

2025

Climate Risk Management Disclosure



Report:
Harmonized approach addressing
OSFI Guideline B-15 and AMF CRMG





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About Allstate Canada

Allstate Insurance Company of Canada includes wholly-owned subsidiaries Pembridge Insurance Company, Pafco Insurance Company and Ivantage Insurance Brokers Inc. Together, they comprise the Allstate Canada Group (“Allstate Canada”) and are part of one of the largest insurance organizations in the world – The Allstate Corporation.

Allstate Insurance Company of Canada

Serving Canadians since 1953, Allstate Insurance Company of Canada is a leading home and auto insurer, which operates in five provinces in Canada (Ontario, Quebec, Alberta, Nova Scotia, and New Brunswick) and focuses on providing its customers prevention and protection products and services for every stage of life.

Pembridge

Pembridge Insurance Company provides home and automobile insurance to Canadians through a network of select insurance brokers. Pembridge is backed by Allstate Insurance Company of Canada, giving it the scale and financial stability of one of the largest insurance companies in North America.

Pafco

Pafco Insurance Company has built a strong foundation offering a specialized insurance product and exceptional customer service through the support of our select broker network. Pafco provides personal automobile insurance for drivers who do not qualify for coverage in the standard insurance marketplace.

Ivantage

Ivantage Insurance Brokers is an independent brokerage with trusted, knowledgeable brokers conducting business in Alberta, New Brunswick, Nova Scotia, and Ontario. In Quebec, Ivantage administers a selection of commercial and non-standard insurance products with the support of a strategic partner.

About this report

This annual report addresses the climate-related disclosure requirements set out by the AMF Climate Risk Management Guideline (CRMG) and OSFI's Guideline B-15. The Autorité des marchés financiers (AMF) introduced CRMG to enhance climate risk governance and disclosure for Québec-regulated financial institutions, requiring transparent reporting on governance, strategy, risk management, and greenhouse gas (GHG) emissions, including Scope 1, 2, and material Scope 3 categories.

The Office of the Superintendent of Financial Institutions (OSFI) released Guideline B-15: *Climate Risk Management*, providing Federally Regulated Financial Institutions (FRFIs) with principles-based guidance for managing climate-related risks. As a federally regulated insurance company, OSFI's B-15 guideline became applicable to our organization for the 2025 fiscal year-end, while AMF's CRMG applies to our operations in Québec.

Evidence from federal agencies (such as Environment and Climate Change Canada) and insurance industry data (including the Insurance Bureau of Canada) shows that climate change has increased the severity and frequency of weather-related catastrophes in Canada, with catastrophic insured losses tripling between 2006–2015 and 2016–2025 and extreme storms, floods, and wildfires becoming more intense and more frequent. These worsening climate-driven events impact our customers, employees,

communities, and shareholders through rising losses, increased disruption, and greater physical and financial risks.

Allstate Canada works diligently to understand how these risks directly and indirectly affect our products, assets, and liabilities.

As a company committed to customer and shareholder value and transparency, Allstate Canada recognizes the importance of standardized climate-related reporting frameworks. These frameworks have been instrumental in shaping our approach to disclosure and climate risk management. This report has been developed to publicly demonstrate our alignment with both OSFI Guideline B-15 and AMF CRMG for the 2025 fiscal period. It includes comprehensive information on our approach to climate governance, strategy, risk management practices, and metrics, as well as our GHG emissions disclosures in accordance with leading standards such as the GHG Protocol and PCAF (Partnership for Carbon Accounting Financials).

Scope and reporting period

This disclosure report covers the fiscal year covering the period from January 1st, 2025, to December 31st, 2025. Unless otherwise stated, all information and data in this Report are presented as at and for the year ended December 31, 2025.

All dollar amounts are in Canadian dollars, unless otherwise noted.



Governance

a Describe the governance body(ies) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed including the frequency of meetings, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration. **6**

b Describe management's role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee. **8**

a

GOVERNANCE a b

Describe the governance body(ies) (e.g., board of directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed including the frequency of meetings, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration.

As a part of The Allstate Corporation, Allstate Canada is considered in strategies and management of sustainability and climate risk for the corporation. The Allstate Corporation is a global company that provides insurance and protection services to customers in Canada and the United States, with Protection Plans also offering services in Europe and Asia. The company also has other operations in Canada, the United States, Mexico, as well as Europe, and Asia. Allstate Canada supplements the governance and management framework of The Allstate Corporation with jurisdiction-specific governance and management practices that reflect the Canadian operating environment and customers. Consequently, both the Board of Directors of The Allstate Corporation (“The Allstate Corporation Board”) and the Board of Directors of Allstate Canada (“ACG Board”) maintain oversight responsibility for sustainability, including climate-related issues.

Risk management sits at the core of Allstate’s business, and all risks, including climate-related risks, are managed within our Enterprise Risk and Return Management (ERRM) framework. The Allstate Corporation Board oversees ERRM, including management’s design and implementation of ERRM practices for the global organization and the ACG Board independently oversees ERRM for Allstate Canada.

Governance Model for ACG Board

The ACG Board ensures effectiveness of the ERRM framework for Allstate Canada and the governance structure. This board provides input on strategy and ACG’s risk appetite. The **Audit Committee of the ACG Board** assists the ACG Board by reviewing annual statements, evaluating and approving internal control procedures, and discussing the design and effectiveness of internal controls and adequacy of practices for reporting and determining financial reserves, as required by the OSFI Corporate Governance guideline. The Audit Committee of the ACG Board also oversees risk management activities, as delegated by the ACG Board.

On an annual basis, the Board of Directors is required to complete a Skills and Competency Matrix to reevaluate its knowledge, skills, and experience in various areas. This is also used during the interview process and consideration of potential candidates. One area of focus is ESG, with a large focus on Climate Risk. This section is defined as the following for the ACG Board: ESG - “Understanding of ESG principles, including climate risk, sustainability practices, and responsible corporate citizenship”.

It further defines Climate Risk: “Climate Risk refers to the financial, operational and reputational threats that businesses face due to climate-related issues, such as climate change, extreme weather events, loss of biodiversity, and economic instability”.

Governance Model for The Allstate Corporation Board

The Allstate Corporation’s sustainability governance model, of which climate governance is a part, includes the Allstate Board, management and implementation of team roles.

The Allstate Corporation’s sustainability priorities support its commitments to serve customers, generate returns for shareholders, provide opportunities for employees, and improve communities.



The following The Allstate Corporation Board committees provide oversight on different aspects of managing climate-related issues:

The **Risk and Return Committee** (RRC) assists The Allstate Corporation Board in fulfilling its oversight of risk and return management structure and governance, thereby ensuring the effectiveness of the ERRM framework, governance structure, and decision-making processes. It does so by focusing on The Allstate Corporation’s aggregate risk profile.

The **Audit Committee** assists The Allstate Corporation Board in fulfilling its oversight responsibilities, including the integrity of The Allstate Corporation’s financial statements and other financial information and internal controls over financial reporting and disclosure procedures. In 2024, the Audit Committee reviewed potential climate-related disclosure requirements, with an update from Allstate’s Controller.

The **Nominating, Governance and Social Responsibility Committee** of The Allstate Corporation Board is responsible for reviewing priorities and reporting related to sustainability activities, including public policy, and climate resilience.

b

GOVERNANCE a b

Describe management's role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee.

Senior management of The Allstate Corporation works with The Allstate Corporation Board to identify, measure, manage and monitor climate risks, including those presented by severe weather, increased natural catastrophes, related policy shifts, and the development of new technology across the global enterprise.

While The Allstate Corporation Board oversees ERM for The Allstate Corporation, including management's design and implementation of ERM practices, The Allstate Corporation Enterprise Risk and Return Council (ERRC), directs ERM activities. This ERRC is chaired by The Allstate Corporation's Chief Risk Officer (CRO) and consists of senior leaders across the global enterprise.

The Allstate Corporation ERRC sets risk and return targets, determines economic capital levels, and monitors integrated strategies. Emerging regulations (e.g., climate disclosures) and external perspectives are considered in risk management strategies.

The Allstate Corporation CRO, reporting to The Allstate Corporation CEO, holds the highest operational responsibility for risk management for the global organization, including climate-related risks. The Allstate Corporation CRO presents a Risk and Control Report to the Audit Committee of The Allstate Corporation Board twice per year, covering The Allstate Corporation risks, control issues and audit results.

The **Sustainability Steering Committee** of The Allstate Corporation Board focuses on climate topics. Leaders from across the global company serve as members and the committee is co-chaired by The Allstate Corporation CRO and the Senior Vice President and Deputy General Counsel, Corporate Law. The committee meets regularly.

The **Senior Vice President and Deputy General Counsel, Corporate Law** of The Allstate Corporation, reporting to The Allstate Corporation Chief Legal Officer, collaborates with company leadership to guide sustainability efforts, which include activities that help manage climate-related risk. For example, responsibilities include oversight of environmental targets, emissions reductions, and engagements that support these activities. Progress is regularly reported to the Nominating, Governance, and Social Responsibility Committee and to the full The Allstate Corporation Board.

Allstate Canada leverages measurements and activities by The Allstate Corporation, as appropriate, to govern risk locally for Allstate Canada strategy and operations. The ACG Board oversees ERM for Allstate Canada, and the ACG ERRC directs ERM activities for Allstate Canada. The ACG ERRC is chaired by the ACG CRO and consists of leaders across Allstate Canada and two leaders from The Allstate Corporation.

The **Responsible Investing Committee (RIC)** of The Allstate Corporation monitors sustainable investing trends, evaluates sustainable investing best practices, supports the work of the Sustainability Steering Committee and periodically reports about its activities to other senior leaders within The Allstate Corporation. As part of this process, Allstate Canada is included in the oversight and activities of the RIC. In conjunction with the Allstate Investments Risk Committee, the RIC monitors the Enterprise investment portfolio for potential exposure to climate risks.

The **Sustainability Team** of The Allstate Corporation, led by the Senior Vice President and Deputy General Counsel, Corporate Law, handles sustainability disclosure reporting; monitors sustainability-related risks and opportunities, regulatory developments and best practices; and engages employees with corporate sustainability initiatives. It also collaborates with other **sustainability experts across the Enterprise** to implement The Allstate Corporation's climate strategy, including Allstate Canada.

Strategy

a

Describe the climate-related risks and opportunities the FRFI has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital.

11**b**

Business model and value chain.

15

a

STRATEGY a b

Describe the climate-related risks and opportunities the FRFI has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital, including:

- a. The classification of each climate-related risk as either physical or transition risk;
- b. The expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term);
- c. The FRFI's definitions of 'short term,' 'medium term,' and 'long term' in relation to strategic decision-making planning horizons.

Climate change affects insurance, investment, operational, reputational and regulatory risks. Climate change poses a risk of altering severe weather patterns, making historical trends less reliable indicators for future conditions. Climate change also poses physical risks to real estate and infrastructure investments due to risks including sea level rise, drought and increased severity of catastrophes, such as flooding from extreme weather events and wildfires. These risks affect The Allstate Corporation's businesses, as well as our shareholders, employees, customers, and the communities where we operate. At the same time, the transition to a lower-carbon economy presents opportunities for The Allstate Corporation to pursue attractive, risk-adjusted returns for shareholders, drive innovation for new products and services, and improve resource efficiency in day-to-day operations.

In response to these evolving challenges, The Allstate Corporation's has identified and assessed various and specific climate-related risks and opportunities that could significantly impact operations and financial performance over the short, medium, and long term. By integrating climate risks and opportunities into our strategy, we aim to enhance our resilience, attract and retain top talent, improve access to capital, and take advantage of emerging opportunities to provide shareholder value.

We make use of the following time horizons related to categorizing climate-related risks and opportunities:

Time Horizon



Note: Time horizons related to climate risk span longer periods than the three-year time horizon Allstate uses for its strategic plan.

Likelihood

Likelihood of the risk having an effect within the anticipated time horizon

Very likely	90-100%
Likely	66-100%
More likely than not	50-100%
About as likely as not	33-66%
Unlikely	0-33%
Very unlikely	0-10%

Climate-Related Risks and Opportunities

Climate-Related Risks

	Increased Severe Weather Events and Natural Disasters	Servicing Claims During Severe Weather
Description	Climate change increases the frequency and severity of weather events, potentially affecting the demand for insurance, pricing and availability, and the potential for catastrophe losses.	Changing precipitation patterns could potentially increase the frequency or severity of weather events such as rain, hail, snow and ice, leading to more automobile and property claims, while creating challenges with customer service, office operations, technology infrastructure and claims handling during that severe weather.
Climate Risk Type	Physical	Physical
Time Horizon	S M L	S
Likelihood	Likely	Unlikely
Impacts	Higher frequency and severity could potentially impact financial results and reputation, necessitating effective risk management.	Increased operational risk in servicing claims could result in delayed payments and higher claims costs, potentially impacting customer experience and retention.
Financial Implications	Catastrophe losses could potentially significantly impact earnings, mitigated by reinsurance and diversification.	Higher losses could negatively impact financial performance or cash flows.
Strategy	Promote measures to prevent and mitigate potential losses due to increased frequency and severity of weather events, including purchasing reinsurance, making homes and communities more resilient, and expanded disaster response capabilities.	Engage in multi-stakeholder initiatives and implement a multifaceted readiness and response strategy to ensure business continuity and effective claims handling.

Time
Horizon



Short Term
0-1 years



Medium Term
2-7 years



Long Term
8-30 years

Note: Time horizons related to climate risk span longer periods than the three-year time horizon Allstate uses for its strategic plan.

Climate-Related Risks and Opportunities

Climate-Related Opportunities

	Shift in consumer preferences toward Electric Vehicles	More Energy/Resource Efficient Operations	Climate Loss Mitigation Solutions for Property Exposures
Description	The growing adoption of electric vehicles (EVs) presents an opportunity for Allstate to develop and deliver products and services to meet the needs of EV owners and capture growth in this emerging market.	Allstate focuses on increasing operational efficiencies by minimizing greenhouse gas emissions from buildings and vehicles through energy-efficient projects, office space reduction, and the use of hybrid vehicles.	The increasing frequency and severity of climate-related physical hazards presents an opportunity for Allstate Canada to strengthen risk mitigation and financial resilience by supporting policyholders with climate loss mitigation solutions. These solutions are designed to reduce exposure to acute physical risks (e.g., flooding, wildfire, severe storms), thereby mitigating potential insurance losses and supporting continued insurability in higher-risk regions.
Climate Risk Type			Physical
Time Horizon	S M L	S M	S M L
Likelihood	Very likely	Very likely	Very likely
Impacts	Increased revenues from new and emerging markets, ensuring the business adapts to the changing vehicle environment.	Reduced operating costs, lower greenhouse gas emissions, and cost savings from energy-efficient initiatives.	Improved management of physical climate risks through reduced loss severity and volatility; enhanced operational resilience and ability to sustain underwriting capacity; strengthened customer outcomes through improved protection against climate-related hazards.

Time
Horizon

S

Short Term
0-1 years

M

Medium Term
2-7 years

L

Long Term
8-30 years

Note: Time horizons related to climate risk span longer periods than the three-year time horizon Allstate uses for its strategic plan.

Climate-Related Risks and Opportunities

Climate-Related Opportunities continued

	Shift in consumer preferences toward Electric Vehicles	More Energy/Resource Efficient Operations	Climate Loss Mitigation Solutions for Property Exposures
Financial Implications	Potential to generate revenue.	Cost savings from reduced real estate expenses and energy-efficient projects.	Potential reduction in claims costs and earnings volatility over time; improved capital efficiency through moderated catastrophe losses; support for long-term financial sustainability and risk-adjusted returns.
Strategy	Update risk analytics to ensure EV premiums reflect the potential risks associated with each vehicle. Leverage Allstate's broad portfolio, such as Allstate Roadside, to address consumer concerns, such as range anxiety, through features including towing service.	Proactively manage real estate footprint, implement energy-efficient updates, transition to hybrid and electric vehicles, and explore purchasing renewable energy credits to lower overall emissions.	Integrate climate loss mitigation solutions into underwriting, pricing, and risk assessment processes; use data and analytics to identify material physical risk exposures and promote targeted mitigation actions; collaborate with customers, communities, and external stakeholders to enhance climate resilience and reduce future loss impacts.

Time
Horizon

S **Short Term**
0-1 years

M **Medium Term**
2-7 years

L **Long Term**
8-30 years

Note: Time horizons related to climate risk span longer periods than the three-year time horizon Allstate uses for its strategic plan.

bSTRATEGY a **b**

Business model and value chain

Describe:

- the current and anticipated effects of climate-related risks and opportunities on the FRFI's business model and value chain;
- where in the FRFI's business model and value chain the climate-related risks and opportunities are concentrated.

Strategy and decision making

Disclose information about current and anticipated:

- changes to the FRFI's business model, including its resource allocation, to address climate-related risks and opportunities;
- direct mitigation and adaptation efforts;
- indirect mitigation and adaptation efforts.

Financial position, financial performance, and cash flows

Describe:

- how climate-related risks and opportunities have affected the FRFI's financial position, financial performance, and cash flows for the reporting period;
- how the FRFI expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities.

The Allstate Corporation evaluates and communicates climate-related risks and opportunities to our stakeholders, because these risks and opportunities directly influence The Allstate Corporation's ability to provide insurance coverage and maintain financial stability.

Severe weather events affect revenue growth, affordability, and customer retention for homeowners' insurance in high-risk areas. More frequent or severe natural disasters may increase insurance liabilities — impacting demand, pricing and availability of insurance products — as well as the value of our investments. We use scenario models to assess these risks and ensure adequate capitalization to maintain financial strength in the face of catastrophe losses. Through this kind of risk analysis, we aim to ensure adequate reinsurance is purchased.

To protect customers and shareholders, The Allstate Corporation integrates climate considerations into our business strategy.

For example, we:

- Advocate for resilient building policies and practices and support building code reform through the Insurance Bureau of Canada.
- Offer options that support resilient rebuilding
- Support research through membership in the Institute for Catastrophic Loss Reduction. Our aim is to contribute to enhancing community resilience to the impacts of severe weather events through prevention, preparedness, and risk reduction measures.
- Increased the resilience of the Allstate Canada reinsurance tower

Climate risks and opportunities are also considered in The Allstate Corporation's financial planning, including assets, claims reserves, revenues, access to capital, liabilities, direct and indirect costs, capital expenditures, acquisitions and divestment, and provisions or general reserves.





Risk Management

a	Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks.	18
b	Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.	20
c	Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process.	22

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RISK MANAGEMENT a b c

Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks.

As an insurance company, weather-related catastrophes impact Allstate Canada's customers and shareholders, and Allstate Canada's success relies on modeling, pricing and managing climate-related risks effectively. Allstate Canada uses its Enterprise Risk and Return Management (ERRM) framework to identify, assess and manage the risks and opportunities that could affect our business financially and strategically.

We identify and evaluate climate-related risks and opportunities across six main areas: insurance, investment, financial, operational, strategic, and culture. We assess risks by how likely they are to happen and how much they could affect Allstate Canada's goals, both overall and within different business units. This evaluation weighs various factors, including how easy it is to measure the risk, how quickly it could become a problem, and how prepared Allstate Canada is to manage it.

Enterprise Risk and Return Management Process and Learning Loop



Insurance Risk

Losses from changing climate and weather conditions may adversely affect The Allstate Corporation's financial condition, profitability, and/or cash flows. More frequent and severe weather events could impact incurred losses and the demand, price and availability of reinsurance coverage for automobile and homeowners' insurance. Climate change may also impact insurability by impairing Allstate's ability to identify and quantify potential hazards that could result in losses and offer its customers products at an affordable price.

Allstate evaluates climate risks that affect our insurance portfolio, regularly tracking climate change data using risk models, stress tests, and scenario analysis.

Investments

The Allstate Corporation analyzes climate risks that affect our investment portfolio, which is subject to the effects of climate change as economic shifts alter the return dynamic of long-term investments and increase valuation risk. We monitor and measure our positions in the industries we invest in and evaluate their market, liquidity, and credit risks in the context of the broader investment portfolio. We use a third-party tool to explore physical and transition risks and opportunities across our publicly traded portfolio. We continuously evaluate new methods and models to assess how climate change might affect the market value of investments.

To better identify and measure climate risks across investments, we completed a Scope 3 financed emissions inventory (Category 15), for the 2025 reporting year.

b

RISK MANAGEMENT a b c

Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.

The Allstate Corporation has a well-established approach ensure that climate-related opportunities are systematically identified, assessed, prioritized, and monitored, with scenario analysis serving as a critical tool for strategic decision-making and long-term value creation. Allstate Canada will apply this Enterprise approach, as appropriate, to identify opportunities in Canada. The approach for The Allstate Corporation is outlined below:

1. Governance and Oversight

Allstate integrates climate-related opportunities into its Enterprise Risk and Return Management (ERRM) framework. Oversight is provided by The Allstate Corporation Board through the Enterprise Risk and Return Council (ERRC). These bodies ensure that climate-related opportunities are identified, assessed, and prioritized within strategic and operational planning.

2. Identification and Assessment Processes

Climate-related opportunities are identified through periodic reviews within the ERRM framework, covering strategic, insurance, financial, investment, operational, and cultural dimensions.

The process includes:

- **Qualitative and quantitative analysis** of opportunities across operations, value chain and investment portfolios.
- **Triggers for assessment** include regulatory developments, market trends, and technological advancements.
- **Stakeholder engagement** with customers, employees, investors, regulators, and suppliers to inform opportunity identification.

3. Prioritization and Monitoring

Opportunities are prioritized based on likelihood, magnitude, measurability, and readiness criteria. Monitoring for The Allstate Corporation occurs through:

- **Bi-annual leadership reviews** using catastrophe and investment models.
- **Quarterly reporting** to the Board's RRC and monthly updates via ERRC.
- **Integration** into annual planning and three-year strategic cycles.

4. Use of Climate-Related Scenario Analysis

Allstate employs both qualitative and quantitative scenario analysis to inform identification and prioritization of climate-related opportunities:

- **Frameworks and Tools:** Third-party risk models are used to assess the potential impact of climate change on insurance and investment risk.
- **Applications:** Scenario outputs influence underwriting strategies, and investment decisions.
- **Frequency:** Scenario analysis is conducted periodically for business continuity planning, insurance risk and investment risk.

5. Strategic Integration

Insights from scenario analysis and ERRM evaluations are embedded into:

- **Insurance operations:** Adjusting deductibles, reinsurance strategies, and pricing models.
- **Investment strategies:** Incorporating green and transition-aligned instruments.

6. Continuous Improvement

The Allstate Corporation commits to iterative refinement of its processes, leveraging emerging climate data, evolving regulatory requirements, and stakeholder feedback to enhance resilience and capture opportunities in a low-carbon economy.

C

RISK MANAGEMENT a b c

Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process.

Integration into Risk Management

The Allstate Corporation embeds climate-related risks and opportunities within its Enterprise Risk and Return Management (ERRM) framework, which serves as the foundation of its overall risk management process. This integration ensures that climate considerations are treated alongside strategic, insurance, financial, investment, and operational risks.

Governance and Oversight

Oversight is provided by The Allstate Corporation and ACG Boards, supported by the Enterprise Risk and Return Council (ERRC). These governance bodies ensure that climate-related factors inform enterprise-wide risk assessments, capital allocation, underwriting standards, and investment decisions.

Mechanisms of Integration

Oversight is provided by The Allstate Corporation and ACG Boards, supported by the Enterprise Risk and Return Council (ERRC). These governance bodies ensure that climate-related factors inform enterprise-wide risk assessments, capital allocation, underwriting standards, and investment decisions.

- **ERRM Reviews:** Climate-related risks and opportunities are assessed during regular ERRM cycles.
- **Scenario Analysis:** Outputs from qualitative and quantitative climate scenario analyses feed directly into risk appetite setting and strategic planning.
- **Reporting Cycles:** Risks are incorporated into quarterly reports to the Boards and monthly updates to the ERRCs, ensuring continuous oversight.

Strategic Influence

Integration influences key processes such as:

- **Underwriting and Pricing:** Adjustments to deductibles, reinsurance strategies, and geographic exposure limits.
- **Investment Decisions:** Incorporation of transition-aligned instruments.
- **Capital Planning:** Climate considerations inform capital allocation and long-term resilience strategies.

Metrics and Targets

a Disclose metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process. **25**

Disclose separately the FRFI's Scope 1 and location-based Scope 2 absolute gross GHG emissions for the period.

b Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions. **26**

Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. If the reporting standard used by the FRFI is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.

c Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals. **29**



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METRICS AND TARGETS

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b

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

To protect customers and shareholders, The Allstate Corporation integrates climate-related considerations and measurements into our business strategy. We use a variety of metrics to assess climate-related risks and opportunities, in line with our climate strategy and risk management process.

Greenhouse gas emissions	Calculate emissions across Scope 1, Scope 2, and relevant Scope 3 categories, with continuous improvements to data coverage and quality over time.
Emissions reduction	Evaluate energy efficiency improvements, including reduced office space and increased use of renewable energy.
Value chain engagement	Engage with investees, suppliers and other stakeholders on environmental issues impacting our value chain.
Climate investments	Track progress delivering shareholder returns via investments in the transition to a lower-carbon economy.
Catastrophe losses	Measure and respond to the impacts of natural events including high winds, winter storms and freezes, tornadoes, hailstorms, wildfires, tropical storms, hurricanes, and earthquakes. <i>Allstate Canada’s catastrophe losses were \$53 million in 2025.</i>

Greenhouse gas emissions reporting by scope	
Scope 1	Direct emissions that originate from sources that are owned or controlled by Allstate Canada, such as fuel combustion in company-owned or controlled boilers or vehicles (e.g., natural gas used for heating at Allstate Canada offices).
Scope 2	Indirect emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by Allstate Canada. These emissions physically occur at the facility where the energy is produced (e.g., electricity purchased for use at Allstate Canada offices).
Scope 3	All other indirect emissions that occur in Allstate Canada’s value chain, both upstream and downstream, from sources not owned or controlled by Allstate Canada. This includes emissions related to purchased goods and services, business travel, employee commuting, waste, transportation and distribution, and investments.

b

METRICS AND TARGETS a b c

Disclose separately the FRFI's Scope 1 and location-based Scope 2 absolute gross GHG emissions for the period.

Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions.

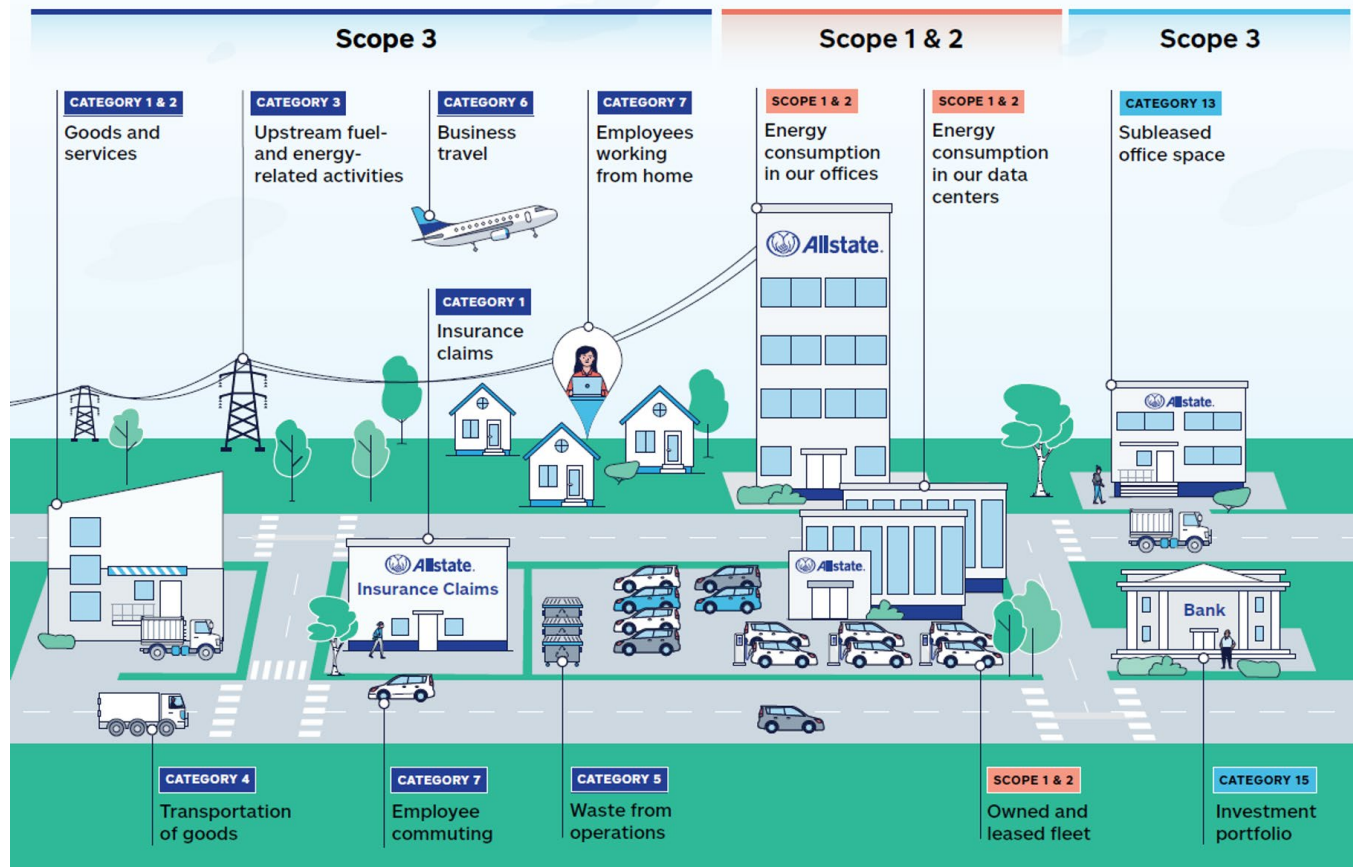
Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. If the reporting standard used by the FRFI is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.

In 2025, Allstate Canada's total estimated emissions were 140,603 metric tons of carbon dioxide equivalent (mt CO₂e). We have made significant progress in enhancing the quality and coverage of data in our greenhouse gas inventory since we first began measuring our emissions. These improvements provide our stakeholders with greater transparency into our environmental impact and allow us to more effectively identify opportunities to collaborate with value chain partners in addressing climate risks.

Our progress in measuring and reducing emissions includes:

- In 2026, Allstate Canada obtained independent third-party support to calculate its inaugural, comprehensive greenhouse gas emissions inventory, encompassing Scope 1, Scope 2, and Scope 3 emissions for the 2025 fiscal year.
- Scope 1 emissions totaled 1,036 mt CO₂e, Scope 2 emissions were 355 mt CO₂e, and Scope 3 emissions for material categories amounted to 139,211 mt CO₂e. The GHG Protocol Corporate Standard was used to calculate our inventory of Scope 1 and Scope 2 greenhouse gas emissions.
- We measured financed emissions for our investment portfolio using methodologies informed by the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF). In 2026 (reporting for fiscal year 2025), we completed a Scope 3 financed emissions inventory.

Allstate's Greenhouse Gas Emissions Sources



Underwriting and Claims

The Allstate Corporation does not currently report underwritten emissions under Scope 3 Category 15 due to limited and evolving methodologies for personal lines insurance, which accounts for the majority of our underwriting portfolio. We continue to evaluate emerging methodologies.

Claims-related emissions arise from repair, replacement, and recovery activities following insurance claims. Customer choices, applicable regulations, safety requirements, and on-the-ground recovery conditions primarily shape these activities, including the handling of hazardous materials. These factors are largely outside The Allstate Corporation's control.

As a result, these emissions are episodic and driven by recovery needs, rather than by ongoing, planned business activities or upstream purchasing decisions typical of other Scope 3 categories.

Due to these considerations and the ongoing development of methodologies for calculating claims-related emissions, The Allstate Corporation has chosen not to publicly disclose emissions associated with claims at this time. As methodological approaches continue to develop, The Allstate Corporation periodically reviews its position. We will consider public disclosure once we are confident that the underlying calculations are useful and comparable across the sector.

C

METRICS AND TARGETS a b c

Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals, including:

- The objective of the target;
- The period over which the target applies;
- The base period from which progress is measured;
- Any revisions to the target and an explanation of those revisions;

Disclose information about the FRFI's approach to setting and reviewing each target and how it monitors progress against each target;

Disclose information about the FRFI's performance against each climate-related target and an analysis of trends or changes in the FRFI's performance.

For any GHG emissions target disclosed (and the corresponding metrics, if applicable), disclose both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (for example, carbon credit, nature-based, other).

Allstate Canada has not yet established formal quantitative climate-related targets but is actively exploring them as part of its climate strategy roadmap. The company's approach to target setting will include:

- **Objective of Targets:** Planned targets will focus on reducing greenhouse gas (GHG) emissions across operations and investment portfolios, enhancing climate resilience, and supporting transition finance.
- **Target Period and Base Year:** Allstate Canada intends to set medium- and long-term targets aligned with industry standards using a recent baseline year for measurement.
- **Revisions and Rationale:** Targets will be reviewed periodically to reflect evolving regulatory requirements, market conditions, and scientific guidance.
- **Approach to Setting and Reviewing:** Targets will be informed by scenario analysis, peer benchmarking, and stakeholder engagement. Relevant Governance bodies will oversee the process.
- **Monitoring Progress:** Once established, progress will be tracked through ERM reviews, quarterly reporting to the Board's RRC, and annual disclosures aligned with relevant frameworks such as CDP and TCFD.

For more information, contact:

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