles driven.

### PAPER REDUCTION

We make every effort to keep documents electronic. When paper documents are necessary, Allstate maintains a secure program so they can be shredded and recycled. We implemented a "Follow Me Print" system that requires employees to scan their badges before a document prints. If a print job is not retrieved within 72 hours, it disappears from the printer queue and won't be printed. Allstate has three paperless initiatives for customers: eSignature, ePolicy and eBill. Since 2012, we have reduced customer paper use 35.2% and employee paper use 46.9%.

### SMALL ELECTRONICS RECYCLING

Allstate replaces about 3,000 small electronic items each month. About a third of those are suitable to be salvaged or recycled. To prevent electronic waste, Allstate partnered with Clover Wireless. We send small electronic items to Clover, which recycles whole items or parts that cannot be salvaged, reducing the number of items that go to landfills.

## What's next?

Allstate will continue to seek new ways to reduce our physical footprint while improving our existing initiatives. Our strategic growth platform will enable us to adapt even more quickly.

# MATERIALITY & STAKEHOLDER ENGAGEMENT

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## MATERIALITY

We set priorities and determine our focus based upon the topics that matter most to our company and stakeholders. We completed our first robust sustainability materiality assessment in 2015 and used the findings to guide our commitment to sustainability over the past five years. In 2020, we completed our second robust materiality assessment, incorporating the components of integrated reporting and the six capitals — financial, intellectual, human, social, natural and manufactured. Our 2020 materiality assessment followed the best practice methodology of identification, prioritization and validation of material topics. Our approach included interviews with internal and external stakeholders and analysis of written stakeholder sources. In light of the global events of 2020, we are continuing to evaluate our material topics to ensure they reflect the priorities of Allstate and our stakeholders. Through this report, we communicate our management of the following material topics:

- Climate Strategy & Disaster Resiliency
- Customer-Centric & Responsible Products
- Data Privacy & Information Security
- Technology & Digitalization
- Responsible Investment
- Organizational Culture
- Talent Recruitment & Management
- Social Impact & Community Leadership
- Inclusive Diversity
- Public Policy
- Operational Footprint
- Well-Being & Safety

## STAKEHOLDER ENGAGEMENT

We continually seek stakeholder input to make sure we focus on what matters most. Stakeholder inclusiveness is a core principle of Global Reporting Initiative (GRI) sustainability reports, and we do our best to identify all of Allstate's stakeholders and respond to their expectations and interests. We regularly engage the following groups: agency owners, financial specialists, customers and consumers, employees, investors, nongovernmental organizations, opinion leaders, policymakers and suppliers. We identify stakeholder groups through senior leaders, our Sustainability Council, feedback from employees and by mapping the full scope of our impacts, from suppliers to consumers. We select stakeholders according to their knowledge and understanding of our company as a whole, their orientation relative to or within the financial services industry and the extent to which they can impact or be impacted by Allstate. For our 2020 materiality assessment, we engaged stakeholders through interviews and analyzed stakeholder perspectives available from public documentation.

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

## ETHICS & INTEGRITY



A little  
good can go  
a long way.

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Integrity is an important tenet of our business, and this is reflected in Ethisphere's listing of Allstate among the World's Most Ethical Companies® each of the last six years. Our legacy of high ethical standards in business practices and values-based leadership is built on the sturdy foundation of our core values: honesty, caring and integrity; inclusive diversity; engagement; accountability; and superior performance.

### ACCOUNTABILITY

Allstate leverages a robust management structure and oversight for our ethics and regulatory compliance teams. More than 700 Allstaters across the enterprise are involved in management and oversight of ethics, regulatory and compliance initiatives. Allstate's Chief Ethics and Compliance Officer (CECO) leads the ethics and regulatory compliance programs and is responsible for oversight and governance, enforcing the company's code of conduct, and ensuring appropriate resources for ethics and compliance functions. The CECO meets with the Board of Directors twice a year and reports on the company's performance and initiatives regarding ethics, regulatory compliance, and privacy. The CECO is also involved in oversight of integrity investigations.

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

### POLICIES AND PROCEDURES

#### Global Code of Business Conduct

Allstate's [Global Code of Business Conduct](#), published in English and French-Canadian, outlines our core values and sets expectations for how we conduct our work. The Global Code was updated in 2017. The Global Code addresses the following topics, many of which have supporting policies and procedures that provide more detail:

- Anti-corruption/bribery
- Antitrust/competition
- Confidential information
- Conflicts of interest
- Data privacy (employees, customers, consumers)
- Diversity/discrimination/equal employment opportunity
- Fair dealing (fair business practices)
- Gifts and entertainment

- Information security
- Insider trading
- Intellectual property
- Misconduct investigations
- Non-retaliation
- Political contributions, activities and lobbying
- Procurement integrity/dealing with suppliers/supply chain oversight
- Protecting company assets
- Records management and retention
- Social media
- Workplace harassment
- Workplace health and safety

## Reporting Concerns

The Allstate Speak Up Process strongly encourages employees to report any activity that causes concern. Anyone may report any illegal, unethical conduct or regulatory compliance concerns by:

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

If an employee needs to report concerns that someone's personal information may have been breached, misused, accessed or disclosed without proper authorization, they can email [privacyincidentmanagement@allstate.com](mailto:privacyincidentmanagement@allstate.com), or contact [AIS-CSIRT@allstate.com](mailto:AIS-CSIRT@allstate.com) to report Allstate information security concerns. An email address for the Board's Audit Committee is provided on the Allstate Investor Relations website. A contact for the Board's Audit Committee is provided on the Allstate [Investors Relations](#) website.

When reporting concerns, employees can choose to remain anonymous when the law permits. In 2019, approximately 38% of employees who filed reports through the hotline did so anonymously. Our Speak Up Process details what is expected of Allstate managers if they receive a report from an employee. These expectations include encouraging employees to speak up, communicating expectations, responding to all concerns, and thanking employees for bringing the concern to their attention. Allstate policy and the Global Code of Business Conduct prohibit any form of retaliation for reporting a workplace or ethical concern.

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

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

In 2018, we implemented a new case management platform that offers better metrics and stronger evaluation of trends. Since 2018, this new platform has been implemented in several of the seven Allstate subsidiary companies.

## PROGRAMS AND PERFORMANCE

### Training and Communication

Ethical behavior begins with our most senior leaders and cascades down the organization through our required annual training.

### Board of Directors

Our Board of Directors receives specialized ethics and decision-making education. They also receive education and training on topics such as insider trading, cybersecurity, conflicts of interest and regulatory developments.

### Managers

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

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

To measure the impact of our training, we:

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

### Employees

We distribute the Global Code of Business Conduct to all employees and subsidiaries, with accompanying training. We conduct ethics and compliance training as a standard part of onboarding and on an annual basis, and we monitor its effectiveness through internal measures. In 2019, 100% of our employees completed ethics and compliance training on our Global Code of Business Conduct – a condition of employment at Allstate – through the annual compliance confirmation process. We use an upfront assessment that allows tenured employees to demonstrate their knowledge of the content and pass related lessons.

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

### Suppliers

All suppliers doing business with Allstate must adhere to our [Supplier Code of Conduct](#), which outlines our expectations for human rights, environmental stewardship, diversity and inclusion, child labor and more. We comply with the UK Modern Slavery Act and post our Slavery and Human Trafficking Statement on the Allstate Northern Ireland and Allstate external websites. We do background checks on our largest suppliers and any supplier handling Allstate data. In December 2019, we updated our Supplier Code of Conduct to include additional information on human rights, compensation, child labor, and diversity and inclusion.

### Risk Assessments

Allstate assesses regulatory compliance risk at the enterprise, business and area of responsibility level. We map more than 60 potential risks across 30 business units and levels to understand inherent and residual risk, document requirements and controls, create action plans, and complete monitoring and testing to ensure ongoing compliance.

The regulatory compliance areas we assess include:

- Corporate
- Human Resources
- Investments and disclosures
- Marketing and sales
- Product and pricing

These areas cover categories such as fair labor and payroll laws, sexual harassment, bribery and corruption, environmental and workplace safety, false advertising, whistleblower protection, product terms and services, and many others.

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

### Integrity Index Survey

Conducted by the Gartner Compliance and Ethics Leadership Council, the Integrity Index Survey gives employees a chance to provide feedback that influences company strategy as well as to address important cultural issues. About 11,500 employees across The Allstate Corporation and its subsidiaries participated in the annual Integrity Index survey in 2019.

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

The Chief Ethics and Compliance Officer presents results to each senior leader in face-to-face meetings. At this meeting, we identify areas of strength and opportunity, and many of our business areas develop their own customized solutions to address them.

### EMPLOYEE PERCEPTION OF SENIOR LEADER AND DIRECT MANAGER ETHICS

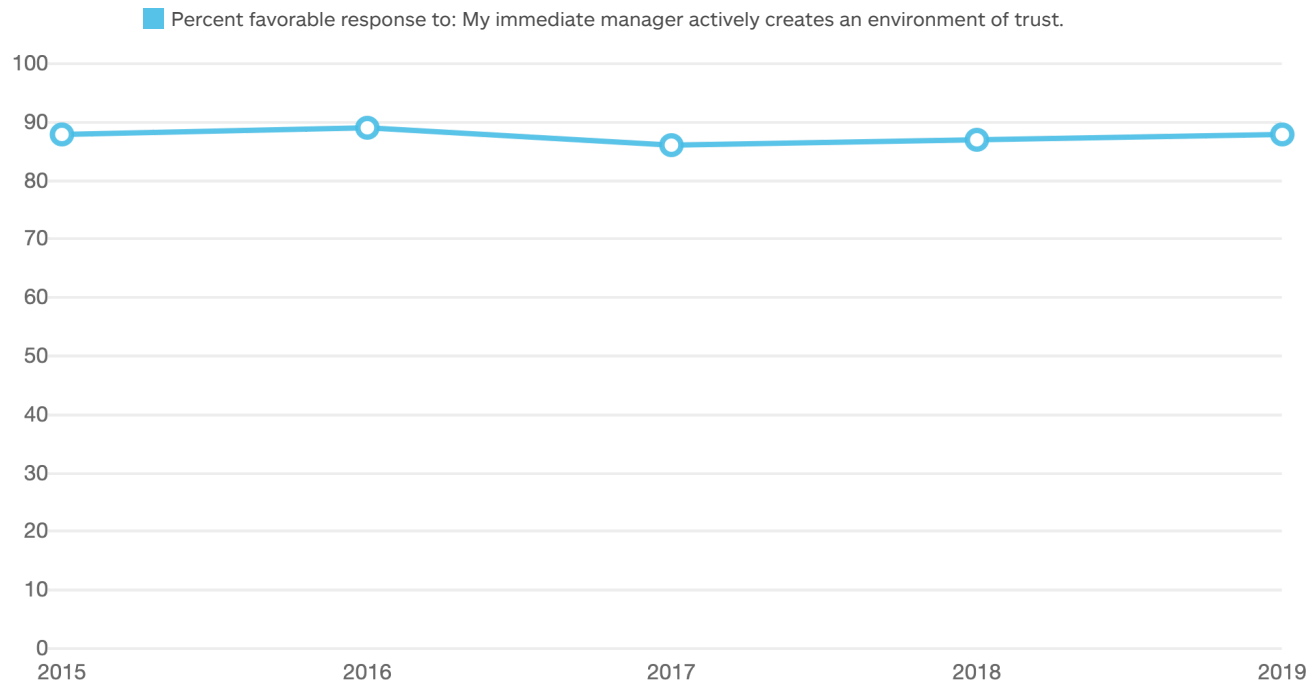




## Inspire Survey Results

We believe trust is a significant driver of employee engagement, retention and satisfaction. We conduct the annual Inspire employee engagement survey and measure whether employees feel that their immediate managers create an environment of trust. Remarkably, our results have remained at or above 86 for the last four years.

### EMPLOYEE PERCEPTION OF ENVIRONMENT OF TRUST



## RECOGNITION

In 2020, for the sixth consecutive year, Allstate was named one of the World's Most Ethical Companies® by Ethisphere, a global leader in defining and advancing the standards of ethical business practices.

The [World's Most Ethical Companies](#) designation recognizes organizations that significantly influence the way business is conducted by fostering a culture of ethics and transparency at every level. Companies are scored in five categories: ethics and compliance, corporate citizenship and responsibility, a culture of ethics, governance and leadership, and innovation and reputation.

# CLIMATE STRATEGY & DISASTER RESILIENCY



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Climate change represents an urgent global concern for all companies, including Allstate. Allstate is tackling climate risk in the way we serve and safeguard customers and communities. Our work on climate risk is helping us respond to a changing environment and position us for the future.

## ACCOUNTABILITY

Our business success depends on effectively modeling, pricing and managing climate-related risks, and developing products and services to address climate change. Our senior management and the Allstate Board of Directors identify, measure, manage and monitor material risks, including climate change.

We manage climate risks within our integrated Enterprise Risk and Return Management (ERRM) framework, which applies risk-return principles, modeling and analytics, governance, and transparent management dialogue to understand the company's highest-priority risks. Risk is evaluated across six key areas: insurance, investments, financial, operational, culture and strategic execution. Climate change risks are a component of several of these areas, including catastrophes and severe weather events, auto and property insurance underwriting, business continuity, disaster recovery, investment concentration and insured exposure concentration. Regulatory changes, customer behavior trends and Allstate's reputation are also considered.

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

As a member of the corporate executive team, Allstate's chief procurement officer (CPO) incorporates sustainability initiatives into Allstate's purchasing practices. Our CPO implemented a sustainability program within Sourcing & Procurement Solutions to assess the environmental risks and opportunities within Allstate's supply chain and purchasing operations, including the potential to reduce greenhouse gas emissions. The performance of this program is one component of the incentive compensation for the CPO and program development team.

Major metropolitan centers along the East and Gulf coasts of the United States represent the greatest potential catastrophe losses from hurricanes. Actions to address our risk of hurricane loss include:

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

## POLICIES AND PROCEDURES

A changing climate means we must identify risks and opportunities associated with extreme weather patterns, policy shifts and new technology. As part of this effort, Allstate works to understand climate risks that directly affect our insurance products and assets.

## Climate Change Modeling

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

Allstate's rate-making evaluations typically rely on a 20- to 25-year historical retrospective view and project one to three years into the future, depending on whether the product is auto- or property-based. This practice aligns with Allstate's three-year strategic planning cycle. Our analysis focuses on predicting business continuity, resiliency and solvency through a variety of catastrophe scenarios. The Catastrophe Modeling and Analytics team also partners with our Investments group to model mortgage and real estate portfolios under consideration for purchase.

## PROGRAMS AND PERFORMANCE

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

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

## Public Advocacy

Allstate uses our industry expertise to formulate public policy solutions to address weather-related risks and reduce their impact. We understand that climate change will likely increase the frequency and severity of natural catastrophes. We partner with national and local organizations to prepare and protect communities from the adverse impacts of climate change. We have successfully advocated at the state level for addressing the impacts of climate change by strengthening building codes, expanding emergency response capabilities and creating catastrophe insurance pools.

Every year, severe weather highlights the weaknesses in our building codes and products, and the standards used to rate those products. By working to increase resiliency, Allstate saves lives and reduces the cost of severe weather and natural disasters. For example, Allstate remains an active member and financial supporter of the [Insurance Institute for Business & Home Safety](#) (IBHS). IBHS delivers top-tier science and translates it into actions that prevent avoidable suffering, strengthen our homes and businesses, inform the insurance industry, and support thriving communities. To reduce future losses, IBHS analyzes existing standards and identifies ways to improve them. The resulting research and insights will influence building codes and standards, which will lead to better products and stronger buildings. IBHS research also provides critical data to improve existing modeling methods and outputs and reduce fraud. Allstate partners with IBHS to promote more durable homes and commercial buildings through better building practices and stronger codes.

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

## CUSTOMER-CENTRIC & RESPONSIBLE PRODUCTS



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Ensuring our products are accessible, competitively priced, and considerate of environmental and social impacts are essential components of our Transformative Growth Plan. We are dedicated to providing products and experiences that meet evolving customer expectations and needs, and market conditions.

### ACCOUNTABILITY

Developing and providing products is a shared responsibility of multiple teams, including Product, Innovation, Marketing and Technology. Making our products more affordable enables stronger financial inclusion. Allstate's efforts to promote financial inclusion lie at the intersection of business and social value — generating positive feedback and helping society. We challenge ourselves to create innovative products and services to meet customers' needs and outperform the competition.

### POLICIES AND PROCEDURES

Advancements in data collection, computing power and technology have enhanced our ability to refine pricing models to ensure we have competitive prices. Allstate agency owners and staff build personal relationships with each customer. They look to offer the best insurance solutions at the right price for each customer, balancing risks and costs. For auto insurance, we use information such as driving records, location and vehicle type to provide accurate and competitive prices. We base our homeowners insurance pricing on external factors such as historical weather patterns for the area, the cost of labor and building materials, the home's age, and homeowner policy preferences such as deductible amount.

Allstate offers several ways to reduce customers' premiums, including discounts for insuring both their car and home with Allstate, maintaining a safe driving record, and using Drivewise to reward and encourage safe driving behavior. Customers may also receive credit for installing safety features like smoke detectors and home security systems.

### Pandemic Response

Given an unprecedented decline in driving due to the COVID-19 pandemic, we provided auto insurance customers a Shelter-In-Place Payback representing approximately \$1 billion, with most customers receiving 15% of their monthly premium in April, May and June 2020. Since our lives have also become more digital, Allstate offered our Identity Protection product to U.S. residents, regardless of whether they are already Allstate customers for free for the remainder of 2020. To address the need to limit in-person contact when possible, we increased the utilization of virtual tools such as QuickFoto Claim® and Virtual Assist® to allow for a simple, fast and safe claims handling process for customers and our employees.

For customers seeking payment relief, we offer a special payment plan that allows auto and property insurance premium payments to be delayed for 60 days without penalty. Customers utilizing the special payment plan can also choose to pay what they can afford during the 60 day period, with no minimum payment required.

While people were sheltering in place under States of Emergency, we extended coverage to protect customers using their personal car or motorcycle to deliver food, medicine or other commercial goods, commercial activity which is typically excluded by standard personal auto policies.

## PROGRAMS AND PERFORMANCE

### Environmentally Responsible Products

As part of our strategy to mitigate climate change, we work to reduce our carbon footprint while helping customers reduce theirs. For example, we offer policyholders the Homeowners Policy Green Improvement Reimbursement Endorsement. If purchased, it allows a customer to replace damaged or destroyed appliances and equipment with more energy-efficient items and be reimbursed by Allstate for the additional cost.

The reimbursement applies to certain categories of Energy Star®-rated products such as: washers and refrigerators; computers and other electronics; heating and cooling equipment; and certain plumbing and building equipment. These products are designed more efficiently to 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.

### QuickFoto Claim®

QuickFoto Claim has revolutionized our claims model for vehicles that have damage but are still drivable. With this free, user-friendly app, a customer can take photos of a car's damage and submit them directly to our team of highly trained auto technicians, who can remotely calculate the estimated damage.

### Drivewise®

Telematics is the science of collecting data through sensors in a vehicle, which enables us to redefine insurance. Drivewise uses telematics to personalize the auto experience and provide customers insights into their behavior to promote and reward safe driving. Drivewise is available in 50 states and the District of Columbia. Allstate was the first major U.S. insurer to bring to market a mobile app to collect data for a telematics-based insurance program.

### Milewise®

Pay-per-mile coverage is an innovative kind of auto insurance based primarily on the miles a customer drives. Consumers today are accustomed to personalized products or services that give them more control over cost and usage, and we're staying on top of this trend. Milewise, Allstate's pay-per-mile auto insurance, is available in 14 states plus the District of Columbia and will expand into more states in the coming year. Milewise gives customers more control over their auto insurance costs with the same great coverage and claim service from Allstate.

### Allstate Identity Protection

Allstate Identity Protection is reinventing privacy and identity protection by giving people the tools to see, control and protect their digital lives.

### Avail

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

### Arity

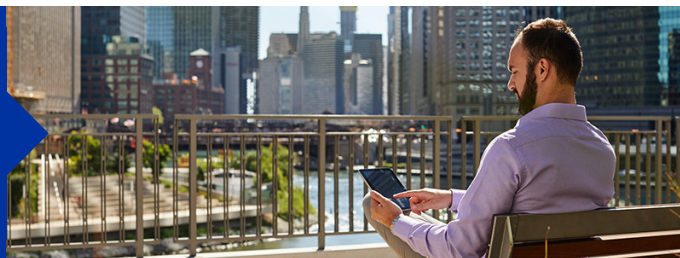
Arity is a mobility data and analytics company that turns billions of miles of driving data into predictive insights to make transportation safer and improve the accuracy of auto insurance pricing.

### Ride for Hire® and HostAdvantage®

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

- Ride for Hire provides Allstate customers who drive for companies like Uber and Lyft an optional endorsement to help fill the gap between their personal auto policy coverage and what's provided by the transportation network company's commercial policy.
- HostAdvantage provides Allstate customers who rent out their homes on sites like Airbnb and HomeAway coverage options to help with their personal property protection gaps.

# DATA PRIVACY & INFORMATION SECURITY



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Data privacy and information security are crucial to our license to operate in today's world of hyper connectivity and big data. We recognize that the quality of Allstate's security program affects our reputation and customers' trust in us. Allstate sells a promise to help customers experience security even in times of uncertainty, which includes protecting their personal information. By carefully and responsibly handling data, we can maintain our strong reputation, foster positive business relationships and create shared value.

## ACCOUNTABILITY

Allstate has assembled robust teams and implemented programs to manage our privacy and information security risks. Information security covers personal and non-personal information, including trade secrets and material nonpublic information, while privacy is focused on the collection, use and disclosure of an individual's personal information. Privacy and information security operate separately within Allstate, although the two teams work closely together.

## Information Security

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

The ISC consists of cross-functional senior leaders from across Allstate, including the chief privacy officer and senior vice president of information security. The ISC monitors risk, makes decisions on mitigation strategies and escalates identified risks as part of Allstate's formal governance structure.

## Privacy

At Allstate, privacy is the responsibility of The Allstate privacy team, along with its policies and programs, is led by the chief privacy officer, who is also the chief ethics and compliance officer. The enterprise privacy team governs personal information throughout the data lifecycle, from collection to disposal. The privacy team also works with liaisons and experts across the enterprise to engage with and educate employees on our privacy practices. The privacy team conducts risk assessments across the enterprise to determine impact to the overall Privacy Program. The Privacy Program factors reputation, compliance with laws and regulations, PI lifecycle process effectiveness, privacy incident levels and overall governance practices across the enterprise to determine the Programs risk level.

## POLICIES AND PROCEDURES

Created through collaboration between industry and government, the National Institute of Standards and Technology's (NIST) Cybersecurity Framework consists of standards, guidelines, and practices to promote the protection of critical infrastructure. At Allstate, we use the NIST Framework as the basis for our strategy and program to better manage and reduce cybersecurity and privacy risk.



Allstate's information security strategy and the NIST cybersecurity framework guide the decisions and actions of the ISC. Allstate uses a risk-based approach to establish our information security program, which maps to both the NIST cybersecurity framework as well as ISO 27001, with support from other standards and best practices. ISO 27001 is an information security standard developed by the International Organization for Standardization; the most recent version was released in 2013.

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

In early 2019, we created internal privacy standards to align with the NIST guidelines and Privacy by Design, a design approach that minimizes risk to personal information during the development phase of a technological tool or process by ensuring privacy risks are evaluated and addressed prior to product implementation. As of 2020, our California operations comply with the new California Consumer Privacy Act.

If employees have a privacy or security incident to bring to the attention of senior leadership, they can alert members of the Information Security team via the Allstate Global Security Fusion Center hotline and accompanying email addresses. Additionally, there are phone numbers and email addresses in the Global Code of Business Conduct that can be used to report an incident.

If Allstate suspects or receives a report that personal information may have been compromised, the privacy team launches an incident response that includes investigation, notification and corrective action in partnership with our cybersecurity teams when needed. If necessary, the incident and response may be escalated to the Operational Risk Council and the Board of Directors. The privacy team and other leaders help make sure that Allstate complies with the growing body of regulation that applies to the personal information for which Allstate is responsible.

All employees receive training on Allstate's privacy and information security policies, and our external privacy statements are publicly available. Additionally, Allstate implemented an annual compliance confirmation process that requires every employee to complete annual mandatory training courses and agree to follow appropriate company policies. One of the courses, Living our Shared Purpose, includes information security and privacy topics. As part of the training course, all employees must acknowledge and agree to comply with the following:

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

100% of our global employees complete mandatory compliance confirmation and the associated training annually. Additionally, the training provides further detail about company-specific risks as well as outside examples identified over the last 12 months. Allstate also provides specific privacy and cybersecurity training for new agency staff and communicates key cybersecurity responsibilities for all agency users annually. Agency owners are also required to maintain their own written information security policy.

Allstate employees are required to protect customers' personal information and keep it confidential. Allstate has clear customer privacy principles, as detailed in our Privacy Policy Statement for Allstate insurance companies:

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

Please see our [Privacy Statement](#) for more on Allstate's collection, usage, disclosure and security practices of consumers' personal information. Other entities within the Allstate family also publish privacy statements, please see [The Allstate Foundation](#), [Arity](#), [SquareTrade](#), and [Allstate Identity Protection](#) for more information about their respective privacy practices.

## PROGRAMS AND PERFORMANCE

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

Allstate uses a personal approach to engage employees on data privacy and security. Our dedicated security marketing communications and security education teams collaborate on a year-round internal campaign to convey messages about strong security practices such as password security and travel safety. Our security education team also operates phishing simulations with real-time feedback and training for employees who fail the simulation. As part of the training, relevant leadership is notified when an employee fails the test multiple times.

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

- tracking metrics across survey responses
- test and assessment results
- performance trends
- impact on the business or return on investment

## Security in Our Supply Chain

Our security and privacy requirements extend to suppliers who have access to, store or use Allstate data. Allstate emphasizes the importance of customer privacy and data security with suppliers through our procurement standards, practices and contracts. We have established a security assessment program for our suppliers, which includes on-site assessments for critical suppliers. During those assessments, privacy impacts of proposed process changes are evaluated, and privacy issues are opened and tracked through remediation. We also require all contingent workers who have access to our network to complete a training course on Allstate's security policies.

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



# RESPONSIBLE INVESTING



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Allstate's 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 in 2019. As a steward of this portfolio, Allstate understands that environmental, social and governance (ESG) issues may influence investment performance. Allstate's investment analysis and decision-making process consider these issues along with our values.

## ACCOUNTABILITY

In 2019, Allstate formed a Responsible Investing Committee with representatives from The Allstate Corporation and Allstate Investments. The Responsible Investing Committee'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.

## POLICIES AND PROCEDURES

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 alongside Allstate's values and reputation when assessing the risk/return trade-off of a particular investment. Investment managers are expected to act in accordance with the letter and the spirit of the guidelines.

In 2020, our investment professionals will receive formal training on our Responsible Investing Policy and related expectations. We continue to enhance our approach to responsible investing and look forward to sharing our progress in future reporting.

## PROGRAMS AND PERFORMANCE

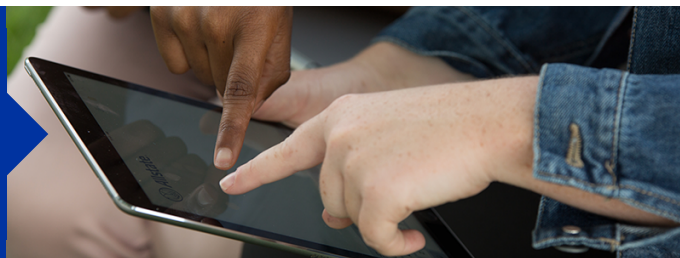
### Climate Risk

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.

## Restricted Securities

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.

# TECHNOLOGY & DIGITALIZATION



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Allstate's long-term performance against business objectives relies on our ability to innovate products that meet customer expectations for digital solutions and platforms, as well as our ability to leverage technology and digitalization for improved efficiency. Through our Transformative Growth Plan, we will leverage technology to make our products more accessible and affordable.

## ACCOUNTABILITY

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

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

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

## POLICIES AND PROCEDURES

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

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

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

## PROGRAMS AND PERFORMANCE

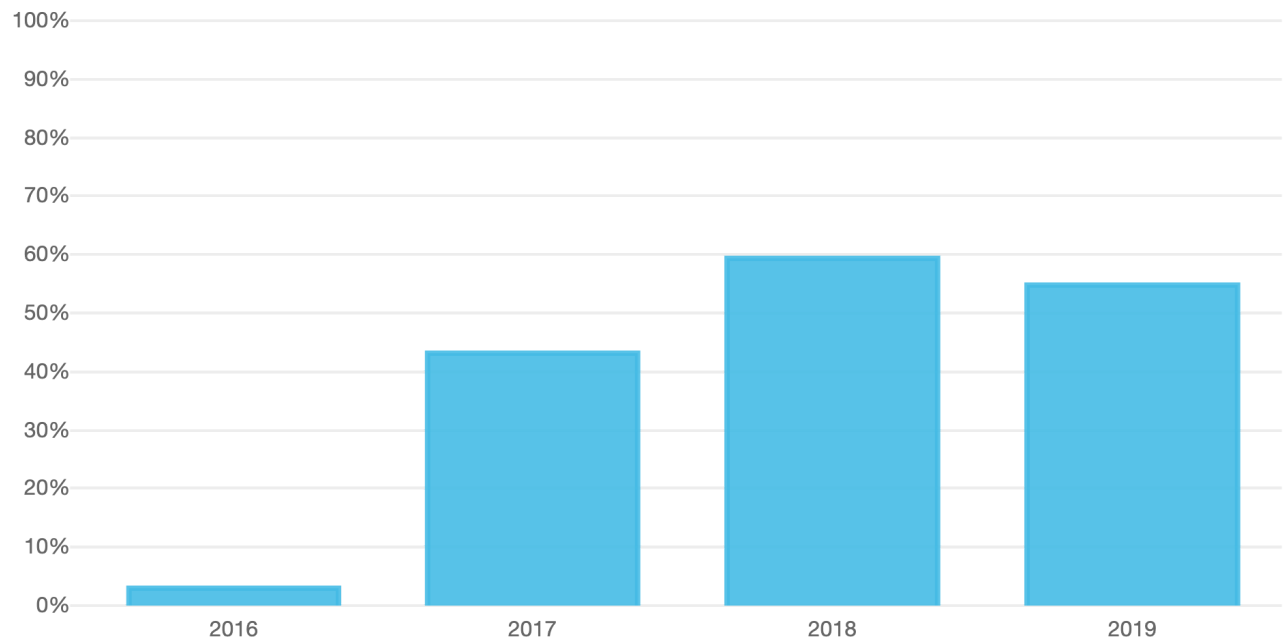
### Digital Claim File

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

### QuickFoto Claim®

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

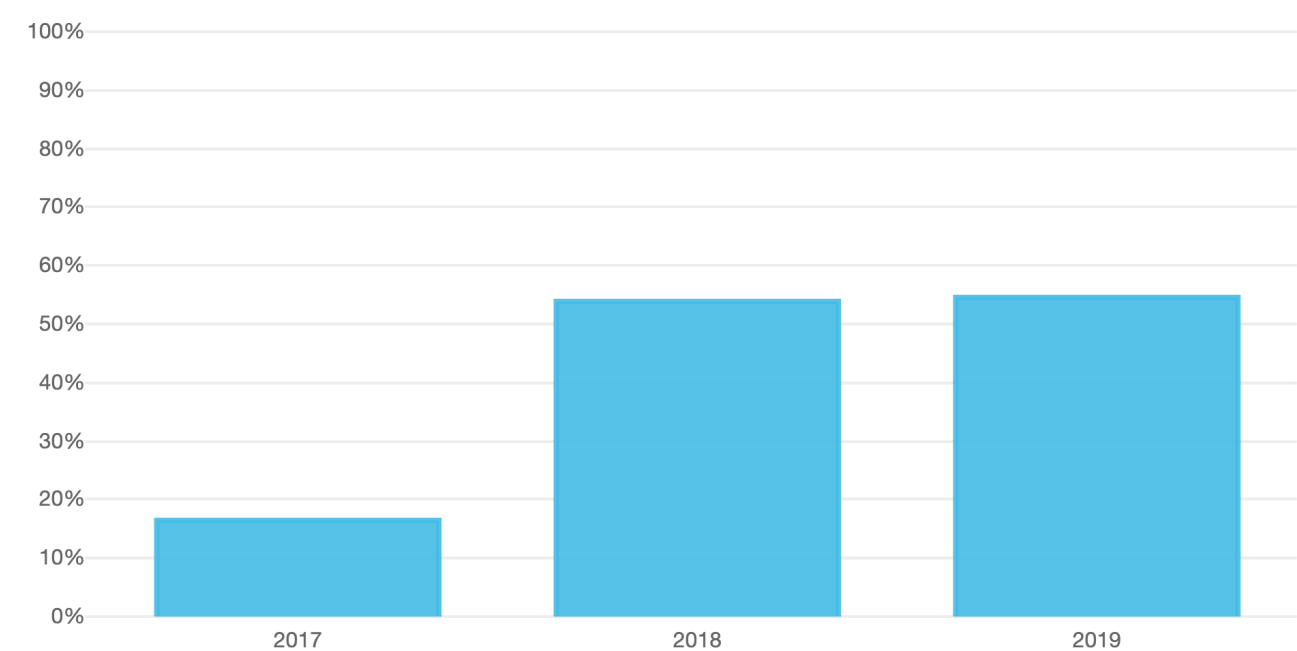
### PERCENT OF INITIAL INSPECTIONS COMPLETED FOR ALL DRIVABLE VEHICLES USING QUICKFOTO CLAIM



### Virtual Assist®

We are broadening our offerings for assessing claims using photos and real-time video consultations, creating an increasingly on-demand service experience for customers and service partners. Our live video feature — available in the free, user-friendly Virtual Assist app — automatically routes customers to the right Allstate technician. The Virtual Assist app advances service experiences industrywide by making virtual estimating technology available to anyone. Our use of live video interactions continued to grow in 2019 beyond supplemental auto damage to initial auto inspections and property wind and hail claims.

PERCENT OF AUTO SUPPLEMENTS COMPLETED (MEASURED AGAINST TOTAL AUTO SUPPLEMENTS) USING VIRTUAL ASSIST



Aerial Imaging

Allstate has been a leader in aerial imaging research. We use images taken by drones, piloted airplanes or satellites to better meet the needs of our customers and make our employees safer. For example, an adjuster can look at high-resolution photos taken by drones and zoom in on the damage, rather than climbing on a customer’s roof, to deliver a safer, faster claims experience.

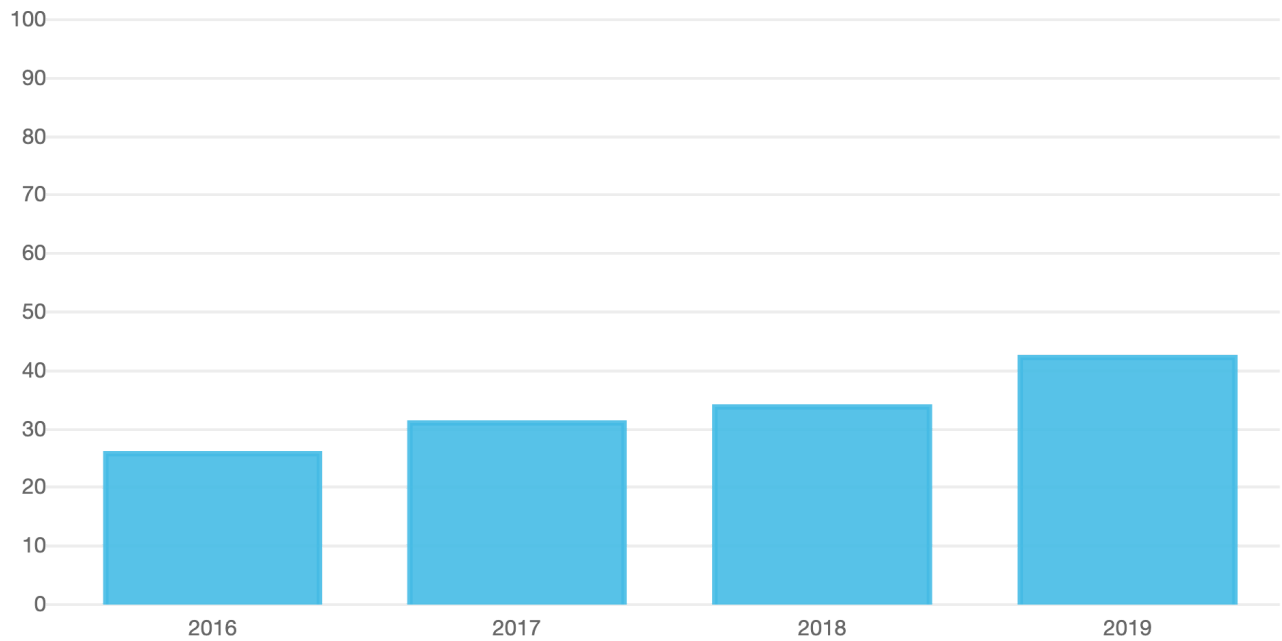
Digital Payments

Allstate provides customers and small businesses, such as auto body shops, with faster access to claim payment funds.

Quick Card Pay

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

## DIGITAL/ELECTRONIC CLAIM PAYMENT TRANSACTIONS



### Digital Self-Service

Allstate offers customers and small businesses, such as auto body shops, more control over the claims experience.

#### MyClaim\*

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

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

## SOCIAL IMPACT & COMMUNITY LEADERSHIP



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One of Allstate's and The Allstate Foundation's roles in society is to strengthen communities so they can prosper. Allstaters take a stand to empower youth, uplift survivors of domestic violence, and support the communities where we live and work. We use our resources to bolster communities and the nonprofits that serve them.

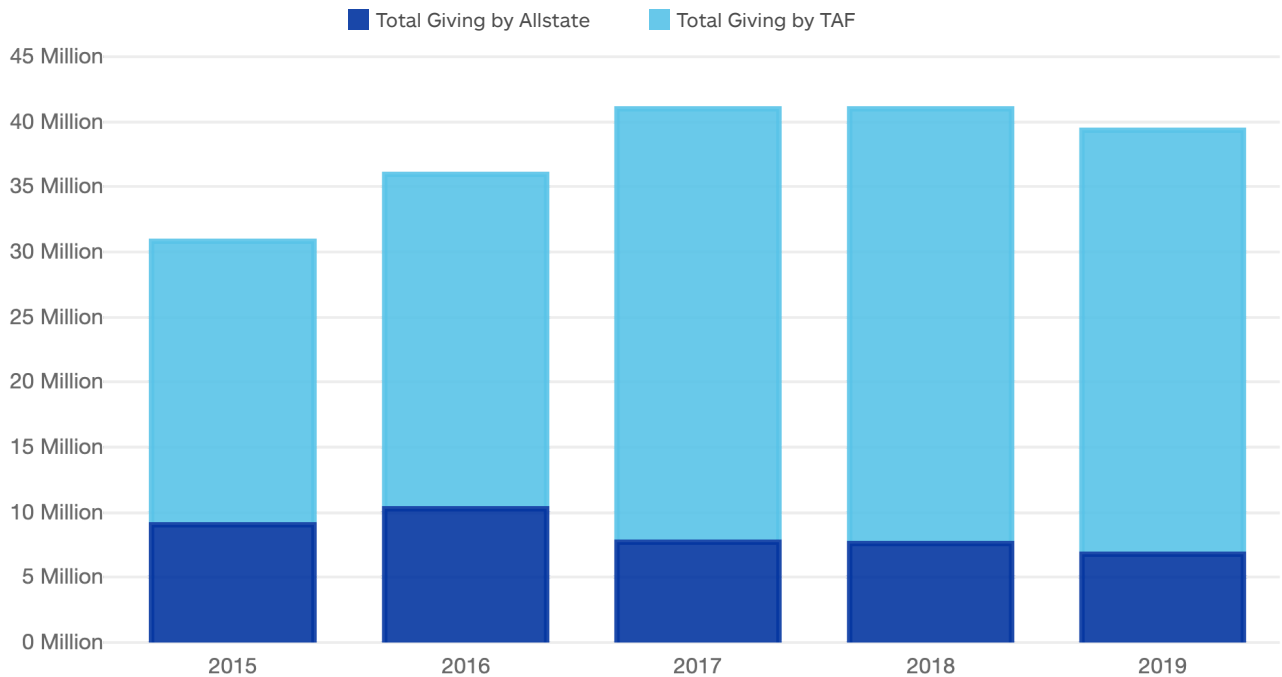
While the following reflects 2019 achievements, we also included our 2020 community action following the COVID-19 pandemic. Please see our Looking Ahead information below for these details.

### ACCOUNTABILITY

Through partnerships with nonprofit organizations across the country, Allstate and The Allstate Foundation work to create prosperous communities where people are inspired and empowered to realize their hopes and dreams. Established in 1952, The Allstate Foundation is an independent charitable organization made possible by The Allstate Corporation. Fully funded by donations from Allstate, the Foundation invests nationally and locally in the communities where we live and work.

In 2019, Allstate and The Allstate Foundation invested nearly \$40 million in communities.

## GIVING BY ALLSTATE AND THE ALLSTATE FOUNDATION



## ACCELERATING SOCIAL IMPACT & COMMUNITY LEADERSHIP

We are passionate about solving complex problems through our perseverance, courage, long-term approach and a drive to do more than anyone thought possible. Through The Allstate Foundation, we take a surround-sound approach to accelerate progress on key issues by dedicating volunteer time, resources, expertise and funding to organizations that build vibrant and resilient communities.

- **We champion bold ideas:** From ending domestic violence to bolstering local communities to creating a brighter future for the next generation, we believe in setting our sights high and bringing our expertise to bear to address today's greatest social issues.
- **We accelerate change:** Together with our partners, we empower today's visionaries and innovators to test, learn, champion and implement the best solutions.
- **We create lasting impact:** With an outcomes-focused and data-driven approach, we take a long-term view of our work to ensure it's scalable, sustainable and measurable to create lasting change.

The Allstate Foundation focuses its support on key issues enabling us to accelerate social change:

- **Youth Empowerment:** Prepares young leaders with social and emotional learning skills and engages them in service-learning, enabling youth to take charge of their future
- **Ending Domestic Violence:** Breaks the cycle of domestic violence through financial education and empowerment for survivors, including healthy relationships education for young people
- **Nonprofit Leadership Center:** Ensures nonprofits fulfill their vital missions by providing free leadership development training available to all nonprofit employees in the nation.
- **Community Leadership:** Encourages Allstate agency force members and employees to donate their time, expertise and financial resources to benefit local communities.



## Youth Empowerment

The Allstate Foundation's focus on youth began 15 years ago with an aggressive effort to combat teen deaths in car crashes. In 10 years, the rate of teen deaths in car crashes fell 50%. Our current effort is about looking to the future and preparing youth to lead successful lives.

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

The Allstate Foundation is dedicated to increasing access to programs that build SEL skills. We also provide service-learning opportunities for youth to achieve goals for their community and build skills and gain insights for themselves. We believe – and research shows – that combining SEL and service-learning has a powerful impact that can help youth build skills like empathy, teamwork and critical thinking. In fact, in a recent survey, 89% of teachers said that volunteering caused their students to show increased leadership skills among peers.

We partner with organizations to scale SEL and service-learning resources for educators, parents and youth, and invest in research and curriculum that translates into better short- and long-term outcomes for young people. In 2018, we launched a five-year, \$45 million national campaign to empower young people with SEL and service-learning. By the end of 2019, we exceeded our initial goal to deliver SEL programming to 14 million young people by 2022. In 2019, we contributed \$10 million toward this campaign, the majority of which funds evidence-based direct services. We also focus on building awareness of the importance of SEL and service-learning among educators, families and policymakers.

We believe that if you make a positive impact on enough youth, the ripples will help a family, a school, a community and ultimately the world.

## Domestic Violence

The Allstate Foundation's domestic violence program – formerly known as Purple Purse – is the longest-running national campaign focused on ending domestic violence by providing financial empowerment to survivors. Allstate is proud to be one of the first major corporations to address domestic violence and to focus on the role of financial abuse. While most people think only of physical abuse when they consider domestic violence, financial abuse occurs in 99% of all cases. It's an invisible weapon that keeps victims trapped in abusive relationships.

New in 2019, we broadened our program focus and expanded our prevention efforts to advance and scale education on healthy relationships and healthy financial relationships. We have embarked on new partnerships, programs and research that could help reduce the number of young people who will experience domestic violence and financial abuse in their lifetime.

Since 2005, The Allstate Foundation has invested more than \$70 million toward ending domestic violence and financial abuse and helped empower more than 2 million survivors on the path to safety and security. This program encompasses direct service support, thought leadership, and public awareness and engagement activities.

In 2019, we involved nearly 36 million people in our campaign. We provided 55,000 domestic violence survivors with financial education through programs like our Moving Ahead curriculum, training and/or support services. We also expanded our advocate training strategy and trained more than 4,400 advocates, a 42% increase from 2018.

During National Domestic Violence Awareness Month, Allstate agency owners in 2019 teamed up to volunteer and host professional clothing drives for local shelters, earning \$500,000 in Allstate Foundation grants for many participating nonprofits. Allstate employees from 68 offices raised money, donated supplies and volunteered. We also launched a new campaign platform and shared survivor stories to increase public understanding of financial abuse and enlist them in the Foundation's mission to end domestic violence.

Last year, we changed how we measure the number of survivors we empower each year to provide a more targeted and meaningful reflection of the Foundation's impact. We now measure the number of domestic violence survivors who specifically receive financial education, training or support through Foundation grants. This new method will yield smaller numbers, but they will be more specific to our focus and more representative of our impact.

	2019
Survivors who receive financial education or support services (annually)	56,000
Agency owners engaged	981

## Nonprofit Leadership

Nonprofits provide important services that make our communities stronger, safer and more vibrant. The Allstate Foundation is committed to strengthening the nonprofit sector to build more prosperous communities for all. We support nonprofit leadership development through The Allstate Foundation Nonprofit Leadership Center.

We joined forces with Northwestern University Kellogg School of Management's Center for Nonprofit Management to offer free in-person and online nonprofit leadership development programs available to every nonprofit employee in the nation. Each year, our Executive Leadership Program provides 30 competitively selected leaders with yearlong classroom-based learning, networking and mentoring. Our Nonprofit Management Essentials online courses are available in three formats to meet diverse learning styles and objectives from self-paced study to group train-the-trainer courses. More than 30 online modules are provided on critical subjects like Messaging that Moves People; Building Stronger Community Partnerships; and Managing Your Stakeholders. In 2019, almost 5,000 leaders developed their competencies through the program, compared to just over 2,000 leaders who participated in 2018. Surveys show participants continue to thrive in their positions, taking on new responsibilities and sharing their knowledge with co-workers and personal networks. In 2019, we added program content to extend our impact, including more options for leaders and nonprofit organizations to use online resources, and began work on new data analytics coursework.

## Community Leadership

Allstate's employees and agency force bring out the good by contributing time and talent to a variety of organizations through our volunteer programs. Since 1976, our Helping Hands volunteer program has empowered Allstate agency owners and employees across the country to give back and make a difference in their communities. Every day, this spirit of caring is embodied by an employee network of Helping Hands committees at our offices. These committees of local Allstate volunteer leaders collaborate with colleagues and community partners to find meaningful ways to give back. The commitment and creativity of our Helping Hands committees powerfully connect us to local organizations and create grassroots change.

To help Allstaters discover and follow their passions, we offer several ways to get involved. In 2019, we volunteered with 8,542 nonprofit organizations – individually or in teams. According to our reputation survey results, 69% of employees and 79% of agency owners and agency staff volunteered in 2019.

We give back to our communities year-round but emphasize community involvement during Allstate's annual month-long campaign to make a greater impact on our communities. Beginning with Give Back Day in 2009, expanding to Allstate Week of Service in 2012, and growing in 2015 to Allstate Bring Out the Good® month, Allstaters volunteer in droves every April. In April 2019, Allstaters completed 1,057 volunteer projects, and 914 Bring Out the Good month coordinators inspired their teams to give to and volunteer with our nonprofit partners. In total, 30,091 Allstate employees, agency owners and agency staff participated by giving and volunteering, benefiting almost 16,000 community organizations.

The Allstate Foundation promotes volunteerism by providing employees with a \$500 Helping Hands Grant after they complete 16 hours or more of community service for an eligible nonprofit organization. In 2019, 676 employees earned 867 Helping Hands Grants, providing \$433,500 to 602 nonprofit organizations. This represented a 16% increase in grants over 2018. In addition, Allstate honors employees' volunteerism through our Helping Hands Awards. Every month, an employee or team is recognized with a Helping Hands Award for their outstanding volunteer service. Award recipients select an eligible nonprofit to receive a \$1,000 grant from Allstate, and their volunteer story is shared to inspire others.

To help agency owners be local leaders, we offer programs and resources that address issues that matter to them and their communities. The Allstate Foundation provides Helping Hands Grants to encourage and recognize community service performed by the agency force. Agency owners can earn two \$500 grants after completing at least four hours of service for each grant. They also can participate in Group Helping Hands Projects with at least five other Allstate volunteers. Projects can earn from \$5,000 to \$20,000, depending on the project's social impact and other considerations. In 2019, the agency force joined together to complete more than 620 Group Helping Hands Projects across the country, an average of more than 11 projects per week and a 50% increase over 2018.

In addition, agency force members can share their expertise by using community toolkits developed by Allstate and The Allstate Foundation. These tool kits focus on empowering youth and financially empowering survivors of domestic violence, as well as safe driving and disaster preparedness. Allstate offers agency owners one-on-one consultations to help build community involvement into their annual business plans and connect them with the programming, resources and promotional support for causes important to their communities.

In 2019, The Allstate Foundation improved the way it tracks and reports how our agency force serves their hometowns. We recognized that agencies support their communities in many ways, including volunteer service, sharing expertise and financially contributing to nonprofit organizations. Last year, an increasing number of agency force members stepped up to serve as community leaders across the nation, which led to more nonprofits and communities benefiting from their charitable service and support.

AGENCY FORCE COMMUNITY LEADERSHIP	2018	2019
Percent serving as a community leader	61%	66%
Nonprofits benefiting from their service	2,749	2,938
Communities served	1,581	1,598

## Allstate Officer Nonprofit Board Program

Allstate is committed to building resilient communities by supporting our nonprofit partners with funds and with our expertise and creativity. Giving our time and talent offers opportunities for employees to build deeper connections with their neighborhoods. Through the Allstate Officer Nonprofit Board Program, we help officers join the boards of nonprofits whose missions advance our strategic social impact areas. By participating in this program, Allstate leaders expand their networks, gain leadership experience and give back to the community.

In 2019, 79 Allstate officers served on the boards of 88 organizations. Of those, 76% had missions that aligned with Allstate's priority areas of supporting survivors of domestic violence and empowering youth. Allstate officers support these organizations with their skills, expertise, time and charitable giving. In addition, Allstate gives a portion of our corporate philanthropic dollars to these organizations.

## COMMUNITY LEADERSHIP



## Allstate Fellows

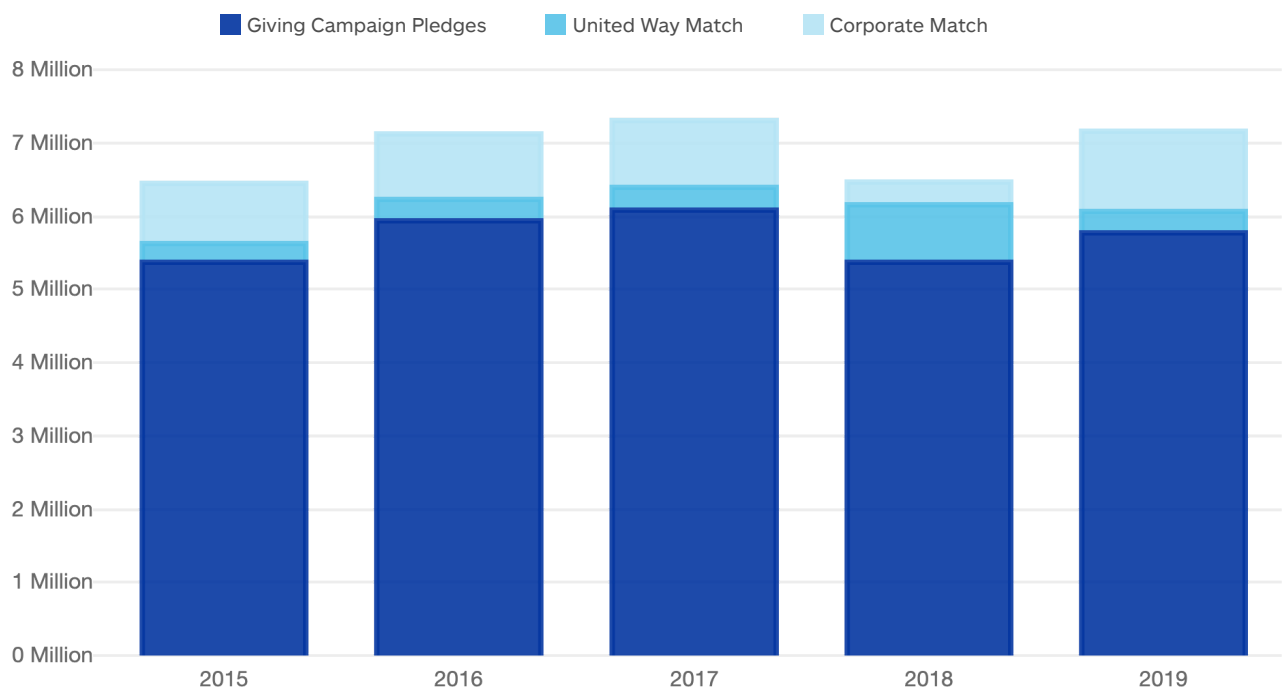
Started in 2011, Allstate Fellows is a volunteer initiative that shares the specialized skills and expertise of Allstate employees to strengthen the infrastructure of nonprofits, helping them build and sustain their capacity to achieve their missions. The program also invests in employees' professional development by providing them the opportunity to apply their skills in a new environment and learn more about the nonprofit sector. Employees apply for a three-month fellowship at a nonprofit to support critical projects like talent recruitment, information technology, cybersecurity, marketing, strategic planning and more. In 2019, 12 highly skilled Allstate employees helped 8 nonprofit organizations address critical challenges during three-month fellowships.

## The Giving Campaign

In addition to the social impact work of the Foundation and supporting the community leadership of Allstaters, we honor the passions of Allstaters by offering a match on qualifying charitable contributions. Since 1997, the Giving Campaign has raised \$130 million for thousands of nonprofit organizations across the country, and in 2019, the funding of the match transitioned from Allstate to The Allstate Foundation. The Allstate Foundation Giving Campaign is a testament to Allstaters' long-standing generosity with our community partners.

In 2019, The Allstate Foundation Giving Campaign raised a total of \$7.2 million from Allstate employees, agency owners and staff. For every dollar donated by Allstaters, a 15-cent match is provided, and The Allstate Foundation contributes an additional 5 cents to local United Way organizations. In 2019, Giving Campaign donations were distributed to more than 9,200 nonprofit organizations across the country. Allstaters can also request a \$1-for-\$1 match on contributions made to higher education institutions, up to \$5,000 per year.

## THE ALLSTATE FOUNDATION GIVING CAMPAIGN



Allstate also supports local communities through an array of initiatives, including our hometown program, The Renewal Project, The Better Arguments Project, the Allstate Officer Nonprofit Board Program and Allstate Fellows.

## Hometown Presence

Allstate's hometown program places a special focus on philanthropy in our talent center locations to support youth empowerment. For more than 10 years and over \$50 million invested, we have focused our efforts on the Chicago area, helping improve the odds for at-risk or acutely at-risk youth. In 2018, our hometown program expanded to Allstate's talent center in Charlotte, North Carolina, and then in 2019 to Irving, Texas. In late 2020, the program will launch in Chandler, Arizona. Expanding existing programs yields social good, achieves business goals, demonstrates our values and builds trust in these new communities. Programs funded with Allstate's corporate philanthropic dollars also support Allstate's presence as a hometown leader and contribute to our strong brand legacy.

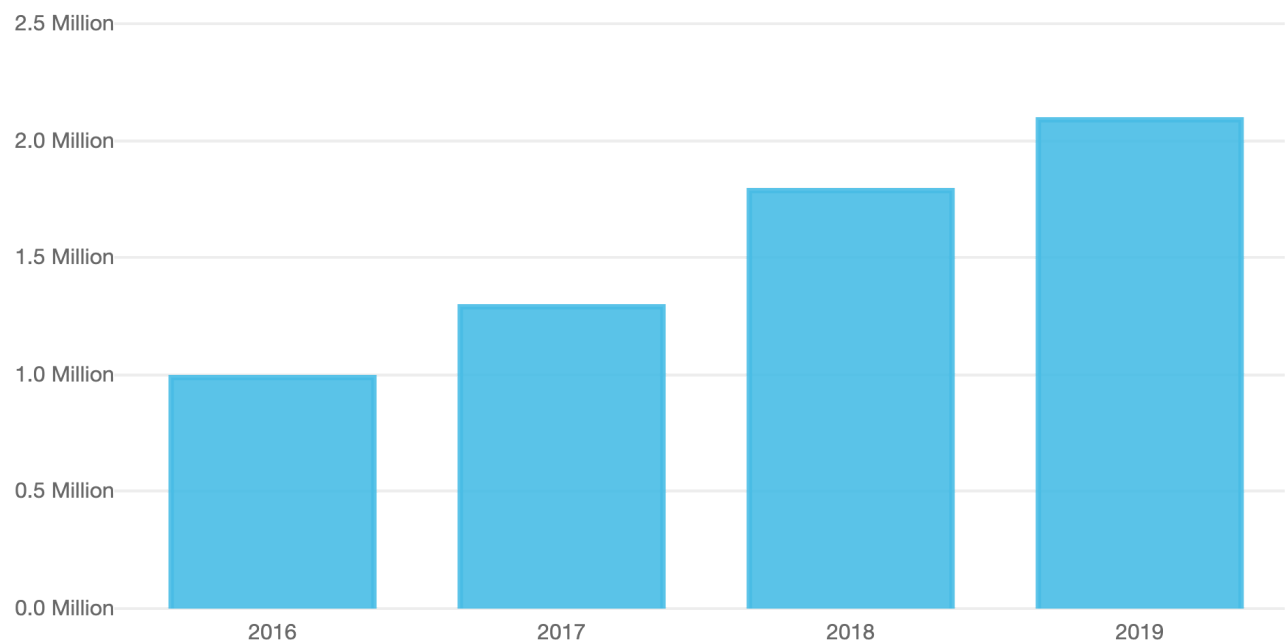
In 2019, for the fifth year, we focused on programs and partnerships that empower youth by improving their social emotional learning skills. We seek to address both the causes and the effects of poor SEL skills and inequality by providing intellectual and human capital to build capacity and leadership rather than simply providing funding. For example, taking positions on the boards of the nonprofits we fund and supplying skilled volunteers to those organizations allows us to better understand and attempt to eliminate the structural causes of poor SEL skills among Chicago's at-risk and acutely at-risk youths.

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

- a deep commitment to developing the qualities that turn at-risk youth into empowered youth, guided by the skills identified in by leading experts in the field.
- strong partnerships with the local communities' most trusted institutions to create reliable programming and direct access to youth who can benefit most from our support.
- a focus on measurable results that we deliver in partnership with our grantees

Allstate's innovative and strategic funding of 150 grants/sponsorships to organizations serving Chicago, Charlotte, Dallas/Irving and soon Chandler/Phoenix makes a positive difference in youths' lives. The outcomes reported by our nonprofit partners confirm that our portfolio of programs has laid the groundwork for more engaged students and generated new opportunities for at-risk youth across these cities.

## YOUTH PARTICIPANTS



## The Renewal Project

As a network of 10,000 small businesses in communities across the country, Allstate knows that good ideas start at the local level. Individuals, entrepreneurs and organizations are finding creative solutions to the most pressing social and economic challenges. We believe that communities have the power to create their own renewal. Through the Renewal Awards and [TheRenewalProject.com](#), Allstate supports civic innovation and grassroots action. We are determined to find and tell the stories of individuals and organizations who are solving problems in their communities.

The Renewal Project shares the stories of the problem solvers behind that renewal, because we know that a good idea in Charlotte could inspire a great idea in Albuquerque – and vice versa. It is our hope that more and more people will inspire one another to take action and work together to strengthen their communities.

## The Better Arguments Project

The **Better Arguments Project** is a new national civic initiative created to help bridge ideological divides by teaching Americans how to have better arguments. We believe that equipping communities to have arguments rooted in history and best practices of constructive communication will make the country healthier. The Better Arguments Project is a partnership among Allstate, the Aspen Institute, and Facing History and Ourselves.

## LOOKING AHEAD

Through The Allstate Foundation, we envision resilient communities that empower, educate and inspire individuals to bring about positive change. With that in mind, we continue to evolve and modernize our work to help accelerate social impact by empowering and educating the most vulnerable, inspiring today's visionaries and promoting community leadership.

Amid the coronavirus pandemic, The Allstate Foundation contributed \$5 million to accelerate relief and recovery for domestic violence victims, youth in need, first responders and communities at large. For example, we donated \$1 million in support of first responders, and agencies donated N95 masks from catastrophe preparedness kits to frontline workers. We're also empowering Allstaters to help address the increased needs of communities by offering virtual volunteer opportunities, increasing The Allstate Foundation match to 100% (up to \$500 per person per year) and making the Allstate Fellows program fully virtual. Further, to address the increased risk of domestic violence during this time, we pledged \$500,000 to the National Network to End Domestic Violence for micro-grants benefiting more than 100 local domestic violence organizations. We also provided funding to quickly assist the National Domestic Violence Hotline and National Runaway Safeline.

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

# ORGANIZATIONAL CULTURE



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At Allstate, we believe that when your passion fuels your purpose, you can achieve anything. Our six Leadership Principles apply to every employee and form the basis for all performance and development conversations. We expect all employees to be leaders and dedicate extensive resources to developing leaders at all levels.

## ACCOUNTABILITY

We define culture as a self-sustaining system of shared values, principles and priorities that drives positive behavior and influences decision-making within an organization. In 2019, company culture was elevated to one of six key risk categories overseen by the Allstate Board of Directors. Through work across our operations, our Human Resources team ensures a strong commitment to our culture through the growth and development of our talent.

Our employee development programs are evaluated using key reporting measures looking at behaviors, skills and mindsets, and impact on the business. Some programs are available to all employees, while others are for select audiences. Regardless of their role, all employees have a wealth of resources at their disposal.

## POLICIES AND PROCEDURES

### Leadership Principles

Allstate has six Leadership Principles, developed with input from Allstaters. They define our culture and drive our business results. These principles are embedded in talent recruitment, management and development. We strive for our employees to align their personal purpose with the Leadership Principles, and that brings Our Shared Purpose to life.

- **We're here to serve.** We are here to serve and we care – a lot. It's at the heart of everything we do here at Allstate. We make a conscious choice to lead by serving our customers, communities and each other.
- **We win together.** We expect to win. When we work toward the same mission, leverage each other's unique strengths and focus on what's best for our business, we win. Leaders think broadly about the impact of decisions and inspire others to action. We are a part of the Allstate team – and know when to lead and when to follow. Taking time to help other areas of the company makes us all better. We are one team – one Allstate. Hierarchy has no place at Allstate. Everybody is a leader.
- **We drive results.** We are dedicated to getting the right things done well and quickly. That takes ownership and focus on the things that will have the greatest impact. We are willing to make the tough calls and move forward.
- **We're transparent.** We openly discuss the rationale for our decisions. We know that being authentic, ethical and empathetic in all of our interactions will pave the way for transparency and trust in our decisions. We value and encourage calculated risk-taking and learn from our successes and mistakes.
- **We continuously get better.** We start by asking, "Why?" We are always looking for ways to continuously improve. We are externally aware and aren't afraid to speak up, try new things and challenge the status quo. The best teams are open to possibilities. We seek out perspectives different than our own, so we can make smart decisions quickly. This is how we learn, grow and succeed.

- **We develop each other.** Leaders are continuously growing and learning, both personally and professionally. We challenge and stretch ourselves. We take seriously our role in coaching others regardless of levels. Critical conversations help us grow, achieve our potential and perform better. We develop future leaders for the organization.

## PROGRAMS AND PERFORMANCE

### Career Management

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

### Continued Learning

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

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

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

We also offer enterprise-wide access to Pluralsight technical skills training, via an online course library and online books. This training opportunity covers topics such as Agile, Scrum, Java, VMware, Mobile Web and ITIL practices. Additionally, employees have access to edX courses from leading institutions and professors to help develop critical business skills needed for the future of work. This includes coursework on data analysis, business management and change agility.

In 2019, Allstate held quarterly Skill Builders series for leadership and a Global Learning Week for employees. These sessions support Allstate Enterprise Learning's mission to partner with the AORs and Allstate Business Learning teams to create consistent, scalable learning programs and platforms that empower employees to learn anywhere, anytime. Learning sessions for both programs covered five critical skills (change agility, product mindset, experimental mindset, customer focus and design thinking) for our employees' futures, improving employability inside and outside of Allstate.

More than 1,600 leaders attended Skill Builders, and more than 6,100 employees participated in Global Learning Week. We received positive feedback from participants. 72% of leaders planned to use more than half of their learning from the Skill Builders sessions on the job. 81% of Global Learning Week participants told us they gained knowledge or skills that would help them be more successful.

METRIC	2015	2016	2017	2018	2019
# of completed courses	272,581	326,439	279,843	367,837	451,491
# of unique learners	39,327	40,956	41,934	44,268	37,241
# of hours of learning	622,031	436,993	348,370	465,749	389,918

In addition to our integrated talent management system, we are working with our Strategic Workforce Planning team to provide employability and upskilling resources for employees based on the future needs of our business and the marketplace.



## Tuition Reimbursement

Allstate offers tuition reimbursement to employees for a college degree, an advanced degree or an additional degree. All active full-time and part-time employees may apply, and course or degree eligibility is job-related and Allstate career path-related. We offer up to \$5,250 per employee per year.

METRIC	2015	2016	2017	2018	2019
# of participating employees	957	1,181	1,064	937	1,176
\$ tuition reimbursement paid	\$3.3M	\$3.5M	\$3.7M	\$3.6M	\$3.7M

## Enterprise Talent Market and Talent Share

With 45,780 full-time and 510 part-time global employees at Allstate, there is no better place to begin the hiring process than within our organization. Our Enterprise Talent Market philosophy and Talent Share programs support employees' internal advancement. When a position opens in any department across the company, Allstate employees can apply for the position.

METRIC	2015	2016	2017	2018	2019
% internal placement rate	43%	33%	43%	43%	43%

## Department-Specific Development

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

- Our Life and Retirement Distribution department offers development workshops that include activities such as peer networking, compensation transparency, a book club focused on leadership, and workshops that increase awareness and understanding of other business units.
- Allstate's Claims department uses a state-of-the-art Learning Lab to help new Claims employees gain interactive experience to make sure they are equipped to complete job responsibilities. Our custom simulation trains employees in the 10 most common auto and property inquiries. This multistep program culminates in a live interactive role-play in which the learner will listen, respond and type while working through a customer scenario. Since this is cloud-based, the simulation can occur anywhere across Allstate's geographic footprint.

## Live and On-Demand Seminars

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

- The Good Work Series celebrates the Good Work pillar of our Employee Value Proposition and focuses on nurturing an inspiring workplace culture.
- Good Work Week is an annual themed event that renews our commitment to the Good Work Series. Internal and external speakers help employees connect their work to the company's purpose and business results.
- Leaders as Teachers provides internal perspectives from Allstate executives on leadership and other topics pertinent to our business strategy.
- Thought Leader Forum introduces an external point of view on business and leadership to accelerate development.
- Quarterly Skill Builders series help provide leaders with tools and resources to continuously develop their teams on crucial skills for the future of work.
- Global Learning Week promotes a culture of learning and empowers employees to learn new skills with perspectives from industry experts, Allstate leaders and their peers.

## Effective Conversations

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

METRIC	2015	2016	2017	2018	2019
Inspire survey results: “At Allstate, I have the resources that I need to develop my professional skills and actively manage my career”	78%	79%	80%	80%	80%
Inspire survey results: “I am empowered to pursue development opportunities”	N/A	N/A	79%	81%	87%

Note: In 2019, the second question was phrased: “My immediate manager actively provides encouragement and time for me to participate in development opportunities.”

## Targeted Leadership Development

We offer additional support to employees we identify as being part of top talent within the company to ensure successful transitions as their responsibilities increase, such as when they are newly promoted into management roles. Top talent programs include Power of MInD and external mentoring programs.

### The Power of Mentoring for Inclusive Diversity (MInD)

In 2019, we relaunched our Power of Five program as MInD. This program is designed to continue developing high-potential and high-performing diverse talent and foster sponsorship relationships between senior leaders and participants through a structured mentoring program. Participants take part in 1:1s, mentoring circles, and a program conference, as well as a potential job shadowing capstone experience for selected participants. We also integrated the program with existing development conversations and opportunities such as Skill Builders, Employee Resource Groups and Global Learning Week.

With the rebranding in 2019, we added:

- Cohorts for minority men
- Updated guides for mentors, mentees and leaders of mentees
- Resource library of planning activities, monthly toolkits and focus on skills needed for future success
- Capstone job shadowing experience for nominated mentees

### External Mentoring Programs

- Women Unlimited/IMpower – A six-month management development program for women that includes monthly workshops, group mentoring, ongoing peer coaching and exposure to leading experts in a variety of corporate specialties. The program is intended for new managers – of people, of projects and/or of processes. It’s aimed at developing critical management competencies, including performance management, business acumen, and key networks and alliances.
- Women Unlimited/LEAD – A 12-month leadership development program that includes: eight in-person workshops; three virtual sessions; on-the-job assignments; one-on-one and team mentoring by leading corporate executives; individual development planning; and networking and team-building exercises. The program is intended for midlevel female managers on the leadership track. Geared toward developing stronger strategic skills in emotional intelligence, leadership presence, influence and the priorities of leaders vs. managers.
- Mentttium/Momentum – A 12-month program consisting of one-on-one mentoring; access to business, professional and leadership education; and peer networking opportunities for professionals of color with at least three years of experience. Topics include: problem-solving, goal-setting, mentoring and perspective on corporate life and its universal opportunities and challenges, etc.
- Everwise Talent – A 12-month professional development program that includes a six-month, one-on-one formal mentoring partnership; in-person networking events and skill-building workshops; access to their software learning engine (providing content that is relevant to individual professional goals and needs); and a personal “career concierge” to help navigate available development options.
- Everwise Women – A 12-month professional development program that includes a six-month, one-on-one formal mentoring partnership; in-person networking events and skill-building workshops; facilitated peer groups; access to their software platform providing resources curated to individual goals and needs; and a personal “career concierge” to help navigate the development experience.

- Impact Emerging Leaders – Designed to prepare employees for their first managerial role.
- Impact Leading Others – Designed to prepare managers for future senior leader roles.

#### Employee Development

- Strategic Workforce Planning – This team within our Human Resources organization is evaluating the skills, number and location of workers we need to succeed. Our initiatives include reskilling workers who have responsibilities that may not be needed in the future and upskilling workers who can advance beyond their current skills.
- Leader Effectiveness-First Level – Designed to develop newly promoted or newly hired leaders, Allstate's LE-FL program follows a tiered approach to provide additional training to new leaders as they acclimate to their roles. In the first 90 days, Tier One presents foundational training through video, eLearning, microlearning and job aids. Over the rest of the employee's first year in leadership, Tier Two incorporates the New Leader Development Studio, described below, as well as the half-day and in-person Leveraging Inclusive Diversity program and other topics delivered through eLearning. This program was sunset August 2019 and is being replaced in 2020 with updated, on demand management and leadership essentials curriculum.
- New Leader Development Studio – NLDS targets new leaders who are assuming direct reporting responsibilities for the first time at Allstate. Apart from covering the administrative functions associated with leading a team, NLDS focuses on developing the self-awareness crucial to effective and inspiring leadership, paying special attention to the ability of new leaders to drive results.

#### Talent Pipeline Programs

- Executive Development Program – A three-year rotational leadership development program that recruits, selects and develops experienced and diverse general management MBA candidates and helps equip them for success and to potentially become future executives of Allstate. In 2019, EDP had 19 participants.
- Leadership Development Program – Committed to continuously identifying and developing future leaders. We select recent college graduates with high potential and help equip them for successful futures as leaders at Allstate. In 2019, there were 92 active participants in LDP, in three cohorts.

# INCLUSIVE DIVERSITY



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Creating opportunities for all employees to thrive and reach their full potential is critical to the success of our business. We believe inclusive diversity contributes to the satisfaction, creativity, innovation, problem-solving ability, engagement and community involvement of employees.

We strive to develop and retain a workforce that mirrors the diversity of the customers and communities we serve. Our approach starts with attracting a diverse workforce that embraces our purpose-driven culture. Our collective differences, backgrounds, educations and cultures create an inclusive environment where diverse perspectives are encouraged and embraced. Allstate is committed to being a force for positive change. We are unique individuals who come together as one team to win the hearts of our customers.

## ACCOUNTABILITY

Inclusive diversity is a priority at every level of Allstate. To provide oversight on inclusive diversity, Allstate leverages the Enterprise Diversity Leadership Council (EDLC), Employee Resource Groups (ERGs) and Agency Owner Advisory Groups, which improve the attraction, retention, development and advancement of diverse talent. Allstate has 29 officers who are EDLC members and/or ERG sponsors.

### Enterprise Diversity Leadership Council

The EDLC is made up of senior leaders throughout the enterprise focused on advancing inclusive diversity at Allstate. The group establishes inclusive diversity commitments in every business unit to promote diversity through talent recruitment and expand the diverse representation of Allstate's leadership teams. The group periodically provides updates to the CEO. The EDLC helps increase inclusive diversity across the company by:

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

The EDLC is integral to the implementation of inclusive diversity commitments across the enterprise. These commitments continue to evolve year-over-year under the guidance of the EDLC. In 2019, our commitments reflected an enterprise-wide strategy. Across the business, we are united in our dedication to continuous improvement of gender and racial/ethnic diversity.

## POLICIES AND PROCEDURES

Allstate's corporate policies and practices related to inclusive diversity help guide our daily operations. Our Shared Purpose — which outlines Allstate's vision, corporate goals, values, priorities, and operating and leadership principles — highlights inclusive diversity as one of our five core values. Our Shared Purpose is a powerful road map for Allstaters, and we use it in our collective business pursuits. Inclusive diversity applies at all levels of the company and is reinforced in our [Global Code of Business Conduct](#).

## Guiding Principles

Inclusive diversity is one of Allstate's core values. We hold each other accountable to encourage and embrace our collective differences. It's our individual characteristics, values and beliefs, along with backgrounds and experiences that give us fresh perspective and purpose. We work harder, meet customer needs more effectively, share better, and identify more innovative ideas when we are accepted for who we are by the world around us. Our success comes from a chorus of many different voices. At Allstate, every voice counts.

## Employee Resource Groups

It is our mission to provide our employees with a safe, open outlet to connect with colleagues who have common interests, aspirations and backgrounds. Allstate's Employee Resource Groups (ERGs) help employees build relationships and offer a community for employees to collaborate.

Allstate supports and funds 11 ERGs, each with unique value propositions and goals. In 2019, Allstate allocated 50% of our total inclusive diversity budget to ERGs to demonstrate our commitment to financially supporting the positive impacts of ERGs on our business and member employees.

In 2019, more than 15,400 Allstaters participated in at least one ERG, which provide opportunities to develop professionally and share life experiences inside and outside Allstate. As we increased our focus on the regional distribution of ERGs, we are proud that 224 offices now have at least one active ERG, and 71% of ERG participants are employees who work outside our Northbrook, Illinois headquarters.

ERGs currently at Allstate:

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

ERGs help achieve the goals of inclusive diversity at Allstate by providing opportunities to support recruitment, retention, development and advancement of diverse talent. ERGs also offer specific opportunities for employees to partner and collaborate with each other through professional development workshops, recruiting events, volunteer projects and mentoring. ERG activities are open to all members, as well as the broader Allstate community.

Four key elements are vital to ERG success:

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

## PROGRAMS AND PERFORMANCE

At Allstate, we live Our Shared Purpose every day. Our inclusive culture and emphasis on diversity are strengthened through day-to-day activities and standard practices that encourage us to remain focused on our values.

### Talent Planning

Allstate integrates members of our Inclusive Diversity team into our talent and succession planning to prevent potential unconscious biases from impacting decision-making. For example, in 2019, we invited Inclusive Diversity team members to join our CEO and executive succession planning session.

### Inclusive Hiring

One key element of increasing our pipeline of diverse candidates is inclusive hiring. We determine the greatest opportunities to bring more diverse talent into the organization by analyzing workforce demographics. Allstate also maintains and builds recruiting and outreach strategies to target, identify and recruit qualified diverse candidates.

Our commitment to inclusive hiring goes beyond our dedicated Diversity Recruiting teams and reaches across our organization where we work to continuously strengthen our partnerships.

Allstate builds relationships with numerous external organizations to enhance the diversity of our hiring pipeline, including but not limited to:

- AnitaB.org
- Association of Latino Professionals for America
- Carolina Women in Tech
- Chick Tech
- Disability IN
- Fleurix
- Hire G.I.
- Hire Purpose
- Hispanic Alliance for Career Enhancement
- MBA Veterans
- Military.com
- National Association of Black Accountants
- National Association of Hispanic Real Estate Professionals
- National Black MBA Association
- National Sales Network
- National Society of Black Engineers

- Queen City Bytes
- RecruitMilitary.com
- Society of Hispanic Professional Engineers
- Society of Women Engineers
- Women Impact Tech
- Women in Cyber Security

To ensure Allstate can successfully recruit and hire diverse candidates into the future, we work with programs like Junior Achievement and One Million Degrees that encourage youth empowerment through education initiatives, including career programming and mentorship. We also partner with our Employee Resource Groups to encourage a more diverse referral pipeline for entry-level through executive positions. In 2019, Allstate launched a cohort for a Military Mentorship Program, which ran from May until September.

The Talent Acquisition team has partnered with exclusive agency owners, Exclusive Financial Specialist and licensed sales professional recruiting teams for events held by the National Sales Network and National Black MBA Association. Allstate also supports historically black colleges and universities to attract talent to our sales and entrepreneur career opportunities.

## Performance and Pay Practices Review

Allstate thoroughly integrates fairness into our performance and compensation programs, and the Board of Directors reviews Allstate's pay fairness analyses annually. We are conducting a top-to-bottom review of our operating practices, pay and promotions for people of color and women to further promote equity and equality at Allstate.

Allstate's Equal Pay Analysis Process compares the base salary of men and women, and nonminorities and minorities within similar jobs and geographic areas. As part of Allstate's commitment to fair and equitable compensation policies and practices, an internal pay equity analysis is completed on an annual basis, which is reviewed by the Board of Directors. The pay equity analysis compares the base salary of men and women, non-minorities and minorities within similar jobs. If any statistically significant gaps in pay are identified, a remediation plan is established and adjustments are made. In the 2019 Allstate pay equity analysis, 5,783 jobs and pay levels for 43,988 employees were reviewed across the Allstate Family of Companies. Based on the 2019 analysis, Allstate has no evidence of systemic gender or racial pay discrimination.

## Inclusive Diversity Training

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

In 2018, Allstate launched a new course, Disrupting the Unconscious Bias of Cultural Fit, designed to target the ways we may unconsciously label diverse candidates as not "the right fit" for a role. The course presents new ways to evaluate how everyone can add to the organization and create impact. Multiple business units have included this course in their leadership training, and approximately 1,000 employees have participated. Additionally, in 2019 we launched a new series of courses on disability inclusion. We have additional training courses planned for 2020.

We host diversity programs on critical topics such as gender identity, religion in the workplace and generational differences. Many of these topics, particularly unconscious bias and leveraging inclusive diversity, are embedded into other management development training and programs throughout the enterprise. To date, more than 43,000 Allstate employees have participated in inclusive diversity training, including 13,020 in 2019.

## SUPPLIER DIVERSITY

In 2019, we spent \$311 million with minority-, woman-, veteran-, LGBTQ- and disabled-owned businesses, representing 7% of our total supplier spending. To be eligible for our Supplier Diversity Program, a company must provide certification as a minority-, woman-, veteran-, LGBTQ- or disabled-owned business by one of the following councils:

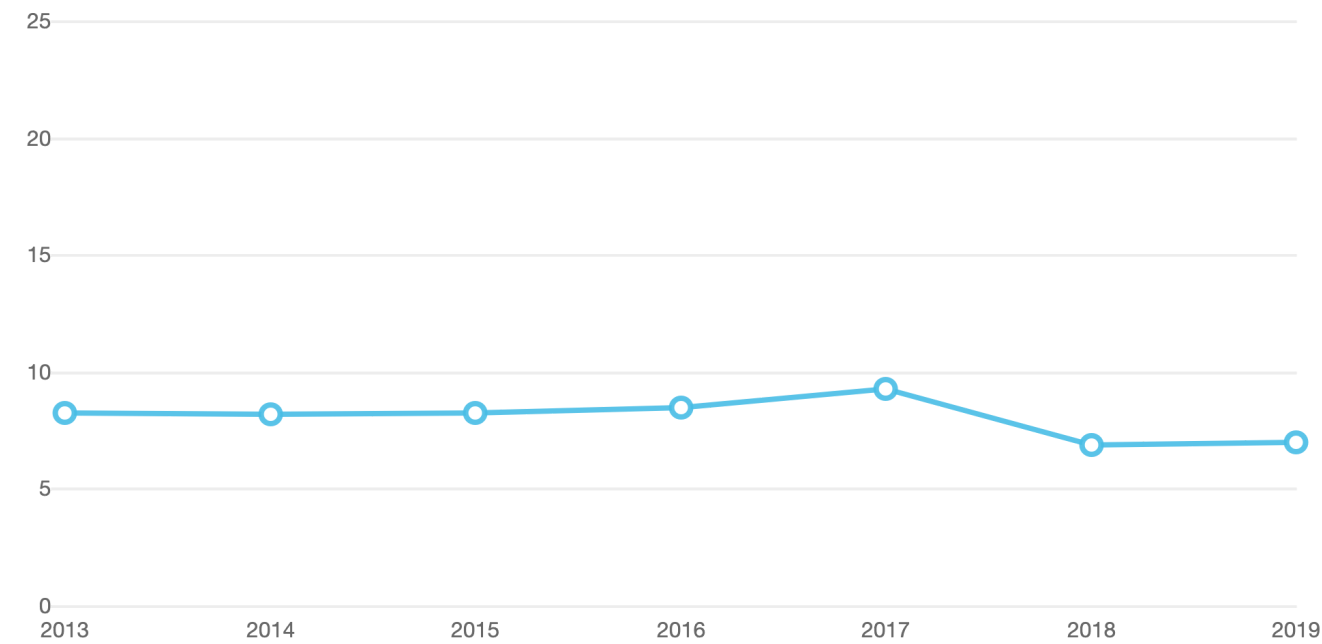
- National LGBT Chamber of Commerce
- National Minority Supplier Development Council
- U.S. Pan Asian American Chamber of Commerce
- Women's Business Enterprise National Council
- Department of Veterans Affairs Center for Veterans Enterprise Vendor Information
- Disability: IN (formerly known as U.S. Business Leadership Network)

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

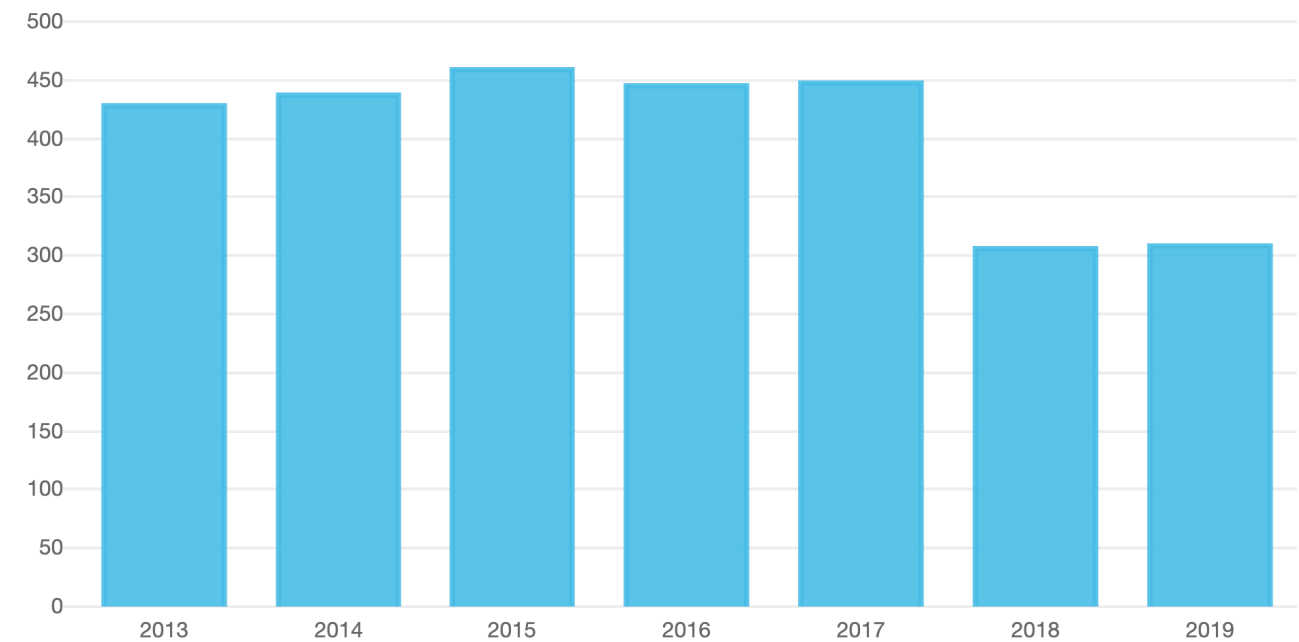
- Minority/woman-owned business enterprises
- Minority-owned business enterprises
- Woman-owned business enterprises
- Lesbian-, gay-, bisexual-, transgender-, questioning-owned business enterprises
- Disabled business enterprises
- Disabled veterans business enterprises
- Disadvantaged business enterprises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



DIVERSE SUPPLIER SPEND AS PERCENT OF TOTAL SUPPLIER SPENDING



SUPPLIER DIVERSITY SPEND (MILLIONS OF \$)



## Building Ties with Diverse Groups Through Memberships

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

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

## Training the Next Generation of Diverse Suppliers

Allstate is committed to helping develop diverse suppliers through our supplier diversity initiatives. Every year, we host the Allstate Supplier Diversity Exchange (Exchange), which gives diverse suppliers and startups the opportunity to network with key Allstate decision-makers and our major suppliers and strategic partners. The program is mutually beneficial: Allstate helps support businesses in underserved areas, and participating companies become better positioned to compete for contracts.

Since the Exchange started, more than 550 businesses have attended, and Allstate has spent over \$850 million with diverse suppliers that participated. While attendance at the Exchange does not guarantee business, more than 100 participants have had the opportunity to compete for Allstate's business, with over 50% having been awarded contracts. In 2019, 45 businesses attended the Exchange.

## Allstate Mentoring Program

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

## LOOKING AHEAD

Given the recent national focus on ongoing, systemic inequality and racial injustice in the U.S., the Inclusive Diversity team is continuing to look for ways to build awareness and drive action. Since the start of public protests in May 2020, Allstate has:

- Launched an Anti-Racism Resource Center for employees.
- Added virtual "inclusive conversations" series on an enterprise level and across departments, building off themes of racial inequality, allyship, privilege and other relevant topics.
- Supported leadership messaging through consultation, coaching and resource allocation.
- Partnered with Employee Resource Groups to offer additional support for marginalized groups, including "employee listening" series, as well as built resiliency plans for those struggling with mental health issues due to racial trauma, PTSD and COVID-19.

More work around this issue is being done and will be included in future reports.

## TALENT RECRUITMENT & MANAGEMENT



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Allstaters make it possible for us to achieve our goals, execute our business strategy and cultivate a thriving company culture. Our employees' skills and dedication define Allstate's business and enable us to serve our customers. We strive for all employees to reach their potential through professional development, personalized coaching and teamwork.

### ACCOUNTABILITY

Purpose-driven companies are powered by purpose-driven people. We conduct an annual comprehensive review of our organizational health, which covers employee engagement, development, retention, compensation and inclusive diversity. Allstate provides employees with opportunities to give feedback on our ability to build a thriving culture that values and develops each and every Allstater.

### Talent Review and Succession Planning

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

	APRIL	JULY	SEPTEMBER	NOVEMBER
Topic	CEO Succession Planning	Talent Development Systems	Senior Leadership Succession	"What If?" Scenario Planning
Focus	Internal succession alternatives across multiple time periods – immediate, less than 2 years, 3-5 years, and long-term under different operating scenarios	Organizational health and pay fairness analyses – how the organization recruits, develops and retains people, including its inclusive diversity commitments	Key leader development and retention	CEO and senior leadership succession – Board dialogue in advance of unexpected succession issues

### Strategic Workforce Planning

We proactively plan for workers' shifting roles to address the current and future needs of our business. Our Strategic Workforce Planning team, within our Human Resources organization, evaluates the skills, number and location of workers we need to succeed.

The planning process helps us align our talent strategy with our business strategy. Our team reviews the areas of the business that have the most potential for disruption and works with employees to ensure the function can adapt. We are creating a skills-based taxonomy for employees in their roles today to identify those at risk and understand what skills may be required to meet the future needs of the business.

We work with Enterprise Learning & Development to implement initiatives to upskill employees to create new opportunities within the organization and help them advance beyond their current skills. In 2019, we used aggregate findings and insights to create an enterprise view of opportunities for upskilling. During 2019, we completed deep dive Strategic Workforce Planning engagements with Allstate Brand Distribution (Field & Home Office) and Allstate Technology & Strategic Ventures. These engagements helped these organizations to identify critical talent gaps and geo-locational opportunities for recruiting, retention, and development of employees for the needs of tomorrow.

As part of Allstate's Enterprise Resource Strategy, we assess the location of employees and expected labor market trends across our talent center locations. We then forecast where we will need employees and make plans to adapt our hiring/internal placement to meet those needs. In 2019, Strategic Workforce Planning spent several months helping to redefine the ERS strategy. We used labor market data to identify which Allstate Talent Centers were best suited to hire for certain skills, and developed a common framework that was leveraged across AORs to maximize career pathing opportunities.

Allstate's meticulous approach to workforce planning promotes the long-term value of our business and the success of our employees and stakeholders.

## POLICIES AND PROCEDURES

Allstate maintains policies to support talent attraction and retention such as our flexible work policy and equal opportunity policy. These provide a structured approach for maintaining a company culture where all employees can thrive. We leverage our Employee Value Proposition to guide our efforts in talent attraction and management.

### Our Employee Value Proposition

#### GOOD WORK. GOOD LIFE. GOOD HANDS.

Our Employee Value Proposition represents the things that make Allstate a great place to work. This, and much more, is all here for you.

#### Good work

The opportunity to make an impact through meaningful work, career growth, personal and professional development, and recognition and rewards

#### Good Life

Support to help you live well in all areas of your life, including physical, emotional and financial well-being, and work-life flexibility

#### Good Hands

Opportunity and resources to give back, and to support and strengthen local communities

### Work Flexibility

Allstate is prepared for situations that require flexibility and teleworking, so our employees can still do their jobs from the safety and convenience of their homes. In response to the COVID-19 pandemic, flexible work arrangements are becoming increasingly critical to the health of our employees and our business.

Our flexible work policy consists of compressed and part-time work schedules, telecommuting, home-based work, job sharing and flexible start times. All exempt and nonexempt employees are eligible for flexible work, based on factors such as business need, work performance and job characteristics. In 2019, 45% of Allstate employees utilized flexible work arrangements, and our employee survey found that those participating in these arrangements generally reported higher levels of well-being than the overall employee population. Flexible work arrangements were frequently cited as an area Allstate is exceeding employee expectations. Internal data shows that those in flexible work arrangements receive the same rate of pay increases and promotions as those in nonflexible arrangements.

In addition to formal flexible work arrangements, Allstate encourages managers to foster a flexible work environment where employees can integrate work and life priorities. By being open and sympathetic to the needs of each employee, we can reinforce our culture of transparency, achieve stronger working relationships and promote employee retention through positive work-life balance.

## PROGRAMS AND PERFORMANCE

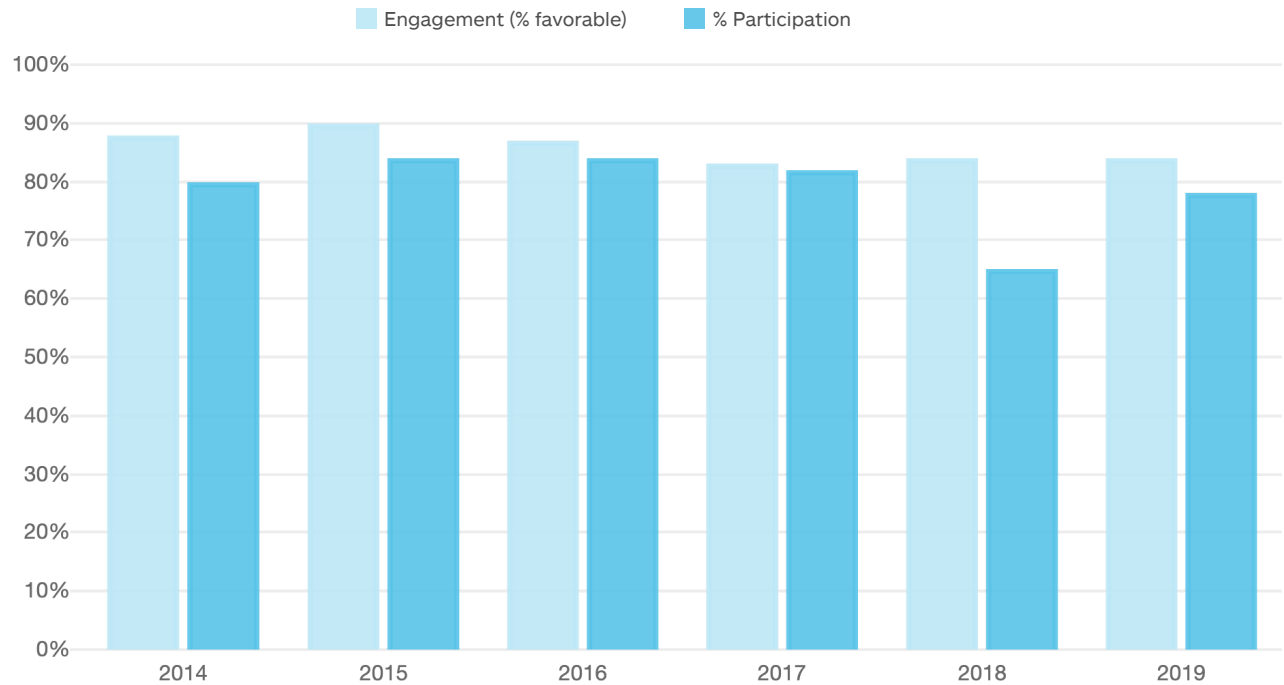
Through our collective power, we harness our diverse talent to better serve customers and shareholders to be a force for good in the communities we serve.

### Employee Engagement

Allstate conducts the Inspire survey every year to gather feedback about employee engagement and its drivers. 78% of all eligible employees responded to the survey in 2019, an increase from the previous year. The survey results continue to indicate that more than 80% of employees have a favorable view toward engagement at Allstate. We provide our leadership teams with feedback from the survey regarding manager effectiveness, as well as annual updates about the health of our culture to support continuous improvement.

To ensure parity in engagement across demographics, we examine survey results by race/ethnicity, gender and tenure. This process also allows Allstate to identify opportunities to provide support for specific groups. We incorporate metrics from the Inspire survey throughout our report, including this section, as evidence of strong employee engagement and effective talent management. Our engagement surveys consistently show that providing employees with exciting career paths and educational opportunities improves morale and engagement.

### EMPLOYEE ENGAGEMENT



### Employee Life Cycle Survey Program

Our Employee Life Cycle Surveys gauge the attitudes, beliefs and behaviors of our employees at different career stages so Allstate can best determine which initiatives and efforts are most important to support our employees' satisfaction and well-being. The program includes both a 90-day retention survey to assess new hires' integration into Allstate and an exit survey process. When an employee decides to leave Allstate, the exit survey helps us understand what they found most compelling about Allstate's Employee Value Proposition, why they are leaving and what future endeavors they will undertake.

## Workforce Insights

To sustain an efficient and skilled workforce, it is imperative that Allstate attracts and retains high-quality employees. We recognize the strategic link between what prospective and existing employees value and what we offer in exchange for their work. Improving employees' retention and engagement improves the organization's ability to serve customers, agents and communities – and each other.

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

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

WFI also provides managers with two brief surveys: one to document concerns that arose from the stay conversation and another to understand how the manager addressed the employee's concerns. These surveys provide a wealth of information to combat attrition by identifying systemic issues and the actions best suited to address them. Our goal is to improve the working experience of our employees while reducing the costs associated with attrition. In 2019, Allstate's total employee turnover was 18.5%, and voluntary turnover was 12.2%.

## WELL-BEING & SAFETY

[103-1 ▶](#)[103-2 ▶](#)[103-3 ▶](#)

We are responsible for the care and well-being of Allstaters, and we devote resources to occupational health and safety. We offer benefits and programs to help support Allstaters' physical health, financial security and work-life integration. Allstate also has robust safety practices, training and tools to prevent injuries.

The 2020 pandemic made us even more focused on employees' health and well-being. In just one week, we transitioned 95% of our workforce to remote working. We established COVID-19 hotlines for employees to call, and continued to pay employees (full or part-time) who couldn't work remotely under shelter-in-place orders. Enhanced safety guidelines, cleaning protocols, and social distancing practices remain in place for in-office workers. We have learned that the best response in a time of crisis is to act quickly and put people first.

## ACCOUNTABILITY

Allstate's Enterprise Workforce Safety Committee, which includes representatives from Risk Management, Administration and Real Estate, Law & Regulation, Compliance, and Corporate Brand, meets regularly to discuss how to mitigate safety issues. If employees have concerns, they are encouraged to contact Safety and Environmental teams, or Human Resources through AskHR, a dedicated line to reach the team quickly by phone, email or chat, or Speak Up, Allstate's confidential process for reporting ethics concerns.

## POLICIES AND PROCEDURES

### Safety Training and Education

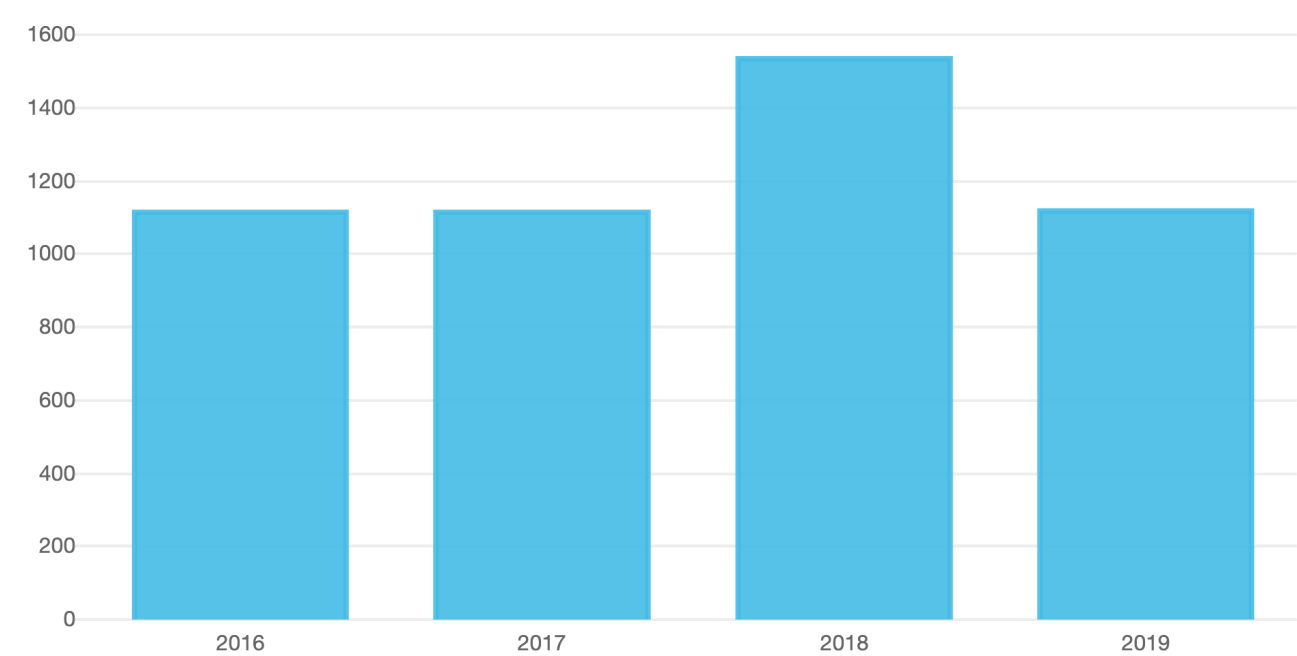
Our safety training provides employees the education they need based on their role. While Allstate is primarily an office environment, our communications center, service centers, record center and engineering employees require targeted training.

In 2019, Allstate's Physical Security team successfully supervised active shooter drills at over 130 U.S. sites. Employees were asked to review training materials, attend pre-drill workshops, and block out time to practice for an event all of us hope never to encounter. Over 27,700 employees participated in this training. The drills also provided an opportunity to test the use of our Emergency Notification System (ENS) at each facility, with an ENS response rate of 82.33% across the enterprise.

In 2019, Allstate also provided targeted safety training to 800 active employees throughout the enterprise. This exceeds standards set by the Occupational Safety and Health Administration, the National Fire Protection Association and the Environmental Protection Agency. Where safety issues could have catastrophic results, Allstate annually trains employees, exceeding OSHA requirements.

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

### NUMBER OF EMPLOYEES RECEIVING SAFETY TRAINING

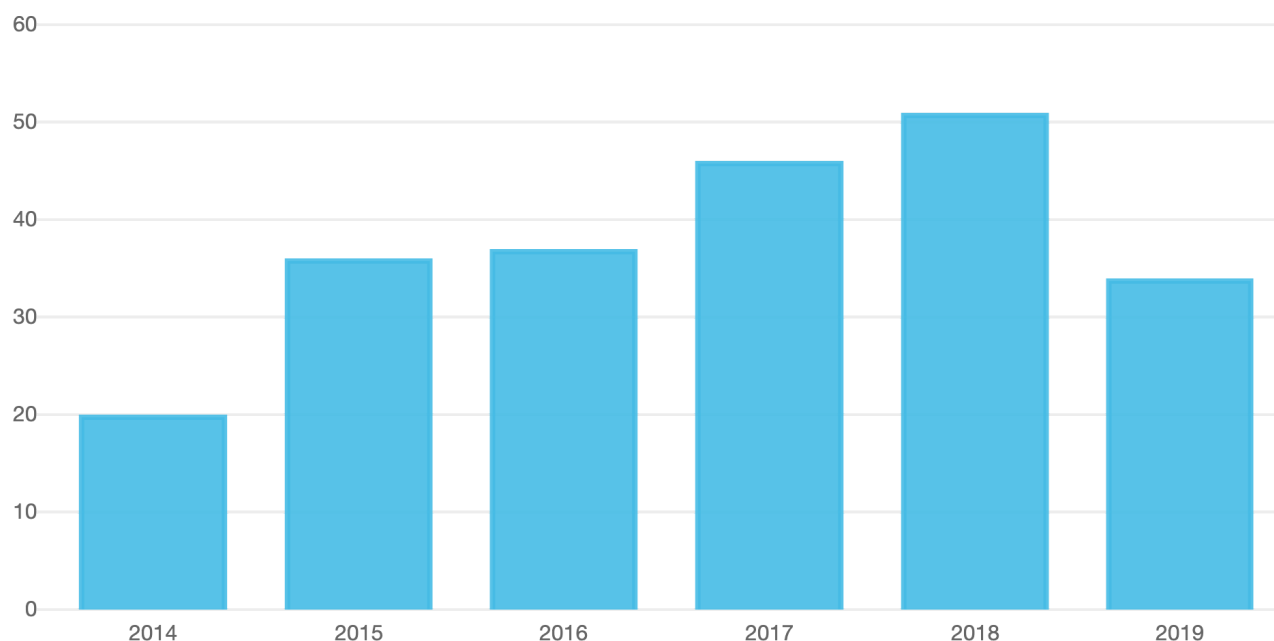


### Monitoring and Audits

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



## NUMBER OF SAFETY SITE AUDITS



## Safety Equipment

Allstate provides personal protective equipment, or PPE, at no charge to employees. All locations have working fire extinguishers, and, in total, we have 340 automated external defibrillators across our locations. Portable extinguishers are evaluated annually, with additional monthly quick checks. We monitor the age of each piece of safety equipment and ensure that defibrillator replacement pads and batteries ship automatically before they expire. A new corporate program trains employees in CPR and how to use a defibrillator. These classes are held on request and are not required for most employees. In total, 6.5% of our workforce has received CPR training as of 2019.

## Contractor Safety

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

## PROGRAMS AND PERFORMANCE

### Choice Dollars Program

In 2019, Allstate launched a flexible new approach to employee benefits. The Choice Dollars program empowers Allstaters to decide how to allocate their corporate benefits based on their needs and circumstances. For example, some Allstaters under 26 still have medical coverage with their families, so they might use their Choice Dollars to pay down student loan debt instead of offsetting the cost of health benefits.

An interactive guide helps Allstaters select from a menu of benefits options, including:

- Medical plan
- Dental plan
- Vision plan
- Contributions toward health savings account (HSA), flexible spending account (FSA) or a 401(k) plan

- Identity protection
- Student loan repayment program
- Life insurance
- Buying additional paid time off (PTO)
- Accidental death and dismemberment (AD&D)
- Long-term disability
- Group hospital insurance
- Group critical illness insurance
- Group accident indemnity insurance
- Group legal

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

Allstate offers the following benefits at no cost to employees:

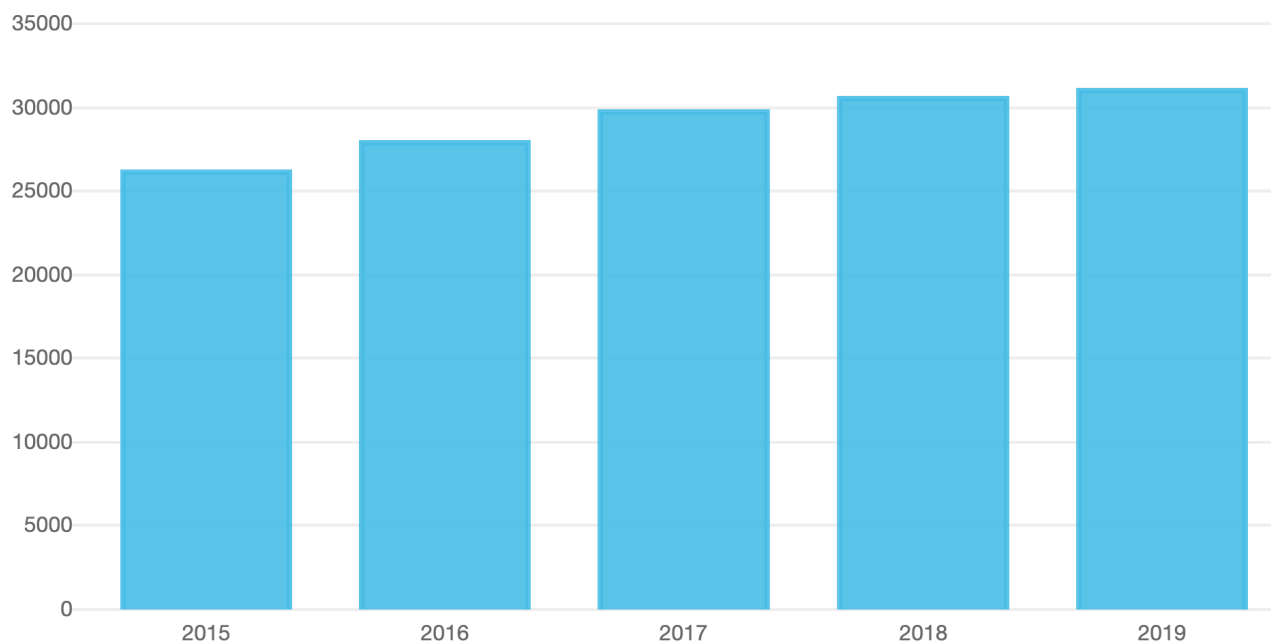
- Pension (Allstate employees only)
- 401(k) match
- Paid time off (PTO)
- Holiday pay
- Short-term disability
- Workers' compensation
- LifeWorks employee assistance program
- Well-being programs

## Allstate Good Life®

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

Since 2010, we have conducted well-being assessments to help determine which services, programming and benefits to offer our workforce, in addition to helping Allstaters make health and wellness decisions that are right for them. The assessment asks about physical, emotional, mental and financial well-being. In the past, we added offerings like nutritional guidance in our cafeterias and financial fitness week as a result of assessment findings. Participation in the assessment lowers the cost of benefits for Allstate employees.

## ALLSTATERS WHO COMPLETED WELL-BEING ASSESSMENT



### Energy for Life

Our Energy for Life (EFL) workshops are a central piece of the employee wellness curriculum. EFL enables Allstaters to articulate and pursue their individual purpose and embrace new challenges with ease. This creates more personal energy and engages them in Allstate's purpose. In 2019, 5,092 Allstaters completed EFL, and almost 37,000 have taken it since 2010, including 44% of active employees and 57% of active managers.

EFL is based on principles learned from more than 30 years of research on human energy by the Human Performance Institute. Virtually offerings of EFL have been popularized following the COVID-19 pandemic.

### Resilience Resources

As part of our partnership with Virgin Pulse, Allstate provides the resilience and stress management tool Whil, which offers digital programs to improve employee well-being. The platform provides microlearning sessions supported by neuroscience, mindfulness, emotional intelligence and positive psychology. Allstate employees can access programs such as Mindfulness 101, Yoga 101 and Emotional Intelligence 101.

We also offer meditation sessions at seven locations and a weekly session available via Skype to all employees.

### Thrive Programs

Our Good Life offerings include Thrive programs for helping build positivity, optimism, resiliency and gratitude, and promoting employees' emotional and mental well-being. In 2019, 7,441 employees participated in Thrive programming. Additionally, 27 offices participated in Thrive Book Club in 2019, and 42 offices offered on-site guided meditation.

### Work-Life Integration

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

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

### Financial Security

Financial well-being is important to supporting employees' ability to do their best work. Allstate provided financial well-being seminars throughout the year, including the sixth annual Financial Fitness Week, renamed Money Talks. More than 3,700 employees attended and viewed sessions on personal finance, including behavioral economics, student loan repayment, retirement planning, college admissions, credit rebuilding and more. Allstate also offers financial advisor services to its employees through its vendor, Alight.

### Student Loan Repayment

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

### Physical Health

Allstate offers a wellness vendor partnership with Virgin Pulse. It is designed to give more flexibility and choice to employees and their spouses for earning financial rewards. Participants earn points for taking small steps, like regularly monitoring activity, nutrition and sleep, that add up to meaningful changes; receive rewards when they reach certain point levels; and are rewarded faster and more frequently in exchange for engaging with the program more often. In 2019, 72% of eligible employees enrolled in the program.

Employees at locations in Illinois and Texas can visit the on-site Wellness Centers and pharmacy, which offer convenient access to treatment for minor illnesses, preventive care, physical therapy, laboratory services and ongoing condition management.

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

## Healthy Building Environments

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

Allstate leases or owns more than 362,250 square feet of LEED-certified space. In other locations, we implement indoor environment guidelines to provide healthy workplaces for employees and guests. As Allstate builds new locations, we strive to align with certifications like Leadership in Energy and Environmental Design (LEED).

Allstate has an ongoing indoor air quality (IAQ) program. Every two to four years, we conduct IAQ surveys at each location to assure they are safe and meet Allstate's IAQ comfort guidelines. Allstate developed these guidelines to meet or exceed applicable Occupational Safety and Health Administration and American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) standards for indoor air quality.

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

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

\*Given the pandemic, at the time of this report, some of the on-site programs described in this section remain closed.

## OPERATIONAL FOOTPRINT



[103-1 ▶](#) [103-2 ▶](#) [103-3 ▶](#) [302-4 ▶](#) [305-1 ▶](#) [305-2 ▶](#) [305-3 ▶](#) [305-4 ▶](#) [305-5 ▶](#)

Providing our services and fulfilling our commitments to customers requires physical resources. We make every effort to understand and minimize the use of these inputs and their related impact. Our teams work across the organization to enhance the way we work and eliminate needless waste.

### POLICIES AND PROCEDURES

We have implemented numerous resource reduction and recycling initiatives related to our buildings, vehicles and business supplies. We encourage the use of electronic customer communications to cut costs and reduce paper waste.

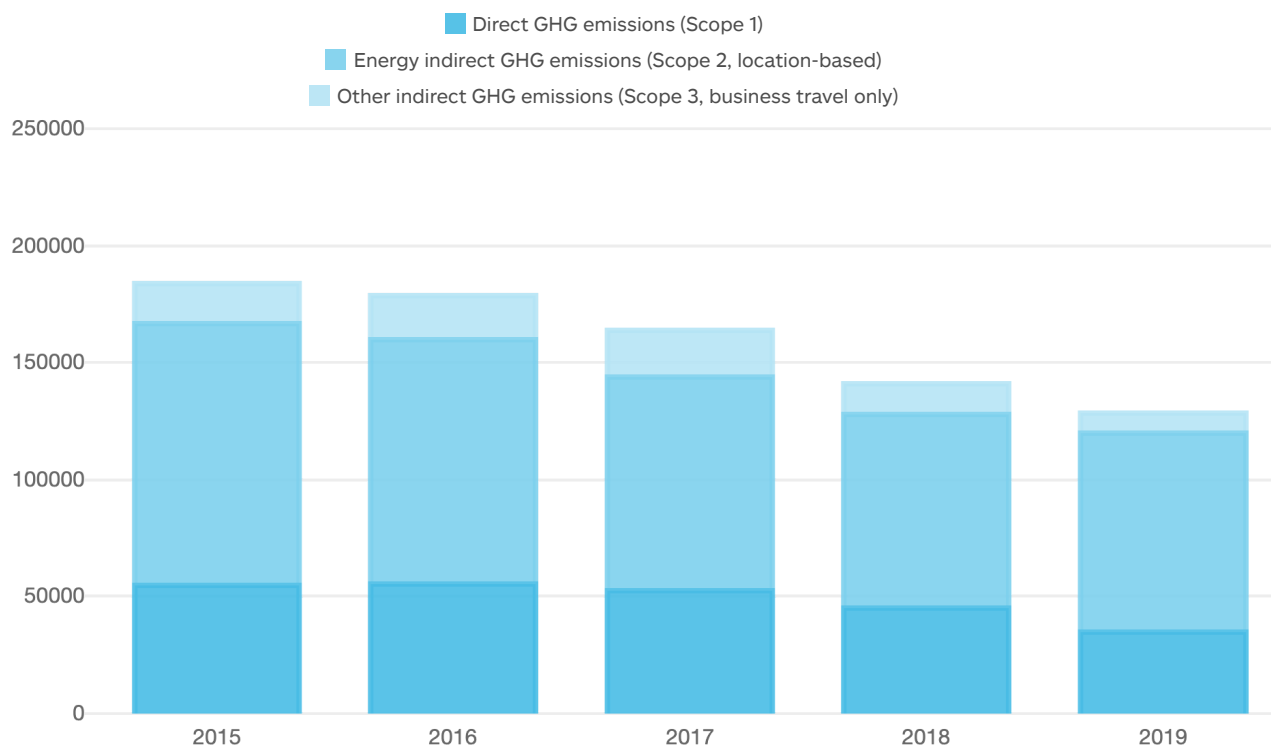
In 2010, Allstate set a goal to achieve a 20% absolute energy-use reduction within our owned portfolio (approximately 39% of all locations at the time) against our 2007 baseline by 2020. Thanks to efforts across the enterprise, we surpassed that 2020 goal in 2014.

Building on our history of energy and emissions reductions, we are still looking for the right approach to long-term energy management. Allstate is evaluating a next-generation target, but to establish a proper baseline, we first need to complete some facility transformations.

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

The trend toward consolidating office space into fewer, larger locations continued in 2019, creating more efficient utilization of space across our owned and leased building portfolios. We now lease or own more than 362,250 square feet of LEED-certified office space.

## GHG EMISSIONS



## PROGRAMS AND PERFORMANCE

### Allstate's Vehicle Fleet

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 CO<sub>2</sub> 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.

We also focused on moving to more digital work environments and using technology to decrease our total vehicle footprint and business miles driven. Overall, we have decreased travel by 8.65 million miles from 2018 to 2019. We have also decreased our total vehicle count from about 3,001 vehicles in 2018 to 2,837 vehicles in 2019.

In early 2019, we invested in two fully electric buses to support our Northbrook, Illinois, campus shuttle program. These buses replaced four gas-powered shuttles that previously transported employees around campus.

### Paper Reduction

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

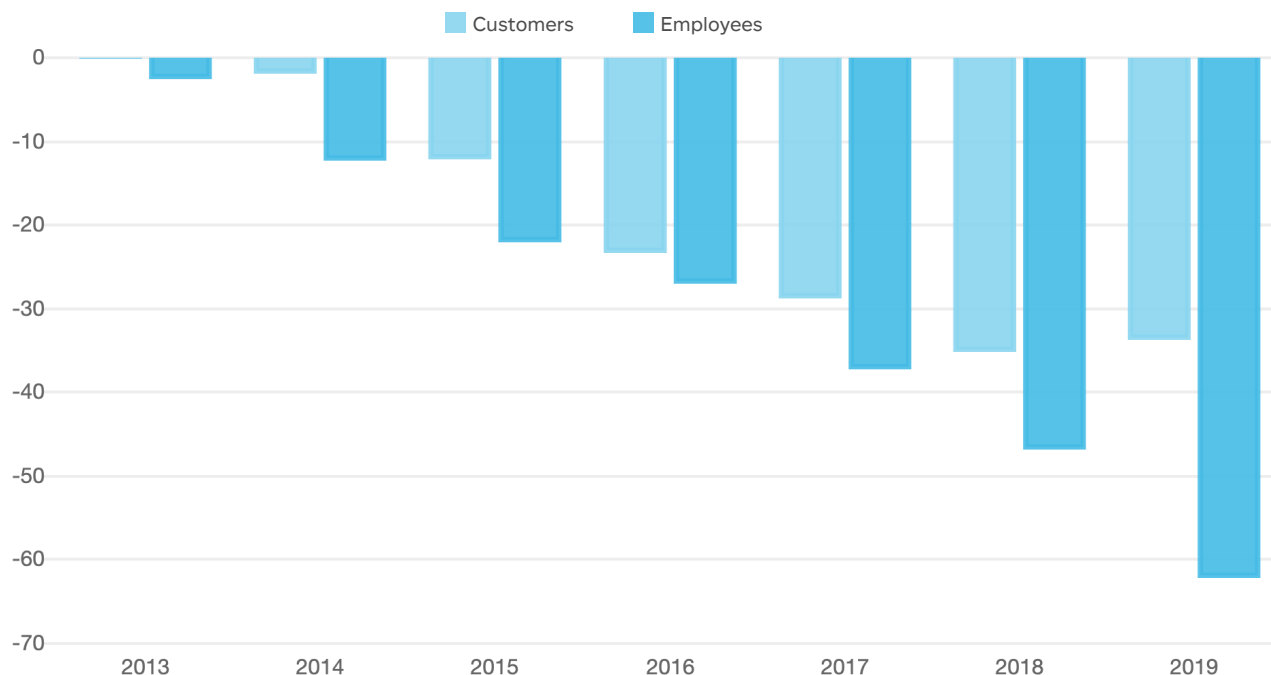
For necessary paper documents, Allstate maintains a secure program so these can be shredded and recycled. Through a third-party vendor, Allstate employees recycled 33,839,800 pounds of paper in 2019. This helped save 288,766 trees from being used for new paper production.

To support our efforts, we implemented a "Follow Me Print" program that links all print jobs to employee badges. To have documents printed, the employee scans their badge at the printer. If a print job is not retrieved within 72 hours, it disappears from the system. In 2019, the number of abandoned and deleted print jobs equated to about 3,006,841 sheets, or 6,014 reams of paper. This data represents a significant increase from 2018.

We also encourage electronic customer communications to help cut costs and reduce our footprint and our customers' footprint. Allstate has three paperless initiatives for customers: eSignature, ePolicy and eBill. They can sign up for these free services through MyAccount, our online customer self-service hub. Since 2015, Allstate invested \$6.5 million toward helping customers become more paperless by providing an improved digital experience and also redesigning documents so they require fewer pages. Over 44% of customer policies are enrolled in ePolicy, and nearly 40% of customer policies are enrolled in eBill.

Overall, we have reduced paper usage by employees 62.1% and by customers 33.7% relative to our 2012 baseline.

## TOTAL % REDUCTION IN PAPER USAGE FROM 2012 BASELINE



## Reducing Employee Cafeteria Waste

In the United States, up to **40% of our food goes to waste**. Because food requires substantial resources to produce, discarding it wastes not only the food itself, but the resources that contributed to its production. Additionally, once food reaches the landfill, it begins to decompose and produce methane, a greenhouse gas that has an impact on the climate 25 times greater than CO<sub>2</sub>.

Since 2018, we have been working with a third-party vendor, Parkhurst Dining, for our employee cafes in Northbrook, Illinois, and Hudson, Ohio. Parkhurst offers composting services, in addition to increasing the amount of locally sourced ingredients and healthy food options.

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

## Small Electronics Recycling

Allstate replaces about 2,400 small electronic items each month, totaling 29,145 in 2019. Of these, approximately 143 items are in condition to be salvaged or recycled. To address this source of electronic waste, Allstate partnered with Clover Wireless to begin salvaging small electronics; Allstate sends small electronic items to Clover Wireless using their prepaid shipping label, at no cost to Allstate. If there is no salvage value to the item or the data cannot be removed, the item is recycled. More than 800 types of small electronic items qualify to be salvaged. Clover recycles all items or parts that cannot be salvaged, reducing the number of small electronics we dispose of in landfills.

## Water Fountains and Filling Stations

To reduce the use of disposable water bottles, we launched an enterprise-wide filling station program. Employees fill their bottles with filtered tap water rather than buying disposable bottles. Allstate maintains 230 filling stations across our facilities. In 2019, those stations saved the equivalent of 1.48 million plastic water bottles. Over the past decade, we have saved the equivalent of 11,982,040 plastic water bottles.

We now have sparkling water stations installed in 12 locations that further encourage people to bring their own containers.

## Sustainable Procurement

The magnitude of our global purchasing activity means our procurement practices have far-ranging effects because we can positively influence the businesses from which we source products and services. By understanding how suppliers manage emissions, waste, regulatory compliance and cybersecurity, we can better articulate Allstate's expectations. By actively managing these risks, we enhance our reputation and align procurement decisions with environmental and social responsibility, which increases the confidence of stakeholders who depend on Allstate's performance.

## Supplier Impacts

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

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

The Allstate Sustainable Procurement Program aims to enhance Allstate's reputation, mitigate corporate risks and align purchasing decisions with environmental and social sustainability. Our Sourcing & Procurement Solutions department focuses our responsible purchasing program on our key commodity areas: computer equipment, furniture, leased properties, paper products, professional services, software, utilities and our corporate vehicle fleet.

The main elements of the responsible purchasing program include:

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

Allstate's Sourcing & Procurement Solutions organization includes a sustainability sourcing lead who is developing and implementing ESG-specific practices in our supply chain. The sustainability sourcing lead began developing best practices for product and service categories prioritized by the needs of the business. In the future, we hope to better understand our business's footprint by increasing visibility and transparency in the supply chain and tracking, managing and reporting on sustainability KPIs for our suppliers.

## Sustainability Questionnaires

The sustainability questionnaire contains KPIs to assess a supplier against the most material impacts related to that resource. Each KPI has a dedicated subsection.

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

## Sustainability Playbooks

Sustainable procurement playbooks provide a detailed rationale behind assessing material impacts and how suppliers should respond to the KPIs. We distribute the playbooks to Allstate's commodity managers in each spending category, who then use the tools to help suppliers provide required information for each KPI. We continue to mature our process to accurately and consistently track supplier KPIs, as well as evaluate emerging product and service categories where we may need to develop and issue new playbooks.



# AWARDS & RECOGNITION



Allstate is proud to be an industry leader. The following list shows some of our recent accolades:

## Corporate

- Forbes' **America's Best Employers** (2017)
- Fortune's **World's Most Admired Companies** (2020)
- Fortune's **Change the World** (2017, 2018)
- Wall Street Journal/Drucker Institute's **Management Top 250: Best Managed Companies** (2017 – 19)

## Corporate Responsibility

- 3BL's **100 Best Corporate Citizens** (2019, 2020)
- **Dow Jones Sustainability Index Member**, North America (2018, 2019)
- Ethisphere Institute's **World's Most Ethical Companies** (2015 – 20)
- Forbes' **Just Companies** (2019)
- Newsweek's **America's Most Responsible Companies** (2020)
- Newsweek's **Top 100 Green Companies in the United States** (2009–2012, 2014–2016)
- Points of Light **The Civic 50** (2018–2020)

## Diversity

- Black Enterprise's **Best Companies for Diversity** (2011, 2012, 2014 – 18)
- Diversity Best Practices **Inclusion Index** (2017, 2018)
- DiversityInc's **Top 50 Companies for Diversity** (2003 – 20, 17-time award winner)
- Forbes' **America's Best Employers for Diversity** (2020)
- Forbes' **America's Best Employers for Women** (2019)
- Hispanic Association on Corporate Responsibility's **5 Star Company in Employment** (2018)
- Human Rights Campaign's **Corporate Equality Index** (2009 – 19)
- LATINA Style Magazine's **50 Best Companies for Latinas to Work** (2018, 17-time award winner)
- **Leadership Council on Legal Diversity Top Performer** (2017)
- Military Friendly Company's **Military Friendly Employer** (No. 1 in 2020, 4-time honoree)
- National Association for Female Executives' **Top Companies for Executive Women** (2016–2019, 17-time award winner)

## Innovation & Technology

- Anita Borg Institute's **Top Companies for Women Technologists Leadership Index** (2016, 2017, 2019)
- Belfast Telegraph IT Awards' **Cybersecurity Project of the Year** – "Allstate Cyber Safety for Kids" (2019)
- Computing Security Excellence Awards' **Security Team of the Year** – Allstate Information Security (2019)
- CSO50 Award's **Supplier Security Risk Management** (2018)
- Digital DNA's **Best Tech for Good Innovation** – "Allstate Cyber Safety for Kids" (2019)
- **CIO 100** (2016, 2018)
- International Association of Business Communicators' **Gold Quill Award** – Cybersecurity Matters Awareness Campaign (2015 – 17)

## Supply Chain

- Black Enterprise's **Top 50 Companies for Supplier Diversity** (2017)
- Chicago Minority Supplier Development Council's **Corporation of the Year** (2017)
- National Gay & Lesbian Chamber of Commerce's **"Best-of-the-Best" Corporation for Inclusion** (2017, 2018)
- Walmart Services **Supplier of the Year** (2019)
- Women's Business Enterprise National Council's **Top Corporation for Women's Business Enterprise** (2014, 2016 – 18, 2019 (Gold))

# GRI CONTENT INDEX/SDG ALIGNMENT

Allstate has published an annual Sustainability Report since 2003. Our 2019 Sustainability Report incorporates the Guiding Principles and Content Components of the Integrated Reporting (IR) framework produced by the International Integrated Reporting Council (IIRC). We address our impacts through the Six Capitals defined by the IIRC, capturing inputs and outputs across Financial, Intellectual, Human, Social, Natural and Manufactured Capitals.

We continue to report in accordance with the Global Reporting Initiative (GRI): Core option. Report information reflects year-end 2019 unless otherwise stated.

## GENERAL DISCLOSURES

GRI INDICATOR	DESCRIPTION	LOCATION/ ANSWER
STRATEGY AND ANALYSIS		
102-14	CEO Letter	<a href="#">Leadership Message</a>
ORGANIZATIONAL PROFILE		
102-1	Organization name	The Allstate Corporation
102-2	Primary brands, products, and services	<a href="#">10-K</a> , pg. 96-98
102-3	Headquarters location	Northbrook, IL
102-4	Where the organization operates	U.S., Canada, India, Northern Ireland
102-5	Nature of ownership and legal form	<a href="#">10-K</a> , pg. 1
102-6	Markets served	U.S., Canada, India, Northern Ireland
102-7	Scale of the organization	<a href="#">Our Integrated Approach</a>
102-8	Total number of employees by type	45,780 full-time and 560 part-time global employees

102-9	Supply chain description	In 2019, the vast majority of Allstate's supply chain spend consists of professional services (such as advertising, contract programming and lead generation) and claims contractors. The total monetary value of payments made to suppliers is approximately. Professional services generally support the operations of the company, while claims contractors support periods that typically bring about claims staffing shortages (e.g., natural disasters).
102-10	Organizational changes during the reporting period	None
102-11	Precautionary principle or approach	Allstate does not formally follow the precautionary principle, but we assess risks across our operations.
102-12	External charters, principles, or other initiatives	None
102-13	Membership associations	<a href="#">Public Policy</a>
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Ethics &amp; Integrity</a>
102-17	Mechanisms for reporting concerns about unethical or unlawful behavior	Employees may report any illegal, unethical conduct or regulatory compliance concerns by: – Contacting their manager, another manager, or a Human Resources representative – Calling the Allstate i-Report Line: 1-800-706-9855 – Using the Allstate i-Report website: <a href="http://www.allstatei-report.alertline.com">www.allstatei-report.alertline.com</a>
GOVERNANCE		
102-18	Governance structure of the organization	<a href="#">Our Integrated Approach</a>
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">Our Integrated Approach</a>
102-22	Composition of the highest governance body and its committees	<a href="#">Allstate Investor Relations Page</a>
102-24	Nominating and selecting the highest governance body	<a href="#">2020 Proxy Statement</a> , pg. 13
102-30	Effectiveness of risk management processes	<a href="#">10-K</a> , pg. 101
102-38	Annual total compensation ratio	<a href="#">2020 Proxy Statement</a> , pg. 78
STAKEHOLDER ENGAGEMENT		
102-40	Stakeholder groups	<a href="#">Materiality &amp; Stakeholder Engagement</a>
102-41	Collective bargaining agreements	<a href="#">Materiality &amp; Stakeholder Engagement</a>
102-42	How stakeholders were identified	<a href="#">Materiality &amp; Stakeholder Engagement</a>
102-43	Approach to stakeholder engagement	<a href="#">Materiality &amp; Stakeholder Engagement</a>
102-44	Topics raised during stakeholder engagements	<a href="#">Materiality &amp; Stakeholder Engagement</a>

## REPORTING PRACTICES

102-45	Entities included in the consolidated financial statements	10-K, pg. 1
102-46	Defining report content and topic Boundaries	<a href="#">Materiality &amp; Stakeholder Engagement</a>
102-47	List of material topics	<a href="#">Materiality &amp; Stakeholder Engagement</a>
102-48	Restatements	None
102-49	Changes in reporting	None
102-50	Reporting period	2019
102-51	Date of most recent report	October 2019
102-52	Reporting cycle	Annual
102-53	Report contact	Allstate Corporate Responsibility and Sustainability Team: <a href="mailto:sustainability@allstate.com">sustainability@allstate.com</a>
102-54	"In accordance" option and report assurance	This report was prepared in accordance with the GRI Standards, Core option. It has not been externally assured.
102-55	GRI Content Index	<a href="#">Content Index</a>


## TOPIC SPECIFIC DISCLOSURES

GRI INDICATOR	DESCRIPTION	LOCATION/ ANSWER	SDG ALIGNMENT
ENVIRONMENTAL			

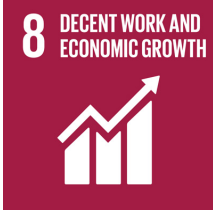

### Climate Strategy & Disaster Resiliency

103-1	Explanation of the material topic and its boundary	<a href="#">Climate Strategy &amp; Disaster Resiliency</a>	
103-2	The management approach and its components	<a href="#">Climate Strategy &amp; Disaster Resiliency</a>	
103-3	Evaluation of the management approach	<a href="#">Climate Strategy &amp; Disaster Resiliency</a>	
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Climate Strategy &amp; Disaster Resiliency</a>	

## Operational Footprint

103-1	Explanation of the material topic and its boundary	Operational Footprint	
103-2	The management approach and its components	Operational Footprint	
103-3	Evaluation of the management approach	Operational Footprint	
302-4	Energy reductions	Operational Footprint	
305-1	GHG emissions (Scope 1)	Operational Footprint	
305-2	GHG emissions (Scope 2)	Operational Footprint	
305-3	GHG emissions (Scope 3)	Operational Footprint	
305-4	GHG emissions intensity	Operational Footprint	
305-5	Reduction of GHG emissions	Operational Footprint	
	Travel emissions	Operational Footprint	
	Paper recycled	Operational Footprint	SOCIAL
	Waste recycled	Operational Footprint	

## Organizational Culture

103-1	Explanation of the material topic and its boundary	Organizational Culture	
103-2	The management approach and its components	Organizational Culture	
103-3	Evaluation of the management approach	Organizational Culture	
404-1	Average hours of training per year per employee	Organizational Culture	
404-3	Percentage of employees receiving regular performance and career development reviews	Organizational Culture	
	Inspire Survey results	Organizational Culture	
	Tuition reimbursement	Organizational Culture	
	Internal placement rate	Organizational Culture	

## Talent Recruitment & Management

103-1	Explanation of the material topic and its boundary	Talent Recruitment & Management	
103-2	The management approach and its components	Talent Recruitment & Management	
103-3	Evaluation of the management approach	Talent Recruitment & Management	

401-1	New employee hires and employee turnover	Talent Recruitment & Management	
	Employee engagement	Talent Recruitment & Management	

#### Inclusive Diversity

103-1	Explanation of the material topic and its boundary	Inclusive Diversity	
103-2	The management approach and its components	Inclusive Diversity	
103-3	Evaluation of the management approach	Inclusive Diversity	
405-1	Composition of governance bodies and employees	Inclusive Diversity	
	Total diverse supplier spend	Inclusive Diversity	
	Diverse supplier spend as percent of total supplier spending	Inclusive Diversity	

#### Social Impact & Community Leadership

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

## Well-Being & Safety

103-1	Explanation of the material topic and its boundary	Well-Being & Safety	
103-2	The management approach and its components	Well-Being & Safety	
103-3	Evaluation of the management approach	Well-Being & Safety	
	Allstaters completing wellness assessment	Well-Being & Safety	
	Number of Energy For Life participants	Well-Being & Safety	
	Attendance for personal finance sessions	Well-Being & Safety	
	Number of employees receiving safety training	Well-Being & Safety	
	Number of safety site audits	Well-Being & Safety	

## Public Policy


415-1	Political contributions	Public Policy	 
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## Customer-Centric & Responsible Products

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



## Data Privacy &amp; Information Security

103-1	Explanation of the material topic and its boundary	Data Privacy & Information Security	
103-2	The management approach and its components	Data Privacy & Information Security	
103-3	Evaluation of the management approach	Data Privacy & Information Security	
418-1	Total number of complaints regarding breaches of customer privacy and losses of customer data	Data Privacy & Information Security; We did not have any security breaches in which outside actors were able to obtain access to Allstate customer data; We choose not disclose the total number of substantiated complaints regarding breaches of customer privacy	

## Responsible Investing

103-1	Explanation of the material topic and its boundary	Responsible Investing	 
103-2	The management approach and its components	Responsible Investing	
103-3	Evaluation of the management approach	Responsible Investing	

## Technology & Digitalization

103-1	Explanation of the material topic and its boundary	Technology & Digitalization	
103-2	The management approach and its components	Technology & Digitalization	
103-3	Evaluation of the management approach	Technology & Digitalization	
	Digital/electronic claim payment transactions	Technology & Digitalization	
	Percent of initial inspections completed for all driveable vehicles using QuickFoto Claim	Technology & Digitalization	
	Percent of auto supplements completed using Virtual Assist	Technology & Digitalization	

# ESG DATA



		2020	2019	2018	2017	2016
ENVIRONMENTAL						
Air Emissions	Total GHG Emissions	-	129,034	142,117	165,146	179,960
	GHG Scope 1	-	35,293	45,966	53,818	56,521
	GHG Scope 2	-	84,884	82,887	91,209	104,350
	GHG Scope 3 - Business Travel	-	8,857	13,264	20,119	19,089
	Emissions Reduction Initiatives (y/n)	-	Y	Y	Y	Y
Climate	Climate Change Opportunities Discussed (y/n)	-	N	N	N	N
	Risks of Climate Change Discussed (y/n)	-	Y	Y	Y	Y
	Climate Change Policy (y/n)	-	Y	Y	Y	Y
	New Products - Climate Change (y/n)	-	N	N	N	N
	CDP Carbon Disclosure (y/n)	-	Y	Y	Y	Y
Energy	Renewable Electricity Target Policy	-	N	N	N	N
	Energy Efficiency Policy	-	Y	Y	Y	Y
Waste	Waste Reduction Policy (y/n)	-	Y	Y	Y	Y
General Environmental	Environmental Supply Chain Management	-	Y	Y	Y	Y
	Green Building Policy	-	Y	Y	Y	Y
	Sustainable Packaging	-	N	N	N	N
	Environmental Quality Management Policy	-	N	N	N	N
	Biodiversity Policy	-	N	N	N	N
	Verification Type	-	N	N	N	N
SOCIAL						
	Health and Safety Policy (y/n)	-	Y	Y	Y	Y
Employment	Number of Global FTEs	-	45,780	45,700	42,860	43,050
	% actively engaged employees	-	84	84	83	80
	% Women in Workforce	See Workforce Composition tab				
	% Women in Management					
	% Minorities in Workforce					
	% Minorities in Management					
Human Rights	Social Supply Chain Management (y/n)	-	Y	Y	Y	Y
	Sustainable Supplier Guidelines Encompassing ESG Areas that are Publicly Disclosed (y/n)	-	Y	Y	Y	Y
	Diverse Supplier Spend as a % of total supplier spend	-	7.0	6.9	9.3	8.3
	Fair Remuneration Policy (y/n)	-	N	N	N	N
	Training Policy (y/n)	-	Y	Y	Y	Y
	Employee CSR Training (y/n)	-	N	N	N	N
	Equal Opportunity Policy (y/n)	-	Y	Y	Y	Y
	Human Rights Policy (y/n)	-	N	N	N	N
	Policy Against Child Labor (y/n)	-	N	N	N	N
	Business Ethics Policy (y/n)	-	Y	Y	Y	Y

# ESG DATA



		2020	2019	2018	2017	2016
Ethics	Anti-Bribery Ethics Policy (y/n)	-	Y	Y	Y	Y
	Employee Protection/Whistle Blower Policy (y/n)	-	Y	Y	Y	Y
	UN Global Compact Signatory (y/n)	-	N	N	N	N
	PRI Signatory	-	N	N	N	N
GOVERNANCE						
Board	Size of the Board	11	10	10	11	11
	Classified Board System	N	N	N	N	N
	Board Average Age	63	62	61	63	63
	Mandatory Retirement Age	Y	Y	Y	Y	Y
	Annual Election of Directors	Y	Y	Y	Y	Y
	Average Director Tenure	6.8	6.5	6	7	7
Board Independence	Number of Independent Directors	10	9	9	10	10
	Percent of Directors Who Are Independent	91%	90%	90%	91%	91%
	Independent Chairperson	N	N	N	N	N
	Independent Lead Director	Y	Y	Y	Y	Y
Board Diversity	Number of Women on Board	3	3	3	3	3
	Percent of Directors Who Are Women	27%	30%	30%	27%	27%
	Lead Director and Committee Chairs (Independent Director Only)	5	5	5	5	5
	Number of Ethnic/Gender Diverse in Board Leadership Positions	4	4	4	4	4
	Number of Diverse Board Members by Ethnicity or Gender	5	5	5	5	5
Executive Diversity	Number of Executive Officers	13	13	12	10	10
	Number of Female Executive Officers	4	3	3	3	3
	Percent of Executive Officers Who Are Female	31%	23%	25%	30%	30%
Board Committees	Number of Board Meetings	6	7	3	7	7
	Board Meeting Attendance Percentage	99%	99%	100%	100%	100%
	Number of Directors Attending Less than 75% of Meetings	0	0	0	0	0
Audit Committee	Size of Audit Committee	4	4	4	4	4
	Percent of Directors on Audit Committee Who Are Independent	100%	100%	100%	100%	100%
	Number of Audit Committee Meetings	10	9	5	10	10
Compensation Committee	Size of Compensation and Succession Committee	4	4	4	4	4
	Percent of Directors on Compensation and Succession Committee Who Are Independent	100%	100%	100%	100%	100%
	Number of Compensation and Succession Committee Meetings	7	7	4	8	7
	Outside Compensation Advisors Appointed	Y	Y	Y	Y	Y
Nomination Committee	Size of Nominating and Governance Committee	5	4	4	5	5
	Percent of Directors on Nominating and Governance Committee Who Are Independent	100%	100%	100%	100%	100%
	Number of Nominating and Governance Committee Meetings	5	5	3	6	6
	Clawback Provision for Executive Compensation	Y	Y	Y	Y	Y
	Change of Control Benefits/Double-Trigger	Y	Y	Y	Y	Y
	President and Executive Vice Presidents Stock Ownership Guidelines	Y	Y	Y	Y	Y

# ESG DATA



		2020	2019	2018	2017	2016
Executive Compensation	President and Executive Vice Presidents Stock Ownership Multiple of Base Salary	3	3	3	3	3
	CEO Stock Ownership Guidelines	Y	Y	Y	Y	Y
	CEO Stock Ownership Multiple of Base Salary	6	6	6	6	6
	Director Stock Ownership Guidelines	Y	Y	Y	Y	Y
	Director Stock Ownership Multiple of Annual Retainer	5	5	5	5	5
Stockholder Rights	Ownership Percentage Required to Call a Special Meeting	10%	10%	10%	10%	10%
	Ownership Percentage Required to Request Action by Written Consent	10%	10%	10%	10%	10%
	Majority Vote Standard in Uncontested Director Elections	Y	Y	Y	Y	Y
	Supermajority Voting Provisions	N	N	N	N	N
	Confidential Voting	Y	Y	Y	Y	Y
	Poison Pill Plan	N	N	N	N	N
	Proxy Access Provision	Y	Y	Y	Y	N
	Dual Class Unequal Voting Rights - Common Shares	N	N	N	N	N
AGM Voting Results	Average Director Support Level	97%	97%	98%	98%	99%
	Frequency of Say on Pay Votes	1	1	1	1	1
	Say on Pay Support Level	92%	89%	93%	95%	95%
	Ratification of Independent Auditor Support Level	94%	95%	97%	98%	98%
	Years Independent Auditor Employed	28	27	26	25	24
GRI	GRI Criteria Compliance	-	Y	Y	Y	Y
	Global Reporting Initiatives Checked	-	N	N	N	N

# WORKFORCE COMPOSITION



## New Hires

	2019	2018	2017	2016	2015
<b>Generation</b>					
Silents (1925-1945)	0.0%	0.0%	0.0%	0.0%	0.0%
Early Boomers (1946-1954)	0.4%	0.5%	0.6%	0.5%	0.9%
Late Boomers (1955-1963)	4.4%	5.0%	6.0%	5.0%	6.0%
Generation X (1964-1978)	20.0%	22.9%	22.1%	22.4%	21.5%
Generation Y (1979-1994)	54.5%	58.1%	62.5%	67.9%	69.1%
Generation Z (From 1995)	20.7%	13.5%	8.8%	4.1%	2.5%
<b>Gender</b>					
Male	44.2%	46.8%	44.3%	47.6%	45.4%
Female	55.8%	53.2%	55.7%	52.4%	54.6%
<b>Minority Groups*</b>					
White	47.0%	52.8%	49.1%	55.4%	53.7%
Black or African American	27.4%	23.9%	21.5%	19.5%	23.2%
Hispanic or Latino	13.9%	12.0%	12.0%	15.0%	14.4%
Asian	6.9%	7.2%	7.5%	5.7%	5.0%
American Indian/Alaskan	0.3%	0.4%	0.2%	0.5%	0.4%
Native Hawaiian or Other Pacific Islander	0.3%	0.2%	0.3%	0.4%	0.2%
Two or more Races (Not Hispanic or Latino)	4.2%	3.6%	3.6%	3.6%	3.2%

\*For 2017 data, 5.8% - undeclared.

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

<b>Gender</b>					
<b>Total</b>					
Female	55.6%	56.0%	56.3%	55.9%	56.2%
Male	44.4%	44.0%	43.7%	44.1%	43.8%
Undeclared	0.08%				
<b>Exempt</b>					
Female	47.7%	47.9%	47.5%	46.5%	46.9%
Male	52.3%	52.1%	52.5%	53.5%	53.1%
Undeclared	0.03%				
<b>Non-Exempt</b>					
Female	72.2%	76.4%	76.2%	76.7%	76.3%
Male	27.8%	23.6%	23.8%	23.3%	23.7%
Undeclared	0.03%				
<b>Race</b>					
<b>Total</b>					
African American	17.7%	17.1%	16.4%	16.3%	16.4%
Native American	0.3%	0.4%	0.3%	0.4%	0.3%
Asian	5.7%	5.6%	5.3%	4.9%	4.7%
Hispanic	11.1%	10.9%	11.0%	11.0%	10.5%
Native Hawaiian or Other Pacific Islander	0.2%	0.2%	0.2%	0.2%	0.1%
Two or More Races	2.3%	2.1%	1.9%	1.9%	1.8%
White	62.1%	63.8%	64.8%	65.5%	66.1%
Undeclared	1.1%				
<b>Exempt</b>					
African American	13.0%	13.1%	12.1%	12.1%	12.2%
Native American	0.3%	0.3%	0.3%	0.3%	0.3%
Asian	7.3%	6.9%	6.6%	6.0%	5.8%
Hispanic	8.4%	8.7%	8.5%	8.5%	8.0%
Native Hawaiian or Other Pacific Islander	0.2%	0.1%	0.2%	0.2%	0.1%
Two or More Races	1.9%	1.9%	1.6%	1.6%	1.6%
White	68.4%	68.9%	70.7%	71.3%	72.0%
Undeclared	0.5%	-	-	-	-

Non-Exempt					
African American	27.4%	27.1%	26.1%	25.6%	25.5%
Native American	0.4%	0.4%	0.4%	0.4%	0.4%
Asian	2.4%	2.3%	2.4%	2.5%	2.5%
Hispanic	16.8%	16.3%	16.6%	16.5%	15.8%
Native Hawaiian or Other Pacific Islander	0.3%	0.3%	0.2%	0.2%	0.2%
Two or More Races	3.1%	2.7%	2.6%	2.4%	2.2%
White	49.0%	50.9%	51.7%	52.4%	53.4%
Undeclared	0.5%	-	-	-	-

## Total & Voluntary Turnover

Overall					
Termination Rate	18.5%	15.4%	15.6%	13.4%	13.1%
Voluntary Termination Rate (incl. retirements)	14.1%	12.8%	12.1%	10.7%	10.7%
Race					
Termination Rate					
Minority	22.7%	18.3%	17.7%	16.3%	16.1%
Non-Minority	15.3%	13.6%	14.3%	11.9%	11.6%
Voluntary Termination Rate (incl. retirements)					
Minority	17.4%	14.5%	13.2%	12.6%	13.1%
Non-Minority	12.1%	11.8%	11.4%	9.7%	9.5%
Gender					
Termination Rate					
Male	17.7%	15.7%	16.6%	13.9%	13.4%
Female	18.5%	15.1%	14.7%	13.0%	12.9%
Voluntary Termination Rate (incl. retirements)					
Male	14.3%	13.1%	12.5%	11.1%	10.5%
Female	14.0%	12.6%	11.7%	10.4%	10.9%
Generation					
Termination Rate					
Silents (1925-1945)	29.2%	19.0%	16.1%	19.6%	34.9%
Early Boomers (1946-1954)	31.4%	34.7%	31.6%	20.2%	19.6%
Late Boomers (1955-1963)	13.6%	13.3%	11.9%	7.6%	7.4%
Generation X (1964-1978)	12.2%	9.5%	10.3%	8.9%	8.9%
Generation Y (1979-1994)	22.3%	18.8%	20.1%	19.9%	20.5%
Generation Z (From 1995)	40.9%	44.1%	60.8%	97.5%	74.7%
Voluntary Termination Rate (incl. retirements)					
Silents (1925-1945)	21.2%	16.9%	14.3%	15.0%	30.4%
Early Boomers (1946-1954)	25.1%	31.5%	27.9%	17.6%	17.7%
Late Boomers (1955-1963)	9.8%	11.3%	8.6%	5.3%	5.3%
Generation X (1964-1978)	8.1%	6.8%	7.3%	6.7%	6.7%
Generation Y (1979-1994)	18.5%	16.3%	16.0%	16.3%	17.7%
Generation Z (From 1995)	35.8%	39.5%	56.4%	88.4%	68.2%

## Management Type by Gender & Race

Gender					
OFFICER					
Female	30.2%	30.3%	27.6%	28.1%	29.1%
Male	69.8%	69.7%	72.4%	71.9%	70.9%
FIRST LEVEL LEADER					
Female	49.3%	49.6%	50.6%	49.2%	48.7%
Male	50.7%	50.4%	49.4%	50.8%	51.3%
MID LEVEL LEADER					
Female	41.0%	40.6%	40.4%	40.3%	40.7%
Male	59.0%	59.4%	59.6%	59.7%	59.3%
TEAM MEMBER					
Female	49.2%	49.2%	48.5%	47.4%	47.8%
Male	50.8%	50.8%	51.5%	52.6%	52.2%
TEAM MEMBER NON EXEMPT					
Female	75.5%	76.4%	76.2%	76.7%	76.3%
Male	24.5%	23.6%	23.8%	23.3%	23.7%

Race					
<b>OFFICER</b>					
African American	3.5%	3.0%	3.5%	4.2%	4.8%
Native American	0.5%	0.5%	0.5%	0.5%	0.5%
Asian	4.5%	4.5%	4.0%	4.2%	4.8%
Hispanic	2.5%	1.5%	1.5%	1.6%	1.6%
Two or More Races	1.0%	1.5%	1.0%	1.0%	1.1%
White	87.6%	88.6%	88.9%	88.5%	87.3%
Undeclared	0.5%	-	-	-	-
<b>FIRST LEVEL LEADER</b>					
African American	14.1%	13.8%	13.3%	13.2%	12.4%
Native American	0.3%	0.4%	0.4%	0.3%	0.3%
Asian	3.1%	3.4%	3.3%	3.2%	3.0%
Hispanic	10.5%	9.8%	8.5%	8.5%	8.2%
Native Hawaiian or Other Pacific Islander	0.1%	0.2%	0.2%	0.2%	0.1%
Two or More Races	1.6%	1.7%	1.8%	1.5%	1.4%
White	70.2%	70.6%	72.5%	73.1%	74.6%
Undeclared	0.2%	-	-	-	-
<b>MID LEVEL LEADER</b>					
African American	5.8%	6.0%	5.7%	5.9%	5.9%
Native American	0.2%	0.3%	0.2%	0.2%	0.2%
Asian	10.6%	9.7%	9.2%	8.6%	8.5%
Hispanic	5.0%	4.4%	4.3%	4.1%	4.2%
Native Hawaiian or Other Pacific Islander	0.1%	0.1%	0.1%	0.1%	0.1%
Two or More Races	1.2%	1.0%	0.9%	0.9%	0.9%
White	76.9%	78.3%	79.3%	80.1%	80.2%
Undeclared	0.3%	-	-	-	-
<b>TEAM MEMBER</b>					
African American	15.2%	14.5%	13.2%	13.0%	13.3%
Native American	0.3%	0.3%	0.3%	0.3%	0.3%
Asian	7.0%	6.9%	6.7%	6.0%	5.8%
Hispanic	9.6%	9.5%	9.4%	9.3%	8.7%
Native Hawaiian or Other Pacific Islander	0.2%	0.2%	0.2%	0.2%	0.2%
Two or More Races	2.2%	2.1%	1.8%	1.8%	1.7%
White	64.8%	65.9%	67.7%	69.3%	70.0%
Undeclared	0.7%	-	-	-	-
<b>TEAM MEMBER NON EXEMPT</b>					
African American	28.2%	27.1%	26.1%	25.6%	25.5%
Native American	0.4%	0.4%	0.4%	0.4%	0.4%
Asian	2.1%	2.3%	2.4%	2.5%	2.5%
Hispanic	16.7%	16.3%	16.6%	16.4%	15.8%
Native Hawaiian or Other Pacific Islander	0.3%	0.3%	0.2%	0.2%	0.2%
Two or More Races	3.1%	2.7%	2.6%	2.4%	2.2%
White	48.7%	50.1%	50.6%	52.4%	53.4%
Undeclared	0.5%	-	-	-	-

NOTE: These figures represent U.S. employees only



Allstate Sustainability Report 2019

# Public Policy Participation

March 2020



# OVERVIEW

Allstate is actively involved in the democratic process at the state and federal levels. By participating in the development of good public policy and offering ideas and resources in this arena, we work to improve the insurance marketplace for our customers, company, consumers, and the communities we serve.

We are proud of our history as an engaged participant in major public policy matters that benefit millions of Americans. To that end, we strive for open and transparent disclosure of our political involvement. This report explains the nature and depth of our participation in these efforts, and outlines the rationale and governance associated with our political activity.

Allstate is committed to participation in the political process in a thoughtful and responsible manner, consistent with Allstate’s Global Code of Business Conduct and in compliance with all legal requirements. Outlined here is an overview of our public policy priorities, our governance and Board oversight, a description of the different types of organizations that advance those priorities, and a review of the amount we spend. **Our financial disclosure includes a breakdown of:**



The portion of those expenditures used to **influence legislation or regulatory outcomes**



Those expenditures used to **participate in a political campaign** on behalf of (or in opposition to) a candidate



Those used to **influence the outcome** of an election, legislative matter, or referendum  
*(non-deductible lobbying & political expenses)*

# PUBLIC POLICY PRIORITIES & STRATEGY

Public policy issues in Washington, DC, and across each state present a broad range of topics with meaningful importance to Allstate. The company must be well-positioned to have an active voice in the political process.

In 2019, for example, the insurance industry worked to influence thousands of legislative proposals on many different topics. Since 2016, thousands of laws or regulations affecting the company have been enacted across the country. The scope of issues important to Allstate will only expand as we introduce more innovative products and services beyond traditional insurance offerings.

Our public policy strategy focuses on six key areas: fostering market innovation, fighting for consumers, promoting safety and security, ensuring a healthy regulatory system, promoting fiscal responsibility, and advocating for small businesses.

In 2019, Allstate's top public policy priorities at the state and federal level included the following:

ISSUE	FEDERAL/ STATE	KEY INITIATIVES & FACTORS
<b>No-Fault Auto Insurance Reform</b>	State	Reforming Michigan's no-fault auto insurance system.
<b>Auto Insurance Rating Factors</b>	Both	Exploring opportunities to leverage innovation and telematics as reliable rating factors.
<b>Driving Safety</b>	Both	SAFE TO DRIVE Act – distracted driving state incentive grant program.
<b>Car Sharing</b>	State	Ensuring favorable peer-to-peer car sharing state legislative and regulatory environments to promote innovation and consumer protection.
<b>Civil Justice Reform</b>	State	Civil justice reform legislation in various states.
<b>Claim Severity &amp; Total Loss</b>	Both	International tariffs forcing increases in auto part costs; original equipment manufacturers' holds on patents force increased repair costs; enhanced technology continues to drive increased cost in auto repairs.

Allstate participates in the public policy process through contributions to candidates at the state and federal levels, its political action committee, engagement of professionals who advance our interests, and memberships in trade associations, political associations, and various organizations that share information and provide advocacy support. There is no one solution or activity that ensures the success of our corporate strategy.

**Our political contributions strategy is guided by the following:**

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We support candidates for office who believe in a **competitive marketplace** and understand and bring attention to the issues of importance to the insurance industry, Allstate, our customers, and the communities we serve.

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We support candidates for office who hold **relevant leadership positions** in Washington, DC, and in key states important to Allstate's business objectives.

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We leverage **corporate political contributions** where we are allowed to do so by state law, and leverage contributions through the Allstate Insurance Company Political Action Committee (ALLPAC) for federal candidates and state candidates where corporate contributions are not allowed. ALLPAC is funded exclusively through voluntary personal contributions of eligible employees.

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# GOVERNANCE & BOARD OVERSIGHT

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Allstate maintains a rigorous oversight process for its advocacy efforts. Subject matter experts and government relations professionals in the company are responsible for working with organizations and associations that the company supports.

Proposals related to the company's financial involvement in public policy matters and individual candidate contributions are developed by our government relations staff and approved by senior leaders. All corporate political contributions and expenditures are reviewed for compliance with applicable law and approved by the senior vice president for Government and Industry Relations as well as the General Counsel and Chief Legal Officer of the corporation. The independent nominating and governance committee of The Allstate Corporation Board reviews Allstate's priorities and expenditures semi-annually, including in one joint session with the Board.

Direct corporate political contributions are made as permitted under state and local laws to help elect candidates whose views and positions are consistent with Allstate's advocacy priorities. Contributions are not based on the personal views of any individual member of management or the Board. **In 2019, Allstate did not make any independent expenditures in connection with any campaigns or ballot initiatives.**

Since 2018, Allstate's chief risk officer has conducted an annual risk and return assessment of Allstate's political activities to ensure appropriate oversight and management of Allstate's political activities. In the annual review for 2019, he concluded that the risk of not participating in the political process was greater than the risk of participating and could result in unfavorable policies and legislation adverse to business outcomes, which would negatively impact Allstate's strategic position and business model. The chief risk officer concluded that Allstate's control framework appropriately manages the risks in Allstate's political activities and that sufficient governance and oversight processes exist to ensure activities are aligned with Allstate's risk and return principles.



## CHIEF RISK OFFICER'S ASSESSMENT

The chief risk officer's assessment of Allstate's 2019 political activities concluded the following:

- + **Allstate's decisions on how to engage in the political process appropriately balance risk and return:** Allstate's first risk and return principle, Maintain Strong Foundation, includes ensuring the political and regulatory environment supports the operating model. Engaging in political activity helps the company adhere to this principle. While engaging in political activity exposes Allstate to legal and reputational risks, controls are in place to manage these risks and consider the return implications of engaging in political activity.
- + **Allstate's control framework appropriately manages the risks and sufficient governance and oversight exists to ensure activities are aligned with Allstate's risk and return principles:** The control framework includes robust governance and processes that are designed to identify, monitor, and evaluate the risks resulting from Allstate's political activities.
  - *Senior leaders meet quarterly to designate priorities and receive updates on public policy initiatives and focus areas.*
  - *The legal department ensures that corporate political expenditures are compliant with state regulations, and leadership reviews activity to confirm regulations are followed and corruption or conflicts of interest do not influence Allstate's actions.*
  - *Strategies related to the company's involvement in public policy and candidate contributions are reviewed by senior leadership and reports are presented to the nominating and governance committee semi-annually (including in one joint session with the Board).*
  - *The Allstate Global Code of Business Conduct contains the values and principles of The Allstate Corporation and subsidiaries. Employees are required to affirm understanding and compliance with the Code, including political activities and officers are required to identify political activity semi-annually. Employees in high-risk areas of political corruption receive specialized training.*
  - *The human resources and legal departments establish policies and oversee political activities in the workplace to confirm they are aligned with Allstate's principles for responsible corporate political engagement; policies include notification if seeking public office.*
  - *The public policy program is disclosed to shareholders annually in the Allstate Sustainability Report.*
- + **Failure to engage in the political process could result in unfavorable policies, legislation or adverse business outcomes, negatively impacting Allstate's strategic position:** Political activity is aligned to major issues that address important business initiatives and advance strategic objectives. The risk of not engaging to influence these issues is more significant than the risks presented by engaging.

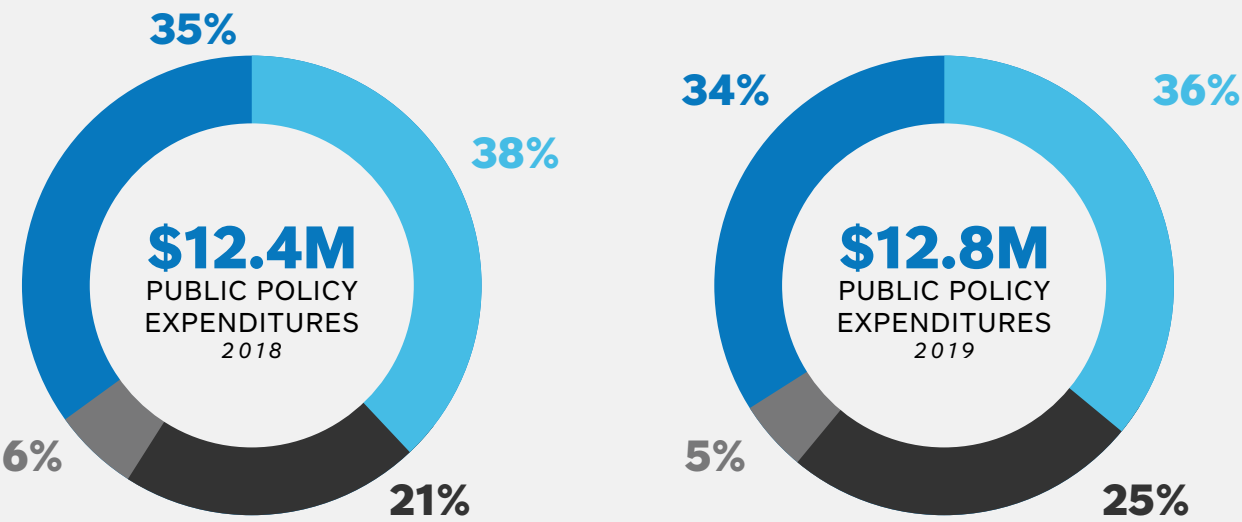
# SUMMARY OF EXPENDITURES

In addition to contributing to candidates for public office and engaging professionals to lobby lawmakers, Allstate supports state and national trade associations, social welfare groups, and other non-profit groups to advance issues that are critical to our corporate strategic priorities.

Organizations may use a portion of membership dues or contributions for non-deductible purposes such as lobbying or other political purposes. We may not agree with every position taken by a specific organization, candidate, or committee. This report reflects both the deductible and non-deductible amounts of funds provided to such organizations.

In 2019, the company's aggregate expenditures in the public policy area were approximately \$12.8 million, which represents a fraction of a percent of overall revenues for Allstate. This number is an increase over the 2018 overall expenditure, which was \$12.4 million. Of the total amount of \$12.8 million in 2019, approximately \$4.3 million, or 34% of total expenditures, were non-deductible.

■ Trade Associations   ■ Advocacy Professionals   ■ Corporate Political Contributions   ■ Social Welfare Groups



\* Allstate made the decision, that beginning in 2019, previously-reported contributions to research organizations would be excluded from this report, as these contributions are not expressly used for public policy advocacy.

**\$3.4M**

**PROVIDED TO  
NATIONAL TRADE  
ASSOCIATIONS**

*(+\$0.5M FROM 2018)*

**\$1.4M**

**PROVIDED TO  
STATE TRADE  
ASSOCIATIONS**

*(~\$0.45M FROM 2018)*

## NATIONAL & STATE TRADE ASSOCIATIONS

Allstate contributes to groups that advocate meaningful change for insurance consumers, nationally and in individual states. Some of these groups may lobby in support of a position or make their own contributions to political campaigns that are separate and apart from our corporate priorities. The Government and Industry Relations team regularly reviews the performance and effectiveness of trade organizations and associations to determine if our continued level of involvement is appropriate.

In 2019, Allstate provided approximately \$3.4 million to national trade associations (compared to \$2.9 million in 2018) with approximately \$654,000 (19%) attributed to non-deductible expenses. Allstate provided approximately \$1.4 million to state trade associations, (compared to \$1.85 million in 2018) with approximately \$304,000 (22%) being non-deductible.

As part of our focus on a thriving and innovative insurance market, Allstate believes it is imperative to modernize and improve the regulatory system for insurance companies and consumers. The company therefore supports organizations working for reforms that will help ensure a healthy regulatory system with more uniformity and consistency.

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



**\$4.3M**

**PROVIDED TO  
SOCIAL WELFARE  
ORGANIZATIONS**

*(NO CHANGE FROM 2018)*

## SOCIAL WELFARE ORGANIZATIONS

Allstate partners with non-profit organizations throughout the country to exchange information, conduct research, and promote various public policy positions. For example, Allstate supports the Advocates for Highway and Auto Safety, a champion in the effort to save the lives of drivers and passengers. In 2019, Allstate provided about \$4.3 million (compared to \$4.3 million in 2018) to social welfare organizations (501(c)(4)), with \$168,000 (4%) being non-deductible.

Throughout our history, we have endeavored to make roads safer. We were pioneers in the advocacy of mandatory seat belts and airbags in cars. Today, many of our employees and agencies devote significant time every day to promoting safer driving, working closely with local community groups, parents, teen drivers, schools, and national organizations. Allstate provides significant human and financial resources to organizations that save lives, prevent injuries, and reduce losses caused by crashes on the nation's highways.

# \$621K

APPROX. TOTAL OF  
CORPORATE FUNDS  
CONTRIBUTED TO  
STATE CANDIDATES

(- \$119K FROM 2018)

# 350+

CANDIDATES  
RECEIVED  
CORPORATE  
POLITICAL  
CONTRIBUTIONS

## CORPORATE POLITICAL CONTRIBUTIONS

Where allowed by state law, Allstate contributed \$620,855 in corporate funds in 2019 to state candidates for public office, political parties, political committees, and other entities organized and operating under 26 U.S.C. Section 527. In 2018, this figure was \$740,300. Federal law prohibits corporate contributions to federal candidates and committees.

In 2019, Allstate made corporate political contributions to more than 350 state political candidates and committees across the country. The vast majority of these contributions were smaller contributions to individual campaigns. The list outlined below represents the major state and national committees and campaigns that received at least \$10,000. Below the \$10,000 threshold, the next highest individual contribution to a political committee in 2019 was \$7,000.

### Political Committees & Campaigns Receiving at Least \$10,000

POLITICAL/PARTY COMMITTEE	NATIONAL/ STATE	AMOUNT
<b>Democratic Governors Association</b>	National	\$75,000
<b>Republican Governors Association</b>	National	\$75,000
<b>Personal Insurance Federation of Florida</b>	Florida	\$15,000
<b>Independent Voter Project</b>	California	\$13,000
<b>Democratic Legislative Campaign Committee</b>	National	\$12,000
<b>NY Democratic Senate Campaign Committee</b>	New York	\$11,000
<b>Andrew Cuomo for New York</b>	New York	\$10,000

Corporate contributions are publicly disclosed as required by applicable laws, which require candidate campaign committees, political committees and ballot committees to report the contributions they receive.

In 2019, Allstate made corporate contributions to individual candidates and committees in 18 states. A detailed list of Allstate's specific contributions in 2019 can be found [here](#).

**653**

ALLPAC MEMBERS

**\$424K**

APPROX. TOTAL  
CONTRIBUTION  
TO ALLPAC BY  
ITS MEMBERS

**\$487K**

APPROX. TOTAL  
OF ALLPAC FUNDS  
CONTRIBUTED TO  
STATE & FEDERAL  
CANDIDATES

(+\$136K FROM 2018)

## ALLPAC

An important part in advocating for sound public policy is the Allstate Insurance Company Political Action Committee (ALLPAC). ALLPAC is a voluntary, bipartisan political action committee comprised of members from an eligible class of employees. ALLPAC contributions to candidates are governed by a Board of Directors composed of company employees. ALLPAC contributes to political candidates who generally support our positions on public policy issues affecting our business and our customers.

Allstate and ALLPAC consider many factors before contributing to a candidate's campaign:

- + The candidate's understanding and support of the issues;
- + The presence of employees, agency owners, facilities, or resources in the candidate's district or state;
- + Leadership, relevant committee assignments, and seniority; and
- + Likelihood of a candidate's election success.

No one factor is controlling, and Allstate, its management and ALLPAC may not agree with all of a candidate's positions.

In 2019, ALLPAC had 653 members, making voluntary individual contributions to the PAC totaling \$423,565. The average individual employee contribution to ALLPAC was approximately \$648 per participant.

ALLPAC contributions to candidates are governed by a board of directors composed of company employees. During 2019, ALLPAC contributed a total of \$487,450 to state and federal candidates for public office as well as political committees. In 2018, this figure was \$351,375.

ALLPAC is required to publicly disclose receipts and contributions to the Federal Election Commission and in certain states. Specific information regarding ALLPAC contributions in 2019 can be found [here](#).

**\$3.2M**

**EXPENDITURE  
ON EXTERNAL  
PROFESSIONAL  
ADVOCATES**

*(+\$0.6M FROM 2018)*

## ADVOCACY PROFESSIONALS

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

In 2019, Allstate expended approximately \$3.2 million on external professionals to advocate on behalf of the insurance industry, the company, our agency owners, customers and the public. In 2018, this figure was \$2.6 million.

## GRASSROOTS LOBBYING

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

# ORGANIZATIONS RECEIVING AT LEAST \$50,000

The below list of trade associations and social welfare organizations received a financial contribution of at least \$50,000 in 2019.

The aggregate amount contributed to these 17 organizations is \$7.7 million, with \$966,466 (13%) attributable to non-deductible lobbying expenses. This number is a subset of the overall amount contributed to trade associations and social welfare organizations, which was \$9.1 million, with \$821,461 (9%) attributable to non-deductible lobbying expenses.

ORGANIZATION	TYPE
<b>Advocates for Highway and Auto Safety</b>	Social Welfare
<b>American Council of Life Insurers</b>	National Trade
<b>Association of National Advertisers</b>	National Trade
<b>Bank Policy Institute</b>	National Trade
<b>Certified Automotive Parts Association</b>	National Trade
<b>Civil Justice Reform Group</b>	National Trade
<b>Illinois Insurance Association</b>	State Trade
<b>Insurance Alliance of Michigan</b>	State Trade
<b>Insurance Council of New Jersey</b>	State Trade

ORGANIZATION	TYPE
<b>Insurance Federation of Pennsylvania</b>	State Trade
<b>LL Global Inc.</b>	National Trade
<b>National Insurance Crime Bureau</b>	Social Welfare
<b>New York Insurance Association</b>	State Trade
<b>Personal Insurance Federation of California</b>	State Trade
<b>Personal Insurance Federation of Florida</b>	State Trade
<b>Property Loss Research Bureau</b>	National Trade
<b>US Chamber of Commerce/ Institute for Legal Reform</b>	National Trade

In compliance with federal law, Allstate files quarterly lobbying reports for all federal lobbying activities. Nearly all states require lobbyists, and those who hire lobbyists, to submit periodic disclosure reports, but the requirements and access to disclosure reports vary by state.

Q1

Title of the House of Representatives 225 Cannon Building Washington, DC 20515 <a href="http://www.house.gov">http://www.house.gov</a>	Secretary of the Senate 225 Cannon Building Washington, DC 20515 <a href="http://www.senate.gov">http://www.senate.gov</a>
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### LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 3) - All Items Are Required to Complete This Page

A. Registered Name: _____ Organizational Affiliation Firm: _____ Self-Employed Individual: _____	
B. Contact Name: _____	
C. Address: _____ City: _____ State: _____ Zip: _____ Country: _____	D. Telephone: _____ Fax: _____ E-mail: _____
F. Period of Reporting (Indicate the 12-Month Reporting Period): From: _____ To: _____ G. Client Name: _____ H. Client Address: _____ I. Client City: _____ State: _____ Zip: _____ J. Client Country: _____	
K. Check if client is a source of contributions or expenditures to or from the reporting person or organization: _____	

TYPE OF REPORT: ☐ A. New ☐ B. Renewal ☐ C. Renewal ☐ D. Renewal ☐ E. Renewal ☐ F. Renewal ☐ G. Renewal ☐ H. Renewal ☐ I. Renewal ☐ J. Renewal ☐ K. Renewal ☐ L. Renewal ☐ M. Renewal ☐ N. Renewal ☐ O. Renewal ☐ P. Renewal ☐ Q. Renewal ☐ R. Renewal ☐ S. Renewal ☐ T. Renewal ☐ U. Renewal ☐ V. Renewal ☐ W. Renewal ☐ X. Renewal ☐ Y. Renewal ☐ Z. Renewal ☐ AA. Renewal ☐ AB. Renewal ☐ AC. Renewal ☐ AD. Renewal ☐ AE. Renewal ☐ AF. Renewal ☐ AG. Renewal ☐ AH. Renewal ☐ AI. Renewal ☐ AJ. Renewal ☐ AK. Renewal ☐ AL. Renewal ☐ AM. Renewal ☐ AN. Renewal ☐ AO. Renewal ☐ AP. Renewal ☐ AQ. Renewal ☐ AR. Renewal ☐ AS. Renewal ☐ AT. Renewal ☐ AU. Renewal ☐ AV. Renewal ☐ AW. Renewal ☐ AX. Renewal ☐ AY. Renewal ☐ AZ. Renewal ☐ BA. Renewal ☐ BB. Renewal ☐ BC. Renewal ☐ BD. Renewal ☐ BE. Renewal ☐ BF. Renewal ☐ BG. Renewal ☐ BH. Renewal ☐ BI. Renewal ☐ BJ. Renewal ☐ BK. Renewal ☐ BL. Renewal ☐ BM. Renewal ☐ BN. Renewal ☐ BO. Renewal ☐ BP. Renewal ☐ BQ. Renewal ☐ BR. Renewal ☐ BS. Renewal ☐ BT. Renewal ☐ BU. Renewal ☐ BV. Renewal ☐ BV. Renewal ☐ BW. Renewal ☐ BX. Renewal ☐ BY. Renewal ☐ BZ. Renewal ☐ CA. Renewal ☐ CB. Renewal ☐ CC. Renewal ☐ CD. Renewal ☐ CE. Renewal ☐ CF. Renewal ☐ CG. Renewal ☐ CH. Renewal ☐ CI. Renewal ☐ CJ. Renewal ☐ CK. Renewal ☐ CL. Renewal ☐ CM. Renewal ☐ CN. Renewal ☐ CO. Renewal ☐ CP. Renewal ☐ CQ. Renewal ☐ CR. Renewal ☐ CS. Renewal ☐ CT. Renewal ☐ CU. Renewal ☐ CV. Renewal ☐ CW. Renewal ☐ CX. Renewal ☐ CY. Renewal ☐ CZ. Renewal ☐ DA. Renewal ☐ DB. Renewal ☐ DC. Renewal ☐ DD. Renewal ☐ DE. Renewal ☐ DF. Renewal ☐ DG. Renewal ☐ DH. Renewal ☐ DI. Renewal ☐ DJ. Renewal ☐ DK. Renewal ☐ DL. Renewal ☐ DM. Renewal ☐ DN. Renewal ☐ DO. Renewal ☐ DP. Renewal ☐ DQ. Renewal ☐ DR. Renewal ☐ DS. Renewal ☐ DT. Renewal ☐ DU. Renewal ☐ DV. Renewal ☐ DV. Renewal ☐ DW. Renewal ☐ DX. Renewal ☐ DY. Renewal ☐ DZ. Renewal ☐ EA. Renewal ☐ EB. Renewal ☐ EC. Renewal ☐ ED. Renewal ☐ EE. Renewal ☐ EF. Renewal ☐ EG. Renewal ☐ EH. Renewal ☐ EI. Renewal ☐ EJ. Renewal ☐ EK. Renewal ☐ EL. Renewal ☐ EM. Renewal ☐ EN. Renewal ☐ EO. Renewal ☐ EP. Renewal ☐ EQ. Renewal ☐ ER. Renewal ☐ ES. Renewal ☐ ET. Renewal ☐ EU. Renewal ☐ EV. Renewal ☐ EV. Renewal ☐ EW. Renewal ☐ EX. Renewal ☐ EY. Renewal ☐ EZ. Renewal ☐ FA. Renewal ☐ FB. Renewal ☐ FC. Renewal ☐ FD. Renewal ☐ FE. Renewal ☐ FF. Renewal ☐ FG. Renewal ☐ FH. Renewal ☐ FI. Renewal ☐ FJ. Renewal ☐ FK. Renewal ☐ FL. Renewal ☐ FM. Renewal ☐ FN. Renewal ☐ FO. Renewal ☐ FP. Renewal ☐ FQ. Renewal ☐ FR. Renewal ☐ FS. Renewal ☐ FT. Renewal ☐ FU. Renewal ☐ FV. Renewal ☐ FV. Renewal ☐ FW. Renewal ☐ FX. Renewal ☐ FY. Renewal ☐ FZ. Renewal ☐ GA. Renewal ☐ GB. Renewal ☐ GC. Renewal ☐ GD. Renewal ☐ GE. Renewal ☐ GF. Renewal ☐ GG. Renewal ☐ GH. Renewal ☐ GI. Renewal ☐ GJ. Renewal ☐ GK. Renewal ☐ GL. Renewal ☐ GM. Renewal ☐ GN. Renewal ☐ GO. Renewal ☐ GP. Renewal ☐ GQ. Renewal ☐ GR. Renewal ☐ GS. Renewal ☐ GT. Renewal ☐ GU. Renewal ☐ GV. Renewal ☐ GV. Renewal ☐ GW. Renewal ☐ GX. Renewal ☐ GY. Renewal ☐ GZ. Renewal ☐ HA. Renewal ☐ HB. Renewal ☐ HC. Renewal ☐ HD. Renewal ☐ HE. Renewal ☐ HF. Renewal ☐ HG. Renewal ☐ HH. Renewal ☐ HI. Renewal ☐ HJ. Renewal ☐ HK. Renewal ☐ HL. Renewal ☐ HM. Renewal ☐ HN. Renewal ☐ HO. Renewal ☐ HP. Renewal ☐ HQ. Renewal ☐ HR. Renewal ☐ HS. Renewal ☐ HT. Renewal ☐ HU. Renewal ☐ HV. Renewal ☐ HV. Renewal ☐ HW. Renewal ☐ HX. Renewal ☐ HY. Renewal ☐ HZ. Renewal ☐ IA. Renewal ☐ IB. Renewal ☐ IC. Renewal ☐ ID. Renewal ☐ IE. Renewal ☐ IF. Renewal ☐ IG. Renewal ☐ IH. Renewal ☐ IJ. Renewal ☐ IK. Renewal ☐ IL. Renewal ☐ IM. Renewal ☐ IN. Renewal ☐ IO. Renewal ☐ IP. Renewal ☐ IQ. Renewal ☐ IR. Renewal ☐ IS. Renewal ☐ IT. Renewal ☐ IU. Renewal ☐ IV. Renewal ☐ IV. Renewal ☐ IW. Renewal ☐ IX. Renewal ☐ IY. Renewal ☐ IZ. Renewal ☐ JA. Renewal ☐ JB. Renewal ☐ JC. Renewal ☐ JD. Renewal ☐ JE. Renewal ☐ JF. Renewal ☐ JG. Renewal ☐ JH. Renewal ☐ IJ. Renewal ☐ JK. Renewal ☐ JL. Renewal ☐ JM. Renewal ☐ JN. Renewal ☐ JO. Renewal ☐ JP. Renewal ☐ JQ. Renewal ☐ JR. Renewal ☐ JS. Renewal ☐ JT. Renewal ☐ JU. Renewal ☐ JV. Renewal ☐ JV. Renewal ☐ JW. Renewal ☐ JX. Renewal ☐ JY. Renewal ☐ JZ. Renewal ☐ KA. Renewal ☐ KB. Renewal ☐ KC. Renewal ☐ KD. Renewal ☐ KE. Renewal ☐ KF. Renewal ☐ KG. Renewal ☐ KH. Renewal ☐ KI. Renewal ☐ KJ. Renewal ☐ KL. Renewal ☐ KM. Renewal ☐ KN. Renewal ☐ KO. Renewal ☐ KP. Renewal ☐ KQ. Renewal ☐ KR. Renewal ☐ KS. Renewal ☐ KT. Renewal ☐ KU. Renewal ☐ KV. Renewal ☐ KV. Renewal ☐ KW. Renewal ☐ KX. Renewal ☐ KY. Renewal ☐ KZ. Renewal ☐ LA. Renewal ☐ LB. Renewal ☐ LC. Renewal ☐ LD. Renewal ☐ LE. Renewal ☐ LF. Renewal ☐ LG. Renewal ☐ LH. Renewal ☐ LI. Renewal ☐ LJ. Renewal ☐ LK. Renewal ☐ LL. Renewal ☐ LM. Renewal ☐ LN. Renewal ☐ LO. Renewal ☐ LP. Renewal ☐ LQ. Renewal ☐ LR. Renewal ☐ LS. Renewal ☐ LT. Renewal ☐ LU. Renewal ☐ LV. Renewal ☐ LV.