

2023 – 2026

American Family Insurance Group's

# Sustainable Business Framework





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# A Commitment to our Policyholders and our Communities



At American Family, our purpose is to champion dreams and opportunities so everyone can rise. As a leading mutual insurance company, we are inherently positioned to deliver on this purpose each and every day, whether by acting as a proactive protector to our policyholders or helping to restore what’s been damaged after a loss.

Our Sustainable Business Framework highlights our plans to extend this value to even more customers while also leveraging the full capabilities of our enterprise to be a force for good.

We have a long history of achieving business results while strengthening our communities. The integrated approach presented within this framework demonstrates how we are weaving our purpose into our approach to critical future business issues.

Working together, this will fuel our growth while creating outsized impact for our business, our policyholders, and our communities.

*Bill Westrate*      *Telisa Yancy*

~ **Bill Westrate,**  
CEO & Chair Elect

~ **Telisa Yancy,**  
Enterprise President





# AmFam Group at a Glance

American Family Insurance began on Oct. 3, 1927, when insurance salesman Herman Wittwer opened the doors of Farmers Mutual Automobile Insurance Company in Madison, Wis. At the time, the company's only product was auto insurance, and its target market was farmers. Wittwer believed farmers presented lower risks than city drivers because they drove less often and not at all in the winter.

Today, the American Family Insurance Group is the nation's 14th-largest property/casualty insurance group, ranking No. 301 on the 2023 Fortune 500 list. The American Family Insurance Group also includes CONNECT, powered by American Family Insurance, The General, Homesite, and Main Street America Insurance. Across these companies the group has almost 13,000 employees nationwide.

# Our Vision

To be the most trusted and valued customer-driven insurance company.

# Our Culture

We create our culture by relentlessly living our values every day to do what's right for our customers, our communities, and our people.

# Our Values

## Accountable

**Ownership, urgency, excellence**  
We are all leaders of a high-performing business delivering unparalleled customer solutions.

## Caring

**Respectful, empathetic, collaborative**  
We embrace the power of teamwork and our partnerships across the enterprise and our communities.

## Inclusive

**Advocate, accept, belong**  
We encourage and embrace the power of diverse ideas formed through unique experiences and backgrounds.

## Courageous

**Agile, resilient, driven**  
We are focused and passionate in driving the actions that will move our business forward.

## Innovative

**Entrepreneurial, risk-taking, empowered**  
We proactively seek to transform our business in new and meaningful ways.

## Trustworthy

**Transparent, authentic, ethical**  
We operate with integrity in all that we do.

# Financial Results – 2022

The American Family Insurance Group supported customers and grew during a challenging year for the industry and our customers, including facing the impact of severe storms and rising inflation. We have continued to receive historically high customer experience ratings, generated above industry-average premium growth, and provided financial protection to our policyholders when they needed us the most.

We are financially strong, positioning us to not only fulfill our obligations to our customers, but also to continue investing in our strategy while delivering customer value. The AmFam Group remains committed to supporting communities by investing in - and partnering with - organizations and businesses committed to helping improve lives, closing equity gaps, and championing dreams.

<b>Assets</b>
\$36,087,741
<b>Members' Equity</b>
\$8,190,508
<b>Revenue</b>
\$14,440,110
<b>Net Income (loss)</b>
\$(1,904,437)
<b>Life insurance in force</b>
\$107,309,321
<b>P&amp;C premiums earned</b>
\$13,313,500

Note: Go to AmFam.com to view the full 2022 Annual Report



# Introduction

For more than 95 years, the American Family Insurance Group has grown at the intersection of protecting our customers’ dreams and partnering with our employees, policyholders, and communities to expand opportunity. As a mutual insurance company, we create value for our policyholders and the communities we serve through the protection we provide and restoring what’s been damaged after a loss. This ena-

bles us to deliver on our purpose each day, to champion dreams and opportunities so everyone can rise.

From our earliest days, our founder Herman Wittwer asked customers to “watch us grow and grow with us.” This connection between a strong, well-run business and long-term value creation for our customers is in our DNA. This foundational structure calls on us

*“We aspire to put purpose, growth and profitability together, because we know that the more successful we are in delivering for customers, the more impact we can have in our communities – and by doing good business, we can differentiate our brands in an ever-changing, complex market.”*

~ **Bill Westrate,**  
CEO & Chair Elect



to deliver disciplined, profitable growth, providing the financial strength to be there when our customers need us most, and allows us to proactively invest in the communities we serve.

As we approach the onset of our second century serving customers, our Sustainable Business Framework illustrates our approach to critical future business issues that will create outsized impact for our business, our policyholders, and our communities. This framework, and its commitments, will fuel our growth and scale our impact in the communities we serve. Our approach to each area seeks to strengthen our business today, while providing innovative new solutions to our policyholders, and investing to build stronger, healthier communities across our footprint that themselves create business opportunity.

Our Sustainable Business Framework is grounded in three foundational principles:

- 1. Demonstrate excellence in our core business – protecting today’s dreams from tomorrow’s risks.
- 2. Prepare to serve our customers’ and future customers’ needs for the next century.
- 3. Be an innovation leader in our industry and an action leader in our communities.

*“We are proud to highlight our Sustainable Business Framework, which creates a deeper connection between our enterprise strategy, purpose, and sustainability priorities. We remain focused on our continued transformation and the investments we’re making in our workforce and capabilities. We are embracing opportunities that will create outsized impact for our businesses, policyholders, and communities – now and well into the future.”*

~ **Peter Settler,**  
Enterprise Chief Strategy & Technology Officer





Our Purpose

We champion dreams and opportunities so everyone can rise.

We know that to do well, we must also do good for our customers, our employees, and our communities.

Our Sustainable Business Framework furthers the fulfillment of our purpose - both in the industry and in society. Our family of companies provides solutions that will safeguard, protect, and restore what's most important to our customers, giving them comfort and confidence to expand the horizons of what's possible for themselves, their families, and their communities.





# American Family Insurance Group's 2023-26 Material Focus Areas

Our Sustainable Business Framework focuses efforts on four areas that are contained in our business strategy and have been identified by our stakeholders as critically important.

In 2022, we completed a materiality assessment to better understand the perspective of our stakeholders groups and to discern which topics or issues are most material (or impactful) to them and to our business. This

process was broken into three phases: conducting a survey of potential topics informed by industry and societal trends, engaging stakeholders, and prioritizing investment areas. Our group of stakeholders included employees and leaders from across all AmFam Group operating companies, AmFam exclusive agency owners and their staff, and various community leaders from across our footprint. Through surveys, interviews,

and focus groups, this process brought forward a range of issues that were considered important to both our long-term business vitality and impacts within our communities.

From this initial list of material topics, we sought to focus incremental effort in a small number of topics that will have outsized impact to our business and stakeholders during the 2023-26 strategic planning cycle and beyond.



**Climate Impacts & Resilience**  
Leading the industry in understanding and proactively responding to the impacts of climate on our business and the needs of our policyholders, while investing in the resiliency of the communities we serve.

- Sustainable Operations
- Data Advantage
- Product Innovation
- Resilient Communities

**Community Advancement**  
Investing to close equity gaps while creating stronger, more resilient and thriving communities across our footprint.

- Close Equity Gaps
- Future Community & Customer Needs
- Invest for Impact
- Housing Accessibility



**Diversity, Equity & Inclusion**  
Building an engaged and inclusive business, across employees, agency owners and customers, that is reflective of our increasingly diverse customer base.

- Diverse Workforce
- Inclusive Culture
- Live our Purpose
- Customer Inclusion

**Responsible Data & AI**  
Placing inclusion, along with responsible use and guardianship of customer data, at the center of business innovation. This expands our vision to be the most trusted and valued insurance company.

- Data Guardianship
- Fair & Accessible
- Transparent & Accountable
- Inclusive Innovation





# United Nations (U.N.) Sustainable Development Goals (SDGs)

Adopted by the United Nations Member States in 2015, the 2030 Agenda for Sustainable Development provides a blueprint of sustainable development for people and the planet - known as the [17 Sustainable Development Goals](#) (SDGs). Each of AmFam Group’s 2023-26 Material Focus Areas and their underlying goals and objectives align with, and support further advancement of, the SDGs.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
<b>Climate Impacts &amp; Resilience</b>																	
Sustainable Operations																	
Data Advantage																	
Product Innovation																	
Resilient Communities																	
<b>Community Advancement</b>																	
Close Equity Gaps																	
Future Community & Customer Needs																	
Invest for Impact																	
Housing Accessibility																	
<b>Diversity, Equity, &amp; Inclusion</b>																	
Diverse Workforce																	
Inclusive Culture																	
Live our Purpose																	
Customer Inclusion																	
<b>Responsible Data &amp; AI</b>																	
Data guardianship																	
Fair & Accessibility																	
Transparent & Accountability																	
Inclusive Innovation																	



# Scaling Our Impact

Ensuring the long-term vitality of our business through customer-centric innovation

As AmFam Group has grown and matured, we’ve positioned ourselves to continue meeting the emerging needs of our current and future customers and the communities in which they live. We do this not only through the evolution of our core business, but also through investments which can scale to achieve greater impact in the industry, as well as in our customers’ lives and communities.

In 2010, we launched American Family Ventures (AFV), which invests in startup companies focused on redefining the future of the insurance industry. AFV seeks

opportunities to invest in technologies that improve insurance companies and make it easier to meet customers’ needs, whether from inside the industry or through related businesses. To date, AFV has directed over \$334 million in investment toward innovation in the industry. Scaling and sustaining impact through an investment portfolio is a key differentiator of AmFam Group and AFV.

In 2019, AmFam Group extended its approach to industry innovation and engagement with insurance-related businesses by creating [Tenney 110](#), a separate entity focused both on acquiring

and building insurance-adjacent companies. Tenney 110 portfolio companies fill or alleviate an unmet customer or industry need, while simultaneously creating new sources of revenue and data.

This scalable investment approach is also a critical component of our community investment efforts. We launched the [American Family Insurance Institute for Corporate and Social Impact](#) (“the Institute”) in 2018. Through the Institute, we invest in visionary entrepreneurs and changemakers who are building scalable social impact within the following areas: economic opportunity for all, healthy youth development, equity in education, and resilient communities. We believe that our venture capital and strategic partnerships focused on the nexus of social impact and innovation will allow us to make meaningful, lasting contributions to society.

Through these efforts, we have leveraged our investment into outsized impact. As our Sustainable Business Framework moves from planning to implementation, we will continue to seek approaches that multiply the impact of our investments.





# Climate Impacts & Resiliency

*We will lead the industry in understanding and proactively responding to the impacts of climate on our business and the needs of our policyholders, while investing in the resiliency of the communities we serve.*

### ACTIONS AT A GLANCE

- In 2022, the AmFam Group became the first U.S. insurer to Join the Amazon Climate Pledge
- Partnering to provide wildfire risk mitigation services on over 800,000 of our policies in areas most at risk of wildfire
- Our DriveMyWay usage-based auto solution incents sustainable driving behaviors

A changing climate is impacting our business, our customers, and the communities in which we operate. Changing weather patterns have led to more extreme and damaging weather events, which are putting our customers and communities at risk and raising the importance of individual, property, and community-level resilience efforts. These evolving threats require new strategies that prioritize climate resilience and proactive protection for our current and future customers, particularly those most impacted by climate change.

The insurance industry is at the forefront of climate action, serving

as one of the primary mechanisms for risk evaluation, monetization, transfer, and restoration. Amid accelerating changes in weather patterns, customers and communities are looking to business leaders to step forward and proactively help them respond to climate impacts.

We are prioritizing actions that proactively address the effects of climate change through the mitigation of physical impacts of climate on our communities while reducing our own impact on the environment. We'll also assume a leading role in the development of innovative products, services, and experiences for our custom-

### U.N. SDG's supported by this Focus Area



ers that help address the impact on them.

We are focused on increasing our collaboration with policy makers, industry peers, and community leaders to ensure climate impacts are considered when developing and managing investment strategies and business goals.

### Sustainable Operations: Strengthen our operations by leading in sustainability

**How:** We will achieve net zero greenhouse gas emissions across scopes 1, 2, and 3 for the American Family Insurance Group by 2040.<sup>1</sup>

**Progress Toward Goal:** In 2022, AmFam Group became the first U.S.-based insurance company to join more than 375 global companies across more than 53 industries and 34 countries in committing to taking climate action by signing [The Climate Pledge](#).

Co-founded by Amazon and Global Optimism in 2019, The Climate Pledge is a commitment to reach net-zero by 2040 and meet The Paris Agreement 10 years early. Joining The Climate Pledge gives us the opportunity to partner with other signatories while extending our commitment and action across our group of companies.

To achieve this, we will reduce greenhouse gas emissions by increasing our use of purchased renewables, diverting waste from landfills, strategically partnering with suppliers, converting our owned fleet to electric vehicles (EVs), and supporting sustainable employee commuting options. We know this is a big goal, but we don't plan on accomplishing it alone. As a group, we will partner with our peers, other businesses, nonprofit organizations, and government institutions to innovate sustainable solutions that will protect our customers, community, and environment from the effects of climate change.

### Climate Data Advantage: Expand on our climate risk data advantage

**How:** We will expand on our climate risk data advantage, improving our underwriting performance through the integration of climate data modeling and insights.

**Progress Toward Goal:** Through our academic research partnerships we are helping to improve our understanding of changing weather patterns, both for us as a company and among the academic research community and public.

Our team is partnering with researchers at Northern Illinois



University to improve our weather forecasting abilities in both the short and long term. We have invested in leading-edge research on modeling and prediction of severe convective storm patterns in the United States.

Together, with our research partners, we understand that storms are becoming more volatile and, in some cases, extreme. This partnership helps us understand potential claims impact for weather events and prepare to serve our current and future customers for what will come, while also building business resiliency.

AmFam Group is also an active member of industry groups working to understand emerging climate risk. We serve on the [Board of the Insurance Institute for Business & Home Safety](#) (IBHS), an independent, nonprofit, scientific research, and communications organization. IBHS's building safety research helps inform development of new climate resilient building materials and practices.

Through our participation in this group, we are positioned as an industry leader in our development of more effective pricing and rating models and innovative solutions that will expand protections for our customers and their communities against future climate risks.

**Product Innovation:  
Leverage products and customer relationships to promote resiliency and sustainability**

**How:** We will contribute to our growth goals through innovative products and experiences that meet emerging climate-related needs.

**Progress Towards Goal:** AmFam Group has partnered with [Wildfire Defense Systems](#) (WDS) to perform wildfire risk mitigation for our customers during active wildfire events – a service provided on more than 830,000 AmFam Group policies in wildfire prone areas.

WDS monitors wildfire activity for our policyholders and maintains firefighting resources across a 20-state service area. WDS is staffed with trained wildfire professionals who are dispatched to policyholders' properties before wildfire events to perform wildfire mitigation services such as clearing debris and dead vegetation from around the home, spraying retardant to create a perimeter around the property, and even setting up temporary sprinkler systems.

Since 2021, Wildfire Defense Systems has completed over 1,700 property visits, and saved an estimated 100 properties from wildfires. For homes serviced by

WDS, there is a 99.6% survival rate. This type of proactive protection is imperative for strengthening our relationship with customers and protecting what matters most to them.

We are also committed to supporting sustainable practices through our auto insurance business. One way we do this is through usage-based insurance (UBI) which allows customers to receive discounts on their premium based on distance driven and safe driving habits. With almost one-quarter of our customers participating in this program, they're being incentivized to drive less, and more smoothly, leading to decreased GHG (greenhouse gas) emissions.

**Sustainable & Resilient Communities: Support sustainable growth in our communities**

**How:** We will invest in scalable climate resilience, adaptation, and mitigation strategies within the communities we serve.

**Progress Toward Goal:** We recognize that a changing climate requires both individual and community adaptation. Community resilience is one of four priority areas for our [Office of Community and Social Impact](#) (OCSI).

Through a partnership with the nonprofit [EcoRise](#), we are supporting the advancement of environmental and climate education through an award-winning curriculum and teacher-training program. Students learn, design, and implement a wide range of sustainability and resiliency projects such as home air-quality and energy audits, water and waste conservation programs, outdoor rainwater systems, gardens, and classrooms.

We believe that greater awareness and education is necessary for the next generation of leaders, and through programs like this, students are afforded the opportunity to work with municipal leaders and other local partners to influence environmental policy while actively supporting community climate resilience efforts.





# Community Advancement

We will invest to close equity gaps while creating stronger, more resilient, and thriving communities across our footprint.

### ACTIONS AT A GLANCE

- \$105M committed to close equity gaps in the communities we serve through AmFam’s Free to Dream Initiative
- Early stage investments made in 28 social enterprise companies using business to address social issues
- American Family Dreams Foundation provided grant support to over 200 community and nonprofit organizations in 2022

Throughout our history, AmFam Group has endeavored not only to be the most trusted and valued insurance company, but also to be a trusted and valued partner in the communities we serve.

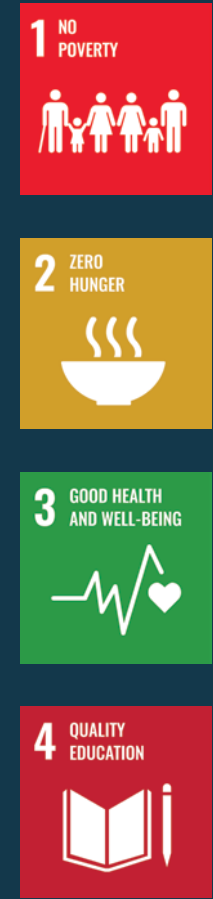
We are powered by our purpose – to champion dreams and opportunities, so everyone can rise. Doing this means we take a longer-term view of our responsibility and capacity to create change, aligning community impact and business strategies to achieve substantial and lasting social impact.

To best serve our customers and communities, we endeavor to be the generator of influence and

action in our communities. We believe in equity – grounded in principles of fairness, impartiality, and equality – and are acting to increase access to opportunity, social equity, and financial mobility for individuals and families, ultimately strengthening and transforming our communities.

Our investments are allocated across four priority areas: economic empowerment and justice reform, equity in education, healthy youth development, and community and climate resilience. Through these priorities, we’re making intentional investment across several issues so most people can live in an environment where they can thrive.

### U.N. SDG’s supported by this Focus Area



### Close Equity Gaps: Proactively invest in the communities our customers, employees, and agency owners call home.

**How:** We are actively investing to close equity gaps for people and families in underserved communities.

**Progress Towards Goal:** In 2021, AmFam Group committed \$105 million toward closing equity gaps through partnerships, programs, and community investments in social impact organizations.

One area of investment under this initiative targets early childhood education and care. When caregivers and parents have access to reliable, high-quality childcare and early education programs, they can fully, productively, and consistently participate in the workforce. Research shows that dependable, quality care improves employee productivity with increased hours, lower stress, fewer days of leave, and higher engagement. Yet, finding affordable, reliable, and available care is an issue too many parents and caregivers struggle with.

Our commitment to the early care and education ecosystem is holistic, looking at challenges and opportunities from many angles. Our partnership with the [Next](#)







[Door Foundation](#) and the Milwaukee Area Technical College helps to expand and diversify the educator pipeline for early education centers through paid apprenticeships and college credit - increasing access to quality childcare in underserved communities.

**Invest for Social Impact: Seek investments in social enterprise with sustainable growth paths, creating outsized impact**

**How:** We will continue to invest in scalable social enterprises that expand community well-being.

**Progress Toward Goal:** The American Family Institute for Corporate and Social Impact was established as one of the first public benefit corporations in Wisconsin - and one of the first among Fortune 500 companies nationwide. Since its founding in 2018, we’ve invested in social entrepreneurs and partnered with innovative organizations dedicated to improving the lives of individuals, families, and communities.

To date, approximately \$40 million has been invested in social enterprise through the Institute’s venture capital fund. Looking to the future, the Institute will remain focused on social impact investing and identifying new

ways to support meaningful, lasting contributions to society through scalable social enterprise. The companies supported through the social impact fund are helping to solve society’s biggest problems, while also having sustainable growth paths to expand their impact.

One example is the portfolio company [BioBot](#), founded at MIT with the belief that sewage offers a unique opportunity to make public health more data-driven and effective. BioBot has helped local governments across the country track the prevalence of COVID-19 in their communities through wastewater monitoring. BioBot’s technology is now being piloted in communities to test wastewater for the presence of fentanyl, cocaine, methamphetamines, nicotine, and other substances, in hopes of assisting in prevention and intervention efforts.

**Address Community & Future Customer Needs: Make investments that address community needs and support future customers**

**How:** We will pair community investments with the power of our enterprise, to innovate for the future.

**Progress Toward Goal:** Our invest-

ments and partnerships in economic empowerment including housing and wealth building align with both our business goals and broad community needs, generating maximum impact.

Since 2020, the Dreams Foundation has made investments in community partners through unrestricted, general operating support rather than requiring them to identify specific programs or services.

These single-year grants complement the Dreams Foundation’s strategy of ensuring a majority of funding is committed via multi-year, unrestricted support to have the greatest community impact. Since this shift in direction three years ago, nearly 75% of the Foundation’s grant funding now meets these criteria.

The American Family Insurance Dreams Foundation has also designated giving priorities to include Academic Achievement and Education, Economic Opportunity, Healthy Youth Development, and Community Resiliency.

This year, American Family Insurance and its Dreams Foundation will continue to have a significant impact in communities across the nation through unrestricted grant investments to 223 organizations, totaling \$2.3 million.





**Housing Accessibility:**  
**Leverage our relationships within our communities to develop innovative new products, programs, and partnerships that will expand and enable access to homeownership.**

**How:** Lead, partner, and invest in solutions that enable access to individuals and families seeking homeownership.

**Progress Toward Goal:** Homeownership is a staple of safety and security, and for many, it can serve as a gateway to building generational wealth and economic opportunity. And throughout our 95+ year history, we have been part of the homeownership equation for millions of our customers. Additionally, homeownership is vital to the financial wellbeing of our company, and closely aligned with our purpose to champion dreams and opportunities so everyone can rise. AmFam Group is uniquely positioned and inherently motivated to direct intentional actions toward mitigating the impacts of the housing crisis. The housing marketplace currently offers little mobility and incredibly high barriers to entry for new consumers, which is restricting access, safety, and security for individuals and families across our communities.

Since 2021, we have supported the Milwaukee-based [Acts Housing](#), an organization that works to make it possible for families with barriers (credit, savings, financial, language, etc.) to become homeowners. Acts provides home buyer and financial counseling, real estate brokerage, and rehab expertise. Through Acts Lending, the organization also offers purchase and rehab loans for families who have been locked out of the traditional mortgage market and are purchasing distressed homes.

With a median household income of \$38,000 – \$60,000 per year, many Acts families used to pay half their income or more on subpar rental housing. After becoming homeowners, many more families can use their savings and equity in more meaningful ways.

Through a partnership with Ohio State University, we support the [Power of Home](#) program which provides thousands of new and existing homeowners with access to advice, access to capital, counseling, and ongoing support through local organizations. Programs offered include educational tools, information and community linkages, financial help for homeowners in crisis and low-cost home repair loans and pre-construction counseling for home repairs.

In addition, this partnership supports undergraduate and graduate student research focusing on the income and expense shocks of homeownership and home maintenance. In the pilot program, 500 new homeowners received one-year of free tools and coaching and the default rate on their mortgages were reduced by 20%. Power of Home is provided free of charge to Ohio homeowners through the support of investors and partners like AmFam Group.

We are growing our support of Habitat to Humanity from a local effort to a national partnership so that we can reach more communities within our footprint. This will include the ability to make direct and employee or agent-matched donations, opportunities to help build homes alongside future Habitat homeowners, and access to volunteer resources for AmFam Group employees, agency owners, and customers.





# Diversity, Equity, & Inclusion

We will build an engaged workforce and inclusive culture that’s reflective of our customer base and drives purpose in everything we do.

### ACTIONS AT A GLANCE

- Third consecutive year being recognized as a Top 50 company for diversity by DiversityInc.
- Recognized as a best place to work for LGBTQ+ equality for seven consecutive years
- Supplier diversity program recognized by the National Minority Supplier Development Council
- In 2022, our employees and American Family Insurance agency owners donated more than \$3.2 million and logged over 48,000 volunteer hours

We believe that diverse teams outperform and enable us to achieve our maximum potential. It’s vital that our workforce be representative of our increasingly diverse customer base. Embracing diversity and inclusion throughout all facets of our business isn’t just a nice-to-have – it’s baked into our strategy and fueling better products and driving better solutions for our customers.

**Workforce Diversity:**  
**Diversify our workforce at all levels through inclusive recruiting, retention, development, and promotion**

**How:** We will increase diverse

representation across all levels of our workforce.

**Progress Toward Goal:** In 2019, AmFam Group committed to increase the racial/ethnic diversity of our employee population by 50% by 2024. We have made significant progress toward meeting these benchmarks and are also taking steps to increase the diversity of our workforce along other dimensions, such as gender, identity, culture, background, experience, and abilities.

We’re integrating proactive recruitment strategies and practices designed to create career opportunities for those formerly impacted by the justice system.

### U.N. SDG’s supported by this Focus Area



*“We firmly believe a workforce that brings together teams with a multitude of perspectives and experiences drives innovation and creativity and leads to stronger business results. We also understand the importance of having a workforce that reflects all our customers. This commitment is part of our DNA and is a business imperative, as diversity among the workforce and our customers will only increase in the years ahead.”*

~ **Jessie Stauffacher,**  
Chief People Officer



To support this, we’re teaming with the national nonprofit, [Next Chapter](#), to offer apprenticeship opportunities on our national IT teams to individuals who have undergone extensive training while they have been involved in the justice system.

Our talent acquisition teams are also partnering with historically black colleges and universities (HBCU’s) and various organizations across our footprint to support talent and career development programs. A few of these partnerships include the Hispanic Alliance for Career Enhancement (HACE), the National Black MBA Association, and Prospanica. Each organization and many others are focused on supporting, developing, and empowering their constituencies of new professionals as they navigate their career journey.

Our commitments in this area have led to recognition within our industry. For three consecutive years, American Family Insurance has been [named a Top 50 company](#) for diversity by [DiversityInc.](#) The DiversityInc Top 50 list, issued annually since 2001, recognizes the nation’s top companies for diversity and inclusion. These companies are recognized for their excellence in hiring, developing, promoting, and retaining a diverse workforce.





In 2022, we were also recognized for the seventh consecutive year as a best place to work for LG-BTQ+ equality and in 2023 we received five out of five stars in the [VETS Employer Indexes Awards](#).

**Inclusive Culture: Leverage our culture of inclusion to attract and retain top talent, strengthen our brand, and build high-performing teams**

**How:** We will embed diversity, equity, and a culture of inclusion within all areas of our business operations.

**Progress Toward Goal:** Through the implementation of our Sustainable Business Framework, we will continue to support our Business Resource Groups (BRG), a critical effort that promotes inclusion and representation within our workforce.

BRGs are voluntary employee-led groups based on shared characteristics, life experiences, interests, or backgrounds. The BRGs help foster an inclusive culture and provide a sense of community, helping employees to feel welcome and supported. These groups provide opportunities for professional development, cultural awareness, increased visibility to senior

leadership and the opportunity to provide input on relevant business practices.

Our group of companies support 10 unique BRGs and all employees are welcome to join these groups to learn, grow, and connect across our family of companies. Current AmFam Group BRGs include Abilities, Asian American Pacific Islander, Black/African American, Caregiving, Hispanic/Latinx, LGBTQ+, Multicultural, Multigenerational, Veterans/Military, and Women.

**Live our Purpose: Create a sense of community by living our purpose - fostering greater employee inclusion, engagement, and retention**

**How:** We will leverage the power and commitment of our employees to champion dreams and opportunities, so everyone can rise.

**Progress Toward Goal:** The AmFam Group has a long tradition of giving back to the communities in which it does business. In 2022, our employees and American Family Insurance agency owners donated more than \$3.2 million and logged over 48,000 volunteer hours. In addition, AmFam Group matched over \$3.5 million of employee and agency owner donations.

Our Community Ambassador Program launched in 2022, providing yet another opportunity for AmFam Group employees to utilize their time and talents to aid our nonprofit partners in creating a more equitable community.

Through this program, nominated employees step away from their current role for a six-month period while working full-time with an [American Family Insurance Dreams Foundation](#) community partner. Community Ambassadors are entrusted to partner with Dreams Foundation grant recipients in targeting specific areas for improvement through short-term projects. This innovative approach results in lasting impacts that go beyond financial support and industry-standard corporate philanthropy.

**Customer Inclusion: Extend the value of insurance to more customers, fostering greater economic mobility**

**How:** We will use our role as an insurer and proactive risk partner to help customers achieve greater levels of security and economic mobility.

**Progress Toward Goal:** Insurance can act as a hand up on the ladder of economic mobility by providing greater economic





security to individuals and families. Expanding access to products that enable security and economic mobility is woven into the efforts of all our group companies, informing how we reach new markets, develop our products and services, and support policyholders.

Secure access to a vehicle can often serve as a gateway to greater economic prosperity – providing access to a job or educational opportunities. [The General](#) lives our purpose by offering access to insurance and alternate payment models to consumers

facing financial hardship, lower than average credit scores, and inconsistent coverage retention. With flexible payment options, customizable coverage, and various discounts, The General meets customers where they are, offering quality coverage at an affordable price.

Another example of how we’re promoting customer inclusion is through expanded access to our life insurance products for adult immigrants and their children, including an increased coverage limit for adult children purchasing life insurance on their parent.

They are now eligible to apply for life insurance, which can serve as a critical tool for a family’s economic stability in the case of the untimely death of a loved one. We’re also taking steps to ensure that our full customer base can easily access our support through our El Centro customer care center. El Centro is a team of bilingual employees who are dedicated to supporting the Hispanic community and creating a sense of belonging for our customers. Most importantly, it ensures that all customers receive the support they need at that critical time after filing a claim.



# Responsible Data & Artificial Intelligence (AI)

*Placing inclusion, along with responsible use and guardianship of customer data, at the center of business innovation. This expands our vision to be the most trusted and valued insurance company.*

### ACTIONS AT A GLANCE

- Member of the National Cyber Forensics and Training Alliance (NCFTA)
- Initiated a proactive internal business model review to prevent unintended bias
- Providing advanced data on the future climate risk facing policyholders’ properties through our exclusive agency channel

Customer trust is paramount in any business. That’s even more true today, as new data and AI capabilities emerge and evolve. Insurance has long been an industry built upon data, and as a leader in our field, we have a duty to protect our customers, including their identities, privacy, data rights, and data safety.

It’s incumbent upon us to design and deploy policies and programs that uphold and demonstrate the highest levels of integrity and accountability surrounding our collection, use and protection of employee and customer information.

Further, we are committed to fair

pricing and business practices now, and into the future. To do this, we embrace a proactive approach to preventing bias in our programs and third-party integrations used across our operations.

**Data Guardianship: Live into our vision to be the Most Trusted and Valued through our protection of our customers’ identities, data rights, privacy, and data assets**

**How:** We will expand on our leadership position within the industry, serving as guardians of our customer and enterprise data with

### U.N. SDG’s supported by this Focus Area





robust security and governance protocols, our consolidated enterprise cybersecurity programs, and through partnerships with industry and government.

**Progress Toward Goal:** In 2022, AmFam Group joined the [National Cyber Forensics and Training Alliance](#) (NCFTA). The NCFTA was established as a nonprofit partnership between private industry, government, and academia for the sole purpose of providing a neutral, trusted environment that enables collaboration to identify, mitigate, and disrupt cybercrime, which can lead to loss of customer data. This partnership allows AmFam Group and others to engage with cyber practitioners across multiple sectors and provides access to actionable intelligence on emerging threats.

The NCFTA operates as a forum for members to regularly share intelligence about emerging cyber threats. Through our participation, we are receiving the collective knowledge of many partners, including threat intelligence from the U.S. Intelligence community. By sharing emerging risk data and cyber threat intelligence, the NCFTA has enabled its community of partners to prevent over \$2 billion in potential losses, while helping to identify critical threats impacting private industry and supporting global law enforcement.

**Fairness & Accessibility:**  
**Deliver on our promise to approach the marketplace in a fair, accessible, and affordable manner**

**How:** We will ensure fairness in our products, services, and experiences through the proactive detection and mitigation of

bias within our data, models, and systems.

**Progress Toward Goal:** In 2022, AmFam Group established a model risk management program. Part of this program is model validation, an independent process of evaluating model design, data quality, model methodology, as-



sumptions and limitations, outcomes analysis, implementation, and ongoing performance. The model validation process is comprised of a set of activities intended to verify that in-house built or vendor developed/assisted models are performing as expected, in line with their intended design and free of unintended bias that would unfairly impact our customers.

**Transparent & Accountable:**  
**Meet and identify opportunities to exceed regulated standards of data transparency and accountability**

**How:** We will expand transparency and accountability in our data, systems, and AI business models.

**Progress Toward Goal:** AmFam Group’s model risk management program inventories and supports the validation of models utilized across the business within an established framework. The program further provides appropriate reporting as deemed necessary by leadership and the appropriate governing bodies.

**Inclusive Innovation:** **Place inclusion at the center of business innovation to protect more dreams for more people**

**How:** We will harness the potential of AI and emerging data tools with a human-centric approach, advancing our vision of serving as proactive protectors for our customers.

**Progress Toward Goal:** Artificial intelligence and machine learning models have the potential to streamline interactions for our customers by providing a faster and more efficient experience. AmFam Group’s Data Science + Analytics Lab has developed and utilized AI and other machine learning tools for years to improve customer experiences while also reducing workload from our employees and agency owners.

The accelerated development of generative AI tools has further expanded the horizon on how and where emerging tools can be deployed to improve our business and customer services. We embrace these new possibilities and will continue to explore how to create shared value for our policyholders while continuing our commitments to data guardianship, fairness, and transparency.

One example of how advanced data modeling can create shared policyholder value is how the AmFam Group has partnered with the [First Street Foundation](#) to bring projections of climate risk powered by machine learning to

our customer base. First Street Foundation is a nonprofit that uses data from sources such as FEMA, NOAA, and NASA to build a series of open-sourced, peer-reviewed data models that predict the risk of flood, wildfire, extreme heat, and hurricane winds. We’re bringing the value of these new data tools to our customers and agents through customized reports on a property’s past, present, and future risk for flood, wildfire, and earthquake. By educating policyholders on the future climate risks that will affect their property, we are better equipped to serve as a trusted advisor by offering proactive solutions that will build greater resilience into their homes and businesses.



Community Measures

TOPIC	INDICATOR	MEASURE	2019	2020	2021	2022
Philanthropic Giving	Total American Family Community Investments	USD	\$14,803,307	\$16,498,265	\$19,278,214	\$20,514,678
American Family Dreams Foundation	Total American Family Dreams Foundation Contributions	USD	\$8,391,945	\$10,190,355	\$10,892,135	\$11,346,998
	Grant Contributions	USD	\$2,829,765	\$2,526,000	\$2,599,338	\$2,773,300
	Matching Gift Contributions	USD	\$2,361,225	\$3,305,765	\$3,276,463	\$3,667,393
	Scholarship Contributions	USD	\$832,500	\$821,250	\$723,750	\$653,446
	Disaster Recovery (non-COVID)	USD	\$75,000	\$237,000	\$125,000	\$86,000
	Other Charitable Contributions	USD	\$2,293,455	\$3,300,340	\$4,167,585	\$4,166,860
	Grants Awarded	# of grants	180	218	277	291
	Scholarships Awarded	# of students supported	341	329	317	281
	Schnolarship Awards	USD	\$832,500	\$821,250	\$723,750	\$702,500
	# of Colleges/Universities	# of higher ed institutions	141	154	128	140
Steve Stricker American Family Insurance Foundation	Total Stricker Foundation Contributions	USD	\$2,404,000	\$3,045,500	\$1,768,000	\$1,414,417
	Stricker Foundation Economic Impact	USD	\$15,000,000	N/A	\$12,000,000	\$15,000,000
	Stricker Foundation Volunteering	# of volunteers	1,100	N/A	825	950
	Charitable Recipients	# of recipients	97	154	124	140
	Sponsorship	# of sponsors	180	N/A	189	215
Volunteer	Employee Volunteer Hours	# of hours	11,203	12,587	16,373	48,410
	Employee Volunteers	# of volunteers	1,632	677	1,385	3,379



People Measures

TOPIC	INDICATOR	MEASURE	2019	2020	2021	2022
Employees	Number of Employees	# of employees	13,486	13,210	13,324	12,967
Wellbeing Program	Total Employee Well-being Contributions	USD	\$1.1M	\$1.4M	\$1.6M	\$1.5M
	Average Employee Wellbeing Incentive Earned	USD	\$224	\$121	\$131	\$185
	Percentage Employees Engaged with Program	% of employees	60	59.4	52%	49%
	Percent Employees Attaining Incentive Level 2 out of 4	% of employees	48%	37%	34%	33%
Satisfaction	Employee Retention	% of employees retained	88%	87%	86%	85%
	Pulse Survey/Enterprise Engagement Survey	Engagement Index (percent out of 100)	N/A	80/100	75/100	76/100
Talent Development	Leadership and Professional Development Training Expenditures	USD	\$4,313,646	\$4,915,156	\$4,872,342	\$4,707,893
	Tuition Reimbursement Paid	USD	\$823,557	\$745,390	\$818,146	\$921,773
	Employee Scholarships	USD	\$145,150	\$150,330	\$723,750	\$702,500
	Number of Colleges and Universities w/ Scholarship Recipients Enrolled	# of higher ed institutions	82	87	128	140
	Employees Participating in Tuition Reimbursement Program	# of employees	239	205	303	263





Environmental Measures

Topic	Indicator	Measure	2017	2018	2019	2020	2021	2022
GHG Emmisions	Total GHG Emissions <sup>1</sup>	mtco2e	55,868	55,902	70,855	71,609	1,045,868	2,508,657
	*Scope 1	mtco2e	16,822	17,592	17,886	12,661	11,429	11,997
	**Scope 2	mtco2e	32,761	31,549	31,761	25,373	25,080	25,429
	Scope 3	mtco2e	6,285	6,761	21,208	33,575	1,009,359	2,471,231
Energy	***Energy Use Intensity (EUI) <sup>2</sup>	kBTU/SqFt/yr	82.76	81.40	79.92	70.52	75.25	69.53
	****Onsite Reneable Energy Production <sup>3</sup>	kWh	210,287	1,623,458	1,169,968	986,781	1,566,878	1,552,647
Waste	Total Waste Generated	US Tons	1,203.93	1,258.43	3,698.00	1,133.90	1,126.62	1,150.45
	Owned Buildings tracking Waste Metrics	Number of buildings included in the diversion rate/total owned buildings	9/13	9/15	10/15	10/15	14/15	13/13
	Waste Diversion Rate <sup>4</sup>	Total recycled waste/Total waste generated	77.40%	75.74%	90.08%	78.80%	81.00%	79.00%
Water	Water Consumption <sup>5</sup>	Gallons	40,683,225	39,956,613	35,450,714	25,826,528	27,433,668	24,593,621
Land Management	Total Native Land Restoration <sup>6</sup>	Acres	12.5	17.9	33.9	40.7	53.3	57.5
	Native Land Restored at Owned Facilities	%	3%	5%	9%	11%	15%	17%
	Number of Facilities	Number of sites included	15	15	15	15	14	13

Notes:

\* The decrease in Scope 1 emissions from 2019 to 2020 can be attributed to a reduction in fleet and corporate jet use.  
\*\* The decrease in Scope 2 emissions from 2019 to 2020 can be attributed to reduced facility energy use.  
\*\*\*The increase in Scope 3 emissions from 2018 – 2021 can be attributed to the addition of relevant Scope 3 Categories.  
\*\*\*\* Increased EUI in 2021 resulted from high energy usage during COVID-19 pandemic.  
\*\*\*\*\* Renewable Energy Production: An adjustment was made to generation in 2020 to account for a new solar installation that was added to the East Regional Building in Madison, WI.

Greenhouse Gas (GHG) inventory is measured as total annual metric tons of carbon dioxide equivalents (mtco2e) from Scope 1, Scope 2, and Scope 3 emissions. Scope 3 emissions reported in 2017 and 2018 include business travel. Scope 3 emissions reported in 2019 include: purchased goods and services (paper and cloud services only), fuel and energy related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, and end-of-life treatment of sold products. Scope 3 emissions reported in 2021 and 2022 include: purchased goods and services, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream leased assets, and investments.

Energy Use Intensity (EUI): Measured as Total Facility Energy/Facility Square Footage/Year. Calculated as baseline reductions in energy consumption with 2007 as baseline year. Adjusted for real estate purchased and sold. EUI includes all utilized energy at facilities including solar.

Onsite Renewable Energy Production: Measured as total annual on-site renewable energy produced in kilowatt hours (kWh). Currently all renewable energy provided by solar production. The NHQ solar array was offline from 12/2019 - 5/2020 due to repairs to the building's electrical infrastructure.

Waste Diversion Rate: Measured as total annual waste recycled (recycling and composting) / total annual waste generated at our National Headquarters, Madison area facilities- East Regional Building, Cottage Court, Mayfair, Hangar, Applied Learning Center, Records Retention, Commercial Print, Spark, City View and our regional facilities in Denver, Eden Prairie, Phoenix and St Joseph. Properties sold in 2022 resulting in owned facility/site decrease.

Water: Measured as total annual water consumed (gallons) in all owned facilities.

Native Land Restoration: Measured as land that is actively managed/protected and restored as native habitat at American Family owned facilities.





Visit [AmFam.com](https://www.AmFam.com) to find more information on the performance of the American Family Insurance Group, our commitments to the sustainable growth of our business, our protection of the environment, and our continued support of our communities.

