

CORPORATE RESPONSIBILITY 2020 REPORT

A Year in Review | *Stronger Together*



**AMERICAN FAMILY
INSURANCE®**

Insure carefully, dream fearlessly.

STRONGER TOGETHER

At a time when our customers, employees and communities were navigating through a once-in-a-lifetime pandemic, the mission, vision and values of American Family Insurance were never more relevant.

Even before COVID-19 was declared a global pandemic, we were planning for how to best care for our people, so they could support our customers. We were ready. And we stepped in during a tumultuous time for everyone. We made an impact with our actions.

This report highlights those actions – and more. Our communities not only faced epic health and economic crises during 2020, they faced equally historic leadership and racial crises. We focused on all four because they demanded action and results. We sought – and continue to look for – innovative solutions that help our customers, empower our people, and address societal issues affecting our communities.

The stories, people and results included in this report display our passion for coming together with our customers, employees and agency owners to drive positive economic, social and environmental change.

These issues are core to American Family's business strategy. Tackling them with our communities, local nonprofit partners, and the support of our employees and agency owners, has and will continue to make us stronger – together.

There's an expectation for business to lead – to act – in this moment. And American Family led with our words and actions. Through the American Family Insurance Institute for Corporate and Social Impact, we funded more than \$11 million worth of venture investments in startups focused on social good.

To support COVID-19 relief efforts, we committed nearly \$7 million to community partners assisting those most in need. We also led our industry in returning more than half a billion dollars to our customers in premium relief.

For years, we've stood with the LGBTQ community and fully supported the 2020 Supreme Court ruling protecting LGBTQ people from employment discrimination. We also added our company name to the "Hispanic Promise," a national pledge to hire, promote, retain and celebrate Hispanic/Latinx people in the workplace and community.

American Family remains dedicated to tackling climate resiliency, too. We signed the "We Are Still In" pledge, a commitment to meet requirements laid out by the Paris Climate Accord, while encouraging other companies to join us.

During challenging times, we led our industry, providing customers with exceptional service and value. We put the safety of our people and support of our customers first, while also using our financial strength, resources and voices to give back to our communities, and protect our environment.

In 2021, we solidified our commitment to expanding this work, pledging \$105 million over five years through our Free to Dream initiative, which will strengthen community partnerships that bridge equity gaps, build healthy, sustainable communities and fight for social justice.

Our actions truly speak to who we are as a company: agile, resilient, caring and inclusive. Our employees and agency owners displayed – and continue to display – these qualities as they serve our customers and communities.

The future is brighter, and our communities are stronger when we work together. We hope the stories in this report inspire you the way they've inspired us.

Jack Salzwedel
Chair and CEO

William B. Westrate
Enterprise President and CEO-Elect

Chair and CEO Jack Salzwedel speaking to Enterprise President and CEO-Elect Bill Westrate.



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OUR STORY

WHO WE ARE

Madison, Wisconsin-based American Family Insurance Group is the nation’s 13th-largest property/casualty insurance group and was ranked No. 254 in the fall of 2020, and No. 232 in the spring of 2021, on the Fortune 500 list. The company sells American Family-branded products, including auto, homeowners, life, business and farm/ranch insurance, primarily through its exclusive agency owners in 19 states.

American Family Insurance is the fifth Wisconsin-based company with revenues of \$12.9 billion in 2020. American Family affiliates - The General, Homesite, Main Street America, and CONNECT, powered by American Family Insurance - provide options for consumers who want to manage their insurance matters directly over the internet or by phone. Main Street America sells insurance products through independent agents. When including Homesite, The General, CONNECT and Main Street America, the American Family enterprise has 13,210 employees, 2,466 agency owners and 3,659 independent agents (MSA).

OUR PURPOSE

At American Family, we are dedicated to inspiring, protecting and restoring your dreams – because we believe a dream is the most valuable thing you’ll ever own, and we know it takes a lot of hard work to pursue what’s important to you. That’s why we make it our mission to give you the support and inspiration you need every step of the way.

We’re not like just any insurance company. As a mutual company, our policyholders are our owners. That means doing what’s right for them, as well as our employees, our communities and our environment. That commitment is foundational to everything we do.

Today, we’re an enterprise of many companies and products, encompassing insurance and non-insurance operating companies.

OUR MISSION

To inspire, protect and restore your dreams.

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.

FINANCIAL RESULTS

American Family has an unwavering focus on fiscal responsibility and continued growth. Our valued customer relationships have helped us build a trusted company for more than 90 years. It’s strength you can believe in. And stability you can build your dreams on.

2019

ASSETS	\$31,123,650
MEMBERS' EQUITY	\$9,763,129
REVENUE	\$12,166,506
NET INCOME (LOSS)	\$455,934
LIFE INSURANCE IN FORCE	\$100,469,679

This table summarizes the financial results for the American Family group of companies. GAAP basis - For the year ended Dec. 31, 2019 (in thousands).

2020

ASSETS	\$33,941,801
MEMBERS' EQUITY	\$10,602,097
REVENUE	\$12,934,095
NET INCOME (LOSS)	\$403,154
LIFE INSURANCE IN FORCE	\$103,575,577

This table summarizes the financial results for the American Family group of companies. GAAP basis – for the year ended Dec. 31, 2020 (in thousands).

OUR CORPORATE RESPONSIBILITY

American Family’s corporate responsibility mission is to make a meaningful difference in our communities, our environment and for our people as proactive protectors of what matters most. We serve this mission through the following:



COMMUNITIES

Investing in our communities:

We lead collaboration in community involvement and empower our communities to be more socially impactful and resilient.



ENVIRONMENT

Sustaining our environment:

We reduce our environmental footprint by integrating sustainability principles and practices throughout our company and our communities.



PEOPLE

Empower our people:

We foster a culture of diverse and inclusive well-being for ourselves, our customers and our communities.



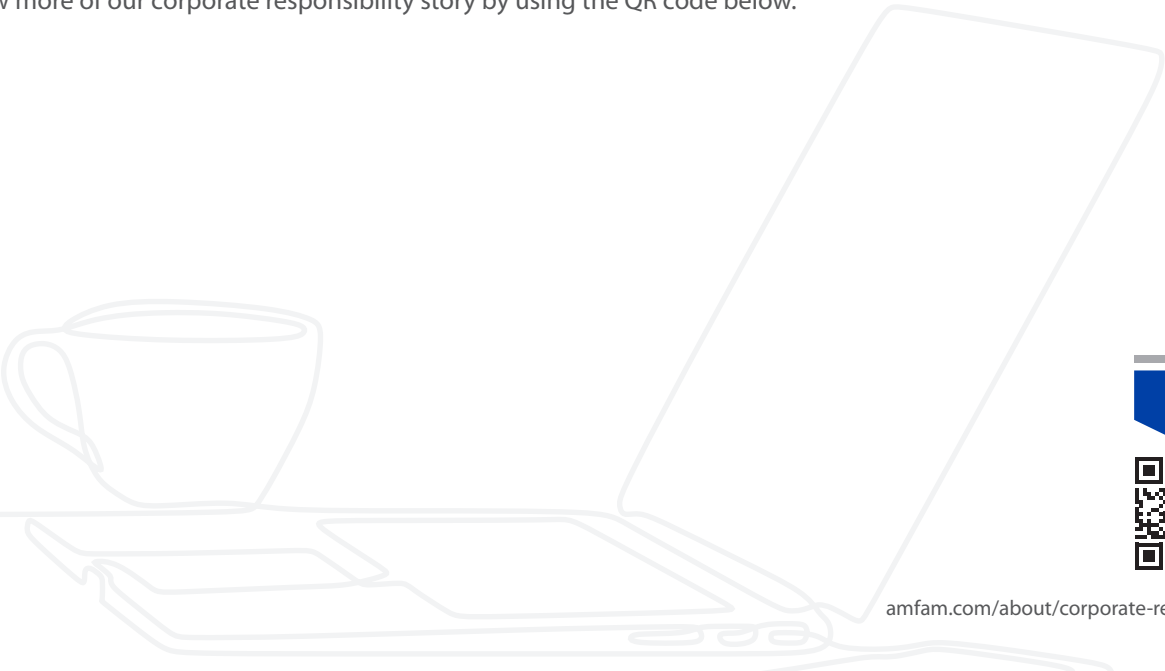
We protect what matters most by partnering with others to help find solutions to problems facing our customers and our communities where they – and we – live. We want to create positive social, environmental and economic impact because we believe that leads to more flexibility in how we ALL pursue dreams. We account for the voices and needs of all our customers, employees and communities.

We believe corporate responsibility means being a leader that creates a positive economic, social and environmental impact, together with measurable benefits for our customers, employees, agency owners and the world around us.

CORPORATE RESPONSIBILITY PROGRESS AND PERFORMANCE

At American Family, we understand the importance of measuring what matters. We have been intentional about reporting on our progress and performance. While many measurements related to corporate responsibility and sustainability exist, we continue to work with corporate stakeholders to identify the most critical measurements or key performance indicators (KPIs) highlighted in these pages and captured in detail in the data pages at the end of this report.

View more of our corporate responsibility story by using the QR code below.



2020 HIGHLIGHTS



FINDING MEANING IN THE NUMBERS

As an insurance company, we generate a lot of numbers. Lots of metrics. Many statistics.

The key to understanding what all those numbers mean is context. The metrics related to American Family’s corporate responsibility efforts tell a story. And the point of that story?

Support.

We support our communities with philanthropic giving, volunteering, scholarships and donations. And in 2020, we went above and beyond by providing \$530 million in premium relief to our customers due to the COVID-19 pandemic.

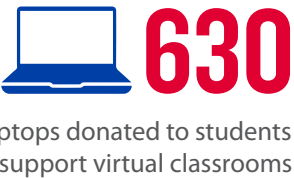
We support the environment and advance our efforts to mitigate climate change by investing in solar power and electric vehicles, and by offsetting our carbon footprint in the materials used for this report and in our purchasing decisions.

And we support our people, by furthering their education, offering strong health and well-being programs and by providing safe spaces for all through our business resource groups (BRGs).

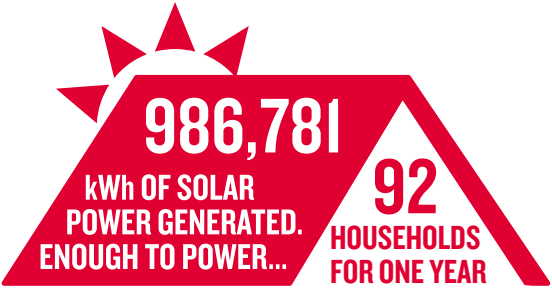
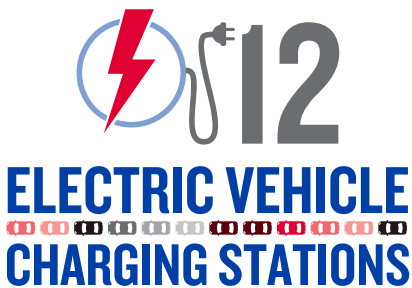
We keep these three pillars of our corporate responsibility efforts at the forefront because they are an integral part of our culture. We strive to do what’s right and to be a trusted partner to our customers, employees and communities.

Because you can trust those who support you.

HOW WE SUPPORT COMMUNITY



HOW WE SUPPORT ENVIRONMENT



HOW WE SUPPORT PEOPLE



2020 AWARDS & RECOGNITION



HOW WE SUPPORT COMMUNITY



For the third year in a row, American Family Insurance is among the 500 companies on the Forbes Best Employers for Diversity list, ranked 331.



We are included in the DiversityInc 2020 Top 50 Noteworthy Companies for Diversity. American Family Insurance named a DiversityInc Noteworthy company for the second consecutive year.



Awarded the Wisconsin 75 2020 Distinguished Performer Award for Inclusion.



Named among Best Places to Work for LGBTQ Equality by the Human Rights Campaign Foundation, earning a perfect score of 100% on the Corporate Equality Index.



Earned "W" recognition from Women on Boards for having at least 20% of all company board of director seats held by women. Six of the 15 American Family 2020 board members (40%) are women.



Recognized as the Wisconsin LGBT Chamber's corporate partner of the year for 2020.

HOW WE SUPPORT ENVIRONMENT



Awarded a LEED® Gold Certification for the Spark Building in downtown Madison, Wis.



Awarded a Green Masters Certificate from the Wisconsin Sustainable Business Council.

HOW WE SUPPORT PEOPLE



Ranked 254 on the Fortune 500 list.



Placed #1 in the 2020 J.D. Power Auto Customer Satisfaction Study for the Southwest Region.

SOCIAL IMPACT



“ We believe everyone deserves the right not just to dream of but to live a dignified, economically secure, fulfilling and loving life. ”



CLOSING EQUITY GAPS AND EMPOWERING DREAMS

American Family Insurance is not just any insurance company. Our vision is to be the most trusted, valued, and customer-driven in our industry. It’s our mission to wholeheartedly support our customers, our employees and our communities — making sure we’re walking alongside each of them as they work toward their next great dream, protecting and supporting them every step of the way.

We protect what matters most to our customers and communities by serving their needs. We recognize our customers reflect the incredible diversity of our country. We all have dreams. We all have passions. We all have beliefs. At American Family, we also know that complex challenges in our society can threaten those dreams, passions and beliefs. We fundamentally believe we are obligated to tackle those challenges and improve the human condition.

The COVID-19 pandemic highlighted significant and consistent disparities in the treatment and opportunity between different groups of individuals. The Centers for Disease Control reports that the pandemic heightened those inequities as it “unequally affected many racial and ethnic minority groups, putting them more at risk of getting sick and dying from COVID-19.” The barriers, unique challenges and resulting equity gaps that limit the ability for many people to achieve their full potential were exacerbated in 2020.

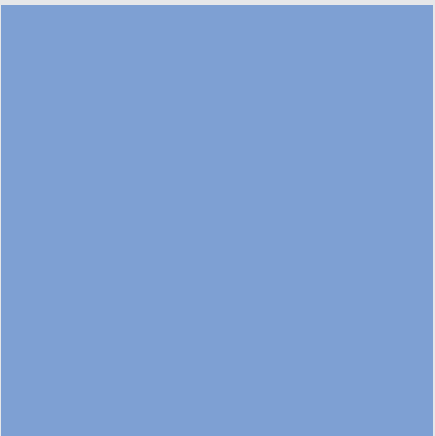
Identifying and working to solve the root causes of these inequities requires courage, compassion, innovation and accountability. It requires considering many voices. It requires our leaders and colleagues to take decisive steps, using our resources and influence, to help create more equitable and inclusive communities.

It demands bold action more than ever.

LOOKING DEEPER

We believe in equity – grounded in principles of fairness, impartiality, justice and equality. We believe in the proposition that one’s personal or social circumstances – like race, ethnicity, gender, age, orientation – should not be obstacles to achieving one’s full potential. We will advocate for equity whenever possible.

We have, and will continue, to partner with large corporations, small non-profits, community groups, governments, advocates, anyone who shares our goals and this vision. We will be transparent, proactive and persistent to make positive change, both internally and externally. And, we’ll focus our social justice efforts in areas that disproportionately affect Black, Indigenous, people of color, women, and other marginalized identities.



We believe everyone deserves the right not just to dream of but to live a dignified, economically secure, fulfilling and loving life. At American Family, we understand our role in helping create the foundation for health, equity and economic prosperity in our communities and are strengthening our commitment and increasing our investments.

We will continue our work to close equity gaps today – so all are empowered to dream tomorrow.

CLIMATE AND COMMUNITY RESILIENCE

At American Family, we acknowledge the complex systemic social issues facing individuals and communities across the globe. The COVID-19 pandemic served as a wake-up call, illuminating the health, safety, and access disparities facing Black, Indigenous, and people of color. Climate change only further exacerbates these challenges.

Climate change negatively affects human health and safety, quality of life and economic growth. Our collective response to the pandemic can be used as a model for how we can come together to address these interconnected issues. While we all experience the impacts of climate change, the most vulnerable populations are the ones most affected. This puts our customers – and the communities we serve – at risk.

GLOBAL AND NATIONAL IMPACTS OF CLIMATE CHANGE IN 2020

- For the first time in the survey’s 10-year history, the 2019 World Economic Forum Global Risks Report ranked all of the top five global risks as being environmental. In 2020, those same five environmental risks made it into the top six, with infectious disease being first in impact and second in likelihood. Climate action failure ranked first in likelihood and second in impact.ⁱⁱ
- Worldwide economic losses from natural disasters were estimated at \$268 billion in 2020. Of that, insured losses represented 46% for a total \$97 billion, leaving a global protection gap of 65% or \$171 billion dollars.ⁱⁱⁱ
- The year 2020 was the second highest global land and ocean temperature year on record. The United States experienced 22 weather or climate disasters, shattering the previous annual record of 16 events in 2011 and 2017. This was the sixth consecutive year (2015-2020) recorded in which 10 or more billion-dollar weather and climate disasters impacted the United States. The nation’s three largest wildfires in Colorado history and five of the six largest wildfires in California history occurred during 2020, making it the most active wildfire year on record. A record seven events linked to landfalling hurricanes or tropical storms generated over \$1 billion in damages.^{iv}

2030
THE YEAR WE
PLAN TO ACHIEVE
CARBON
NEUTRALITY
ACROSS SCOPE
1, 2, AND 3 EMISSIONS



LOOKING FORWARD

As climate change continues to cause an increase in the frequency and severity of weather events, the humanitarian and financial impact of natural disasters is expected to grow. This will require climate resilience and mitigation strategies to navigate new forms of volatility, rethink access to capital, and reduce the protection gap as risks are amplified in an increasingly interconnected world.ⁱⁱⁱ

The insurance industry is at the forefront of climate action, serving as one of the primary mechanisms for risk valuation, monetization, transfer and recovery. In this industry, American Family has the opportunity to lead.

As part of our corporate responsibility commitment, American Family is developing strategies to better understand the impacts of climate change. We’re continuing to invest in high-impact social entrepreneurs and startups that are tackling a more just transition to climate adaptation and mitigation through technology, products, services and programs. We are actively making direct investments in startups through our social impact venture fund, as well as building programs and partnerships around climate risk and community resilience.

In 2020, we signed the “We Are Still In” pledge, which stated our support of climate action as outlined in the 2015 Paris Agreement. We used this platform to announce our goal to achieve carbon neutrality across scope 1, 2, and 3 emissions by 2030. We launched a Climate Risk and Resiliency Working Group as well as a Youth Climate Collaborative, a partnership with youth climate advocates, government officials and business leaders. These groups will be engaging in conversation with the goal of opening opportunities for action that strengthen our role in climate action and community resilience.

To enhance climate and community resilience across the country, American Family is committed to acting now. We believe reducing our environmental impact, understanding the issues of environmental injustice, and pursuing a just approach to climate risk adaptation and mitigation will support a thriving and more socially just future for our colleagues, our customers and our communities.



“ To enhance climate and community resilience across the country, American Family is committed to acting now. ”



OUR INSPIRATION FORWARD



STRENGTHENING CONNECTIONS, ELEVATING COMMITMENT

As people, as a business, we plan for the future. What it will bring can't be fully known. But in early 2020, as the world reacted to an unanticipated pandemic, even our immediate future – the next day, the next week – was thrown into uncertainty. We watched as COVID-19 spurred the closing of offices and schools, disrupted family routines, upended gatherings and holidays, and brought fear and suffering to so many.

As remote work became the new normal, American Family Insurance continued to support our customers and colleagues. We found that it wasn't the offices and daily routines that necessarily held us together. It was our collective vision for our enterprise, our care for each other and our customers that created connections and purpose. No matter where we were, we were connected by the work we did, the stories we shared, the children and pets we met and the support we gave each other.

The past year was defining for the American Family enterprise in many ways.

We placed a high value on employees' physical, mental and family health by allowing work schedule flexibility when possible and offering paid thank-you days to show appreciation for the balancing act many employees were handling.

We created a tutoring program to assist parents whose children were learning at home, and we encouraged managers to check regularly on the well-being of their employees.

We were accepting of small inconveniences and celebrated personal and professional milestones.

WE CARRIED THAT SAME GRACE INTO OUR COMMUNITIES.

We offered more than \$500 million in premium relief, and our agency owners took extra time with customers, assisting with coverage options and payment flexibility.

Through the American Family Insurance Dreams Foundation and the Steve Stricker American Family Insurance Foundation, we provided more than \$6.8 million to COVID-19 pandemic relief efforts, in cities around the country, including Boston, Denver, Minneapolis and St. Louis.

The connections we created with customers through these actions were strengthened by our simultaneous commitment to bolstering racial and social justice efforts in our communities.

We believe in an inclusive culture where all individuals feel they can bring their whole selves to work. American Family and its subsidiary companies have a variety of employee-led business resource groups (BRGs), which provide networking, education and input on business practices and decisions regarding diversity. These groups were a huge workforce support during the pandemic and other social unrest in 2020.

We built on the flexibility spurred by the pandemic to continue pursuit of a more diverse workforce, seeking talent in all geographic areas and from all backgrounds. Our commitment to diversity in recruiting, hiring and retention will position the company to better serve customers and communities, and present more innovative approaches to problem-solving.

Creating and strengthening connections stems from care and concern for others – a foundational value to our enterprise.

As American Family's President and CEO-Elect Bill Westrate, says, "This work is at the core of our DNA. For more than 90 years, American Family has invested in initiatives benefiting our society. Our role is to partner to create the foundation for health, equity and economic prosperity in our communities."



OUR INSPIRATION FORWARD



15K BOOKS SENT TO SCHOOLS,
NON-PROFITS, AND PEOPLE
AROUND THE COUNTRY
Recipient of 6 Indie Book Awards

**PRESERVING HISTORY,
PROMOTING DIALOGUE**

In the aftermath of the killing of George Floyd, American Family Insurance asked community leaders in Madison, Wisconsin, how the company could help the fight for racial justice and equality. Local Circuit Court Judge Everett Mitchell responded quickly: As a part of ongoing social justice efforts, find a way to preserve the images and emotions of this moment so they are not forgotten.

That was the beginning of “Let’s Talk About It,” a pictorial book of the city-commissioned murals that lined Madison’s State Street, a landmark pedestrian street with small stores, restaurants and theatres, connecting the state’s Capitol with its flagship campus.

The 100-plus murals, some spanning up to a quarter-block, were created primarily by area artists of color and commissioned by the City of Madison Arts Commission. The artists used the plywood covering the windows of downtown businesses following Floyd’s killing by a Minneapolis police officer as their canvasses. The death sparked weeks of protests for racial justice in Madison and across the nation.

Most of the images are accompanied by photos of the artists and their thoughts about their work.



The American Family Insurance Institute for Corporate and Social Impact coordinated and designed the book, in addition to funding its printing and distribution. Copies of “Let’s Talk About It” were provided to the artists and other interested parties and organizations, including schools, nonprofits and libraries, free of charge.

“We took Judge Mitchell’s words to heart,” said Nyra Jordan, social impact investment director at the Institute and project director for the book. “We embraced this book as not only an opportunity to preserve history, but also as a way to promote discussion and action that addresses systemic racism.”

In addition to its involvement in the book, American Family offered the mural artists access to a free business accelerator program for visual artists that helped them with copyright law, compensation models, mentorship, networking, and other support. A total of 19 artists participated in the program, Fellowship.art, which is run by gener8tor, a regional startup accelerator.

“ We want to be known as a diversity, equity and inclusion influencer in our communities. ”



**A DIVERSITY, EQUITY AND
INCLUSION INFLUENCER**

“We want to be known as a diversity, equity and inclusion influencer in our communities,” says Yasir Kamal, Inclusive Excellence Vice President.

It’s an important goal for the American Family enterprise and touches nearly every facet of our business, from product development and customer service to recruitment, hiring and retention to marketing partnerships and community support. It’s incorporated into what we do and how we do it.

In 2020, we made more progress, in deeper ways, than we ever expected in such an unusual year.

We hosted training and forums for employees, leaders and our agency owners to talk openly about experiences of racism and discrimination; we launched new business resource groups (BRGs) at American Family and our enterprise companies, including groups for Southeast/East Asian, South Asian, African American/Black, Hispanic/Latinx employees and allies; and we added three diverse members to our board of directors: Rosie Rios, former treasurer of the United States, Sheri Edison, legal executive, and Antoinette Leatherberry, risk and financial executive (who joined the board in 2021).

Our discussions and the work of our BRGs will influence our business decisions as we move forward, and the work to further the diversity of our teams is already underway.

We’ve expanded our recruiting efforts in deliberate and targeted ways, focusing on historically Black colleges and universities and partnerships with organizations that support development and recruitment of diverse employees and leaders. And, we’ve launched training around inclusive hiring practices for our recruiters and leaders.

OUR INSPIRATION FORWARD



FAIR CHANCE HIRING

In 2020, we also laid the foundation for our Fair Chance Hiring initiative through the American Family Insurance Institute for Corporate and Social Impact. This new initiative will increase access to opportunity, social equity and hope for underestimated communities as well as those impacted by the criminal justice system.

The United States spends more on prisons and jails than it does on educating children: Fifteen states spend at least \$27,000 more per incarcerated individual than they do per K-12 student.¹ In addition, because of the stereotypes associated with a criminal record, nearly 75 percent of formerly incarcerated individuals are still unemployed a year after release.²

“Systems in this country for justice-involved individuals are broken and have failed communities around this country,” says Nyra Jordan, social impact investment director at the Institute. “With these efforts internally, we’re doing our part to help close this equity gap and give the full benefits of opportunity that our democracy promises while simultaneously expanding our access to talented individuals.”

As this work move forward, we are teaming with the national nonprofit, Next Chapter, to provide apprentices to our information technology teams. These individuals have undergone extensive training while they have been involved in the justice system.

It’s a step in the right direction, and an important example of how American Family is creating positive opportunities within our workforce and communities.

Sources:

- 1. <https://www.gobankingrates.com/money/economy/states-that-spend-more-on-prisons-than-education/#2>
- 2. <https://www.aclu.org/issues/smart-justice/re-entry>



And we’re just getting started.

OUR DATA | COMMUNITY

Topic	Indicator	Measure	2017	2018	2019	2020	% ▲2019- 2020
Philanthropic Giving	Total American Family Community Investments ¹	USD	11,742,242	12,621,857	14,803,307	16,498,265	17%
American Family Dreams Foundation	Total American Family Dreams Foundation Contributions ²	USD	6,328,537	6,476,262	8,391,945	10,190,355	18%
	Grant Contributions	USD	3,884,448	1,467,500	2,829,765	2,526,000	-12%
	Matching Gift Contributions ³	USD	1,879,089	4,328,762	2,361,225	3,305,765	29%
	Scholarship Contributions	USD	415,000	645,000	832,500	821,250	-1%
	Disaster Recovery (non-COVID)	USD	150,000	35,000	75,000	237,000	68%
	Other Charitable Contributions	USD	—	—	2,293,455	3,300,340	31%
	Grants Awarded	# of grants	178	126	180	218	17%
	Scholarships Awarded	# of students supported	166	259	341	329	-4%
	Scholarship University Attendance	# of universities with scholarship recipient attendees	52	115	141	154	8%
Steve Stricker American Family Insurance Foundation	Total Stricker Foundation Contributions ⁴	USD	1,625,000	2,067,000	2,404,000	3,045,500	21%
	Stricker Foundation Economic Impact	USD	14,000,000	15,000,000	15,000,000	N/A	N/A
	Stricker Foundation Volunteering	# of volunteers	930	1,200	1,100	N/A	N/A
	Charitable Recipients	# of recipients	68	83	97	154	17%
	Number of Event Attendees	# of attendees	65,000	65,000	70,000	N/A	N/A
	Sponsorship	# of sponsors	185	180	180	N/A	N/A
University of Wisconsin-Madison Partnership	Total UW-Madison Partnership Contributions ⁵	USD	3,788,705	4,078,595	4,007,362	5,106,828	-2%
Volunteer	Employee Volunteer Hours ⁶	# of hours	8,713	9,497	11,203	12,587	18%
	Employee Volunteers	# of volunteers	1,417	1,727	1,632	677	-6%
	Volunteer CauseCards Redeemed	# of CausCards	—	—	—	882	N/A
	Volunteer CauseCards Donated	\$ Donated	—	—	—	86,460	N/A

Notes:

* The community pillar represents the philanthropic giving of American Family Insurance in 2020. These numbers do not reflect enterprise giving.

1. Philanthropic Giving: Measured as total annual community contributions including gifts made by the American Family Insurance Dreams Foundation, UW Partnership and Steve Stricker American Family Insurance Foundation. Gifts from the American Family Insurance Dreams Foundation include grants, scholarships, employee/agent matching gifts, disaster relief and other charitable contributions.
2. American Family Insurance Dreams Foundation: Measured as total annual community contributions, including gifts made through grants, scholarships, employee/agent matching gifts, disaster relief and other charitable contributions. Please note, all Colorado, Idaho and Utah organizations were paid by AFMIC.
3. Matching gift contributions include matches from employees and agency owners at American Family Insurance.

4. Steve Stricker American Family Insurance Foundation: Measured as total annual community contributions, including gifts made to various charities on a year-by-year basis. Due to the COVID-19 pandemic, the American Family Insurance Championship was canceled in 2020. The Steve Stricker American Family Insurance Foundation reallocated its funds to donate more than \$3 million directly to charities.
5. UW Partnership: Measured as total annual contributions to UW-Madison. Annual giving for each giving area fluctuate year-by-year, but the total is what American Family Insurance is committed to spend annually.
6. Volunteerism: Measured as total annual employee volunteer hours and number of employee volunteers. This measure is self-reported and includes American Family Insurance employees only.



OUR DATA | ENVIRONMENT

Topic	Indicator	Measure	2017	2018	2019	2020	% ▲2019 - 2020
GHG Emissions	Total GHG Emissions ¹	mtco2e	55,868	55,902	70,855	71,609	1%
	*Scope 1	mtco2e	16,822	17,592	17,886	12,661	-29%
	**Scope 2	mtco2e	32,761	31,549	31,761	25,373	-20%
	Scope 3	mtco2e	6,285	6,761	21,208	33,575	58%
Energy	Energy Use Intensity (EUI) ²	kBTU/SqFt/yr	82.76	81.4	79.92	70.52	-12%
	***Onsite Renewable Energy Production ³	kWh	210,287	1,623,458	1,169,968	986,781	-16%
	****% LEED Facilities	LEED facility s.f./portfolio s.f.	6.91	6.91	15.68	20.6	31%
Waste	Total Waste Generated	US tons	1,203.93	1,258.43	3,698.00	1,133.90	-69%
	Owned Buildings Tracking Waste Metrics	number of buildings included in the diversion rate/total owned buildings	9/13	9/15	10/15	10/15	0%
	Waste Diversion Rate ⁴	total recycled waste/total waste generated	77.40%	75.74%	90.08%	78.80%	-13%
Water	Water Consumption ⁵	gallons	40,683,225	39,956,613	35,450,714	25,826,528	-27%
Land Management	Total Native Land Restored ⁶	acres	12.5	17.9	33.9	40.7	20%
	Native Land Restored at Owned Facilities	%	3%	5%	9%	11%	22%

Notes:

To better align with our Sustainability and Climate Action Strategy and CDP reporting structure, several of the metrics formerly itemized in this matrix (i.e. corporate fleet, corporate jet, and facilities utility cost and GHG emissions) are now reflected in the GHG Emissions metrics.

* The decrease in Scope 1 emissions from 2019 to 2020 can be attributed to a reduction in fleet and corporate jet use as a result of the COVID-19 pandemic.

** The decrease in Scope 2 emissions from 2019 to 2020 can be attributed to reduced facility energy use as a result of the 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, Wis.

**** % LEED Facilities: Addition of Spark Building (LEED v4.0 Core and Shell) to % of 2020 LEED Facilities.

1. 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. American Family has not completed mapping our Scope 3 emissions (per EPA guidelines) and will continue to add additional emission categories and retroactive data as it becomes available. Current scope 3 emissions being reported include: purchased goods and services (paper and cloud services), 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.

2. 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. Year 2021 Target = 35% reduction.

3. 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.

4. Waste Diversion Rate: Measured as total annual waste recycled (recycling and composting) / total annual waste generated at NHQ and Madison-area facilities, including National Headquarters, East Regional Building, Cottage Court, Mayfair, Hangar, Applied Learning Center, Records Retention, Commercial Print, Spark, and City View.

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

6. Native Land Restored: Measured as land that is actively managed/protected and restored as native habitat.



OUR DATA | PEOPLE

Topic	Indicator	Measure	Company	2017	2018	2019	2020	% ▲ 2019- 2020
Employees	Number of Employees	# of employees	AFI	8,890	8,489	8,077	7,452	-7.7%
			Enterprise	—	—	13,486	13,210	-2.0%
Wellbeing Program	Total Employee Well-being Contributions ¹	USD	AFI and CONNECT	1,209,934	1,222,753	1,145,415	—	—
			Enterprise	—	—	—	1,412,130	—
	Average Employee Incentive Earned	USD	AFI and CONNECT	195	221	224	—	—
			Enterprise	—	—	—	121	—
	Percent Employees Engaged with Program	% of employees	AFI and CONNECT	53	57	60	59.4	-1.1%
			Enterprise	—	—	—	58.11	—
	Percent Employees Attaining Incentive Level 2 out of 4	% of employees	AFI and CONNECT	41	41	48	46.6	-2.9%
			Enterprise	—	—	—	36.6	—
Satisfaction	Employee Retention ²	% of employees retained	AFI	91.2	90.0	89.3	84.4	-5.5%
			Enterprise	—	88.4	87.4	86.0	-1.6%
	Pulse Survey/Enterprise Engagement Survey**	Engagement Index (percent out of 100)	AFI	—	81.5	81	78	-3.1%
			Enterprise	—	—	—	80	—
Talent Development	Leadership and Professional Development Training Expenditures ³	USD	AFI	4,840,666	4,433,551	4,313,646	4,915,156	13.9%
	Leadership and Professional Development Trainings Offered ⁴	# of distinct courses		333	387	424	187/1138	—
	Total Employee Tuition Support Paid ⁵	USD		834,761	887,407	1,208,307	1,156,420	-4.3%
	Tuition Reimbursement Paid	USD		834,761	698,403	823,557	745,390	-9.5%
	Employee Scholarships	USD		—	111,904	145,150	150,330	3.6%
	Employee Student Loan Repayments	USD		—	77,100	239,600	260,700	8.8%
	Number of Colleges and Universities w/AmFam Scholarship Recipients Enrolled ⁶	# of higher ed institutions		—	115	82	87	6.1%
	Employees Participating in Tuition Reimbursement Program	# of employees		177	366	239	205	-14.2%

Notes:

* Health Risk Assessment adjusted in 2019 to include Lifestyle Scoring and Heart Age Scoring – comparing activity, nutrition, mind, smoking, and overall cardiovascular health (age, weight, cholesterol, blood pressure, smoking, diabetes, and family history). Value shown for 2019 is out of 700 total. Industry Average is 413. Switched to Health Check for 2020/2021 - value shown for 2020 is out of 100 total. Year-over-year change unavailable due to switch to Health Check.

** Employee Pulse Survey was administered quarterly in 2019. The value shown represents the average of four quarters. The Pulse Survey in 2019 consisted of three outcome questions to assess organizational commitment, discretionary effort and organizational advocacy – key indicators of engagement, as well as, additional questions that measure various drivers of engagement, such as ethical environment and diversity and inclusion. In 2020, we aligned our engagement survey to a biannual administration at the enterprise level and also replaced the discretionary effort question with productivity. The 2020 engagement index is reflective of the September 2020 enterprise engagement survey.

1. Well-being Commitment: Measured as total annual well-being program expenditures, including corporate well-being incentives and administrative costs.

2. Employee Satisfaction: Measured as annual percent employee retention rate.

3. Leadership Development and Professional Development (LDPD) Training Expenditures: Measured as total annual AFI talent development expenditures to support professional and leadership development training for the enterprise. Expenditures reflective of AFI Talent Development salaries, travel, course materials, catering for courses, and AFI tuition reimbursement.

4. Trainings Offered: (reported as AmFam designed traditional courses/Curated Micro-Learning Content). Measured as distinct leadership and professional development courses offered to empower employees in addition to Curated Micro-Learning Content for On-Demand Learning. Courses coded as mandatory are not included in this measure.

5. Tuition Support Paid: Measured as a total annual dollars invested in American Family Insurance employees for educational purposes. In 2020, this measure included employee student loan repayments, employee tuition reimbursement and employee scholarships.

6. Number of Colleges and Universities with AmFam scholarship recipients enrolled. Number based on multiple databases. Range of +/- 5 of total shown (82-92) = % ▲0% - 12%.

NOTE: Workforce representation data can be found in the 2020 Inclusive Excellence Report.



ENDNOTES/CITATIONS

ENDNOTES

1.

Philanthropic Giving: Measured as total annual community contributions, including gifts made by the American Family Insurance Dreams Foundation, UW Partnership, and Steve Stricker American Family Insurance Foundation. Gifts from the American Family Insurance Dreams Foundation include grants, scholarships, employee/agent matching gifts, disaster relief and other charitable contributions.
2.

American Family Insurance Dreams Foundation: Measured as total annual community contributions, including gifts made through grants, scholarships, employee/agent matching gifts and disaster relief. Please note: All Colorado, Idaho and Utah organizations were paid by AFMIC.
3.

Matching Gifts: Matching gift contributions include matches from employees and agency owners at American Family Insurance.
4.

Steve Stricker American Family Dreams Foundation: Measured as total annual community contributions, including gifts made to various charities on a year-by-year basis. Due to the COVID-19 pandemic, the American Family Insurance Championship was canceled in 2020. The Steve Stricker American Family Insurance Foundation reallocated its funds to donate more than \$3 million directly to charities.
5.

UW Partnership: Measured as total annual contributions to UW-Madison. Annual giving for each giving area fluctuates year-by-year, but the total is what American Family Insurance is committed to spend annually.
6.

Volunteerism: Measured as total annual employee volunteer hours and number. This measure is self-reported and includes American Family Insurance employees only.
7.

Greenhouse Gas Emissions: 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. American Family has not completed mapping our Scope 3 emissions (per EPA guidelines) and will continue to add additional emission categories and retroactive data as it becomes available. Current scope 3 emissions being reported include: purchased goods and services (paper and cloud services), 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.
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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. Year 2021 Target = 35% reduction.
9.

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.
10.

Waste Diversion Rate: Measured as total annual waste recycled (recycling and composting) / total annual waste generated at NHQ and Madison area facilities, including National Headquarters, East Regional Building, Cottage Court, Mayfair, Hangar, Applied Learning Center, Records Retention, Commercial Print, Spark and City View.
11.

Water Consumption: Measured as total annual water consumed (gallons) from all owned facilities.
12.

Native Land Restored: Measured as land that is actively managed/protected and restored as native habitat.

13.

Well-being Commitment: Measured as total annual well-being program expenditures, including corporate well-being incentives and administrative costs.
14.

Employee Satisfaction: Measured as annual percent employee retention rate.
15.

Leadership Development and Professional Development (LDPD) Training Expenditures: Measured as total annual AFI talent development expenditures to support professional and leadership development training for the enterprise. Expenditures reflective of AFI Talent Development salaries, travel, course materials, catering for courses, and AFI tuition reimbursement.
16.

Trainings Offered: Reported as American Family-designed, traditional courses/Curated Micro-Learning Content. Measured as distinct leadership and professional development courses offered to empower employees, in addition to Curated Micro-Learning Content for On Demand Learning. Courses coded as mandatory are not included in this measure.
17.

Tuition Support Paid: Measured as total annual dollars invested in American Family Insurance employees for educational purposes. In 2020, this measure included employee student loan repayments, employee tuition reimbursement and employee scholarships.
18.

Number of Colleges and Universities with AmFam Scholarship Recipients Enrolled. Number based on multiple databases. Range of +/- 5 of total shown (82-92) = % ▲0% - 12%.

CITATIONS

- i.

Centers for Disease Control. Health Equity Considerations and Racial and Ethnic Minority Groups. 2021. Health Equity Considerations and Racial and Ethnic Minority Groups _ CDC.pdf
- ii.

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ABOUT THIS REPORT

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The American Family 2020 Corporate Responsibility Report was prepared in 2021. Data utilized in this report represents information collected between the dates of Jan.1, 2020, and Dec. 31, 2020. If metrics within a storyline or infographic cover a different timeline, that timeline is noted. This is the fourth consecutive Corporate Responsibility Report for American Family Insurance and continues to serve as a means by which annual performance and progress can be evaluated. While this report references the Global Reporting Initiative (GRI) Standards for Sustainability Reporting, it is not intended to meet all requirements necessary to be in accordance with GRI Standards.

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CARBON OFFSETS

American Family purchased a carbon offset from The Arbor Day Foundation to balance the carbon emissions associated with the production of our 2020 Corporate Responsibility Report. The offset is equivalent to carbon sequestered by 6 tree seedlings grown for 10 years. This estimate was calculated using the EPA Greenhouse Gas Equivalencies Calculator for .314 metric tons of CO2.

The footprint calculation included the emissions associated with paper production, the shipping of paper, shipping of ink cartridges, production of ink cartridges, printing of the CR report, and electricity used to power the computer with which the report was designed. The calculation for the paper was provided using the Environmental Paper Network’s Paper Calculator. This calculation included the carbon from burning fossil fuels, methane from paper decomposing in landfills, short-living climate pollutants, and the forest carbon storage loss from logged forests. The emissions associated with the shipping of paper and ink to American Family facilities were calculated using the Carbon Fund’s product shipments equation based on the weight of paper and ink estimated to produce 300 reports. Emissions associated with the production of ink cartridges was based off a standard size ink cartridge and the average number of printed pages one ink cartridge can support to identify the estimated number of ink cartridges required for printing 300 reports. Printing emissions were calculated based on the average amount of emissions released using an American Family-owned inkjet printer. Finally, as we produced both a physical and digital copy of the CR report, we estimated the amount of time in hours that was spent on the computer drafting, designing, collaborating, and producing the CR report. We then calculated the average amount of electricity required to power computer use for that length of time to quantify the total amount of carbon emissions in metric tons released throughout this usage period.





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