American Family Insurance - Climate Change 2021

C0. Introduction

C0.1

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

Based in Madison, Wisconsin, American Family Insurance (AmFam) has been serving customers since 1927. We inspire, protect, and restore dreams through our insurance products, exceptional service from our agency owners and employees, community investment and creative partnerships to address societal challenges. American Family Insurance group (the group) is the nation's 13th-largest property/casualty insurance group, ranking No. 232 on the Fortune 500 list. The group sells American Family-brand products, primarily through exclusive agency owners in 19 states. The group also includes CONNECT, powered by American Family Insurance, The General, Homesite and Main Street America. Across these companies the group has more than 13,500 employees nationwide.

In 2018, the group established The American Family Insurance Institute for Corporate and Social Impact (the Institute). The Institute is a venture capital firm and partner of choice for exceptional entrepreneurs who are building scalable, sustainable businesses in a long-term effort to close equity gaps in America. The Institute has four core focus areas: resilient communities, economic opportunity for all, learning and academic achievement, and healthy young development. Within resilient communities, we are committed to building a healthier and stronger country, starting at the local level. Our vision is to build capacity through resilient communities across America, where everyone lives in a safe, sustainable, and equitable world. Our focus is on communities that face the most adverse conditions. Climate change creates new risks and increases existing vulnerabilities in communities across the United States. These risks and vulnerabilities present growing challenges to human health and safety, quality of life, and the rate of economic growth. People who are already vulnerable, including lower-income and other marginalized communities, have lower capacity to cope with extreme climate-related events, and are expected to experience even greater impacts. Climate change issues call for radical action. We plan to help by investing in solutions aimed at reducing the negative impact of carbon and other pollutants, making America's communities greener, and creating new jobs.

In 2020, AmFam's operations within our operational control consisted of approximately 60 owned and leased offices. In this CDP response, our quantitative data covers sites under the operational control of AmFam and does not include operations from the group.

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

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

United States of America

C0.4

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

USD

C0.5

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

Operational control

C-FS0.7

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

Investing (Asset owner)
Insurance underwriting (Insurance company)

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual(s)	Please explain
Board-level committee	The American Family Insurance Mutual Holding Company's (AFIMHC) Board of Directors is accountable for the annual approval of the Enterprise Risk Policy and obtaining an understanding of key risks for all entities of the group. The AFIMHC Corporate Governance Guidelines state that the Board has oversight responsibility for the Enterprise Risk Management (ERM) function. The Risk Committee of the Board is accountable for oversight of the ERM function and framework. This accountability is documented in the Risk Committee charter, which is reviewed and approved annually. In fulfilling this accountability, the Risk Committee receives quarterly updates from management, reviews and approves the Risk Policy, risk appetites and ERM charter, periodically participates in training and information sessions on risk topics, and reviews the quarterly risk dashboard. Responsibilities of the Board and Risk Committee are consistent with the COSO framework which suggests the Board has a lead role in the management of risk. Climate-related issues are monitored by the Enterprise Climate Risk and Resilience Working Group. The purpose of the Climate Risk and Resilience Working Group is to identify, assess and monitor climate-related risks that affect American Family Insurance group's ability to achieve key business objectives. Members of the Climate Risk and Resilience Working Group develop an Enterprise-wide climate risk management framework, act as liaisons for risk-based dialogue between internal and external stakeholders and recommend action that enhances the groups strategic resilience. The Climate Risk and Resilience Working Group is facilitated by ERM. ERM reports quarterly to the Enterprise Risk Committee and Board of Directors. The Chief Risk Officer is responsible for this quarterly reporting and reports to the Chief Financial Officer (CFO).

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding risk management policies Monitoring implementation and performance of objectives	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our insurance underwriting activities Climate-related risks and opportunities to our other products and services we provide to our clients	Climate-related issues, including regulatory updates, emissions reduction targets, and risks and opportunities are communicated to the Risk Committee and Board of Directors on a quarterly basis by ERM as part of quarterly risk reporting. Some meetings include specific climate-related agenda items that explore climate in the broader ESG context, as well as climate-related venture capital (VC) investments and risk management activities. The American Family Insurance group of companies has an ERM function that provides risk reporting to the board of directors (BOD) at least four times a year. Annually, the BOD approves the groups risk policy that describes the risk appetite and tolerance levels set by senior leadership of the group. The policy provides guidance to ensure risk exposures will remain within acceptable boundaries. The guidance provided by the risk policy considers natural catastrophe risk. To ensure the BOD and executive management receive information about emerging risks, the group has several processes in place to ensure that emerging and evolving risks with the potential to impact the group continue to be identified. ERM has historically facilitated a formal risk interview process annually. As part of this process, all areas of the organization participate in risk interviews, including operating company leadership, division leadership, senior leadership, and Risk Committee members. Risks identified can include those due to changes in processes, new strategies, or external factors such as the changes to the industry and the way we conduct business. One ongoing risk is the impact of severe weather events. While this risk is one that is continuously monitored in the organization, the ERM process considers changes to experience, computer models, and trends identified by experts through ERM's networking and involvement in professional organizations. Exposures are evaluated in relation to capital quarterly to ensure the risk is within tolerance, and therefore, within the stated enterprise risk policy appetite and tolerance. American Family Insurance's investment managers take the issue of climate risk into consideration in the same manner as any other potential drivers of risk and return in the investment portfolio. Investments are managed to ensure the organization can respond in the event of a natural catastrophe.

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Risks Officer (CRO)	Finance - CFO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities	Quarterly
ESG Portfolio/Fund manager	Corporate Sustainability/CSR reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities	As important matters arise
Other, please specify (Community and Social Impact Officer)	Corporate Sustainability/CSR reporting line	Other, please specify (Chief Impact Officer of which Community Resilience is a Social Venture Capital fund pillar)	Risks and opportunities related to our investing activities	As important matters arise
Business unit manager	Finance - CFO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	As important matters arise

C1.2a

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

CRO :

The Chief Risk Officer owns oversight and action for Enterprise Climate Risk and Resilience. Climate-related issues are monitored by the Enterprise Climate Risk and Resilience Working Group. The purpose of the Climate Risk and Resilience Working Group is to identify, assess and monitor climate-related risks that affect the group's ability to achieve key business objectives. Members of the Climate Risk and Resilience Working Group develop an Enterprise-wide climate risk management framework, act as liaisons for risk-based dialogue between internal and external stakeholders and recommend action that enhances the group's strategic resilience. The Climate Risk and Resilience Working Group is facilitated by ERM. ERM reports quarterly to the Enterprise Risk Committee and Board of Directors. The Chief Risk Officer is responsible for this quarterly reporting and reports to the Chief Financial Officer (CFO).

ESG Portfolio/Fund Manager:

The ESG Fund Managing Director reports to the Community and Social Impact Officer and the Institute Advisory Board. The Managing Director oversees the venture capital investing activities for the American Family Institute for Corporate and Social Impact. The Institute has four focus areas, one of which is Community Resilience. This focus area centers around the theme of investing in social impact startups that are leading the efforts in fighting climate change and building resilience for communities which are most vulnerable and have a lower capacity to cope with extreme climate related events. The Institute currently reports out annually as a public benefit corporation and is working to create its own system of social impact reporting.

Community and Social Impact Officer:

The Community and Social Impact Officer reports to the Chief Strategy Officer and serves as President of the American Family Institute for Corporate and Social Impact which includes the social venture capital investment focus area of Community Resilience. The Community and Social Impact Officers also oversees our Climate Action and Community Resilience social impact partnerships team. The team focuses on strategic partnerships in the intersection of climate action, climate justice and equitable economic empowerment through the growth of climate and community resilience impact investments in startups, nonprofits, and community programs and partnerships with a focus on Black, Indigenous, and People of Color (BIPOC) and women-led organizations.

Business unit manager:

Our Vice President of Business Workplace Services (Operations) owns the sustainability and climate action strategy for the organization. This strategy includes our goal of being carbon neutral by 2030. The strategy is housed in our operations department because it houses all our scope 1 and 2 emissions as well as some of our scope 3 emissions, including the development, printing and shipment of our product. The Vice President of business workplace services reports to the Chief Financial Officer.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Positive incentives are provided to employees that support our climate strategy in the form of pay incentives, bonuses, and performance ratings.

C1.3a

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

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Business unit manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	The management and sponsorship of our Sustainability and Climate Action strategy was identified as a departmental initiative in 2019 and 2020. This strategy includes our commitment to being carbon neutral by 2030, to using 100% renewable electricity at our facilities by 2025, achieving zero waste at our owned facilities by 2025, and other activities that support our environmental sustainability program. The success of this strategy is integrated into the annual performance goals of our sustainability senior analyst, sustainability administrator, facilities director, real estate director and vice president of our Business Workplace Services division. The health of the program and competition of initiatives are used to measure success and determine monetary and non-monetary rewards for the individuals identified above.
Environment/Sustainability manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	The management and sponsorship of our Sustainability and Climate Action strategy was identified as a departmental initiative in 2019 and 2020. This strategy includes our commitment to being carbon neutral by 2030, to using 100% renewable electricity at our facilities by 2025, achieving zero waste at our owned facilities by 2025, and other activities that support our environmental sustainability program. The success of this strategy is integrated into the annual performance goals of our sustainability senior analyst, sustainability administrator, facilities director, real estate director and vice president of our Business Workplace Services division. The health of the program and completion of initiatives are used to measure success and determine monetary and non-monetary rewards for the individuals identified above.
Other, please specify (Community and Social Impact Consultants)	Non-monetary reward	Other (please specify) (climate action and community resilience community partnerships)	As part of the newly formed Office of Community and Social Impact (OCSI), the environment/sustainability managers are referred to as Community and Social Impact consultants The consultants lead the growth of climate and community resilience impact investments in startups, nonprofits, and community programs and partnerships with a focus on Black, Indigenous, and People of Color (BIPOC) and women-led organizations. The team works internally in collaboration with cross-functional and cross-divisional teams to grow engagement and corporate advocacy across the group, focusing on climate and community resilience. We believe efforts to reduce our own environmental impacts, understanding the issues of environmental injustice and the need for partnerships that pursue a more just approach to climate risk adaptation and mitigation efforts, will help support a thriving and more socially just future.
Other, please specify (Enterprise Risk Management Advisor)	Non-monetary reward	Other (please specify) (enterprise risk management and resilience)	ERM leads enterprise climate risk assessment and scenario analysis that ensures the group builds resilience against a changing climate. Project development and implementation as well as enterprise strategic planning is integrated as part of the ERM Advisor accountabilities and performance goals.
ESG Portfolio/Fund manager	Monetary reward	Portfolio/fund alignment to climate-related objectives	The ESG Fund Managing Director reports to the Community and Social Impact Officer and the Institute Advisory Board. The Managing Director oversees the venture capital investing and partnership activities for the American Family Institute for Corporate and Social Impact. One of the primary accountabilities of the ESG Fund Managing Director is to direct and manage investments in community resilience startups. The Institute defines this investing category as startups which are working to fight climate change and build resilience for communities which are most vulnerable and have a lower capacity to cope with extreme climate related events.

C-FS1.4

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

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No, but we plan to do so in the next two years	American Family does not currently offer ESG investment opportunities for our employees. We are evaluating offering such opportunities through a self-directed brokerage arrangement. If this is the decided direction, we plan to offer trainings to our employees, educating them on ESG and sustainable investments.

C2. Risks and opportunities

C2.1

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

No

C2.1a

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

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

C2.1b

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

American Family Insurance has adopted an ERM risk assessment methodology that considers the unique characteristics of each risk. The organization considers both quantitative and qualitative risk measures as part of the assessments, recognizing that not all risks can be evaluated based on numeric data. The assessments consider the upside of risk as well as the downside along with any mitigation needs. This definition is used when identifying or assessing climate-related risks.

A qualitative approach to measuring risk is performed by the business that owns each risk in collaboration with ERM. This qualitative approach provides a consistent scale in which to prioritize risks for more detailed analysis and in-depth assessments. A three-factor approach is used which includes defined impact and likelihood scales along with a velocity scale which recognizes the speed of impact of the risk.

Impact is a measure of the severity or magnitude of adverse consequences of the risk to the organization. To recognize that different risk events may impact the organization in different ways, the impact scale considers several impact measures. The impact of a risk event may be measured as loss of revenue, increased expenses or losses, damaged reputation, legal or regulatory consequences, impact on achievement of strategic objectives, impaired customer satisfaction, or reduced staff morale. Impact levels range from insignificant to severe. As most ERM risks pose a threat to American Family's reputation, the potential negative impact on reputation is included in the impact scale and is considered when determining the potential adverse consequences of each risk.

Risks which present substantive financial or strategic impact to the business are defined as severe and may include the one or more of the following criteria:

• Media outrage, critical reputation impact

• Critical long-term damage to customers experience, customer satisfaction impaired

• Very significant impact on ability to achieve strategic objectives, more than one objective not achieved

• Adverse regulatory opinion, corrective action required by regulator, litigation action or award

• Reduction in revenue or forgone potential revenue of 3% or more

• Increase in losses and expenses of 3% or more

• Widespread staff morale problems, increased turnover, loss of key leadership

C-FS2.2d

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable>	We will incorporate an analysis of our water-related risks and opportunities into our full climate risk scenario analysis. This work launched in May 2021 and is scheduled to be completed by July 2023.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	<Not Applicable>	We will incorporate an analysis of our water-related risks and opportunities into our full climate risk scenario analysis. This work launched in May 2021 and is scheduled to be completed by July 2023.
Other products and services, please specify	Not applicable	<Not Applicable>	Other products and services are not applicable to our business

C-FS2.2e

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable>	We will incorporate an analysis of our forest-related risks and opportunities into our full climate risk scenario analysis. This work launched in May 2021 and is scheduled to be completed by July 2023.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	<Not Applicable>	We will incorporate an analysis of our forest-related risks and opportunities into our full climate risk scenario analysis. This work launched in May 2021 and is scheduled to be completed by July 2023.
Other products and services, please specify	Not applicable	<Not Applicable>	Other products and services are not applicable to our business

C-FS2.2f

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

	We request climate-related information	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	Our team within the Institute has developed a survey to request corporate responsibility and sustainability data from the ventures that we have invested in. We plan to evolve this reporting in future years
Insurance underwriting (Insurance company)	No, and we don't plan on requesting climate-related information	As it stands today, our policyholders' climate related information will not be evaluated as part of the group's initial climate risk scenario analysis. Currently, our plans for a climate risk scenario analysis will be asset owner specific and does not yet include our policyholder side.
Other products and services, please specify	Not applicable	

C2.2g

(C2.2g) Why does your organization not have a process in place for identifying, assessing, and responding to climate-related risks and opportunities, and do you plan to introduce such a process in the future?

	Primary reason	Please explain
Row 1	We are planning to introduce a climate-related risk management process in the next two years	American Family Insurance recognizes the physical and transitional risks associated with climate change. While we have not evaluated the impact and likelihood of these risks through a formal climate risk assessment and scenario analysis, the Enterprise Climate Risk and Resilience Working Group is developing strategic frameworks and methodologies to do so in the future. In the summer of 2020, an enterprise climate risk survey was conducted to identify top climate risks/opportunities. The survey provided valuable insights that will be used in shaping our approach to climate risk assessment and scenario analysis. Outcomes included strategic direction, analytics, time horizons, business impacts/opportunities, and partners. American Family Insurance plans to utilize the Task Force on Climate-related Financial Disclosures (TCFD) as a framework to assess climate-related risk. Our approach will integrate scenario analysis into strategic planning/enterprise risk management processes by assigning oversight and governance. We will assess the materiality of climate-related risks, including current and anticipated organizational exposures. Scenarios will be developed with time horizons defined. Business impacts will be evaluated with potential responses identified. Qualitative assessment is planned to be conducted over the course of 2021 and 2022, with more quantitative analysis to be completed in 2022 and 2023.

C2.3

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

No

C2.3b

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

	Primary reason	Please explain
Row 1	Evaluation in process	American Family Insurance recognizes the physical and transitional risks associated with climate change. While we have not formally evaluated the impact and likelihood of these risks through a formal climate risk assessment and scenario analysis, the Enterprise Climate Risk and Resilience Working Group is developing strategic frameworks and methodologies to do so in the future . In the summer of 2020, an enterprise climate risk survey was conducted to identify top climate risks/opportunities. The survey provided valuable insights that will be used in shaping our approach to climate risk assessment and scenario analysis. Outcomes included strategic direction, analytics, time horizons, business impacts/opportunities, and partners. American Family Insurance plans to utilize the Task Force on Climate-related Financial Disclosures as a framework to assess climate-related risk. TCFD will provide a framework to begin developing formal climate-related risk governance, strategy, risk management and metrics/targets. Our approach will integrate scenario analysis into strategic planning/enterprise risk management processes by assigning oversight and governance. We will assess materiality of climate-related risks, including current and anticipated organizational exposures. Scenarios will be developed with time horizons defined. Business impacts will be evaluated with potential responses identified. Qualitative assessment is planned to be conducted over the course of 2021 and 2022, with more quantitative analysis to be completed in 2022 and 2023. It is our intention that planned climate risk assessment and scenario analysis will inform what risks will have a material financial and strategic impact on our business, as well as which present strategic opportunities.

C2.4

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

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Move to more efficient buildings

Primary potential financial impact
Reduced direct costs

Company-specific description
As part of the American Family Sustainability and Climate Action Strategy, we have identified opportunities to enhance resource efficiency by minimizing the groups emissions from our corporate fleet and travel operations. Furthermore, efforts to reduce paper usage and minimize waste in the short term, while also efficiently managing real estate will contribute financial savings in the long term. American Family Insurance has an energy management strategy with the goal of continuously improving efficiency across owned facilities. The strategy is managed by a cross-disciplinary team that includes representation from Facilities, Information Services and Data Center Management. It includes rigorous efficiency and emission targets out to 2025 with a continuous improvement cycle for strategic planning updates annually. Owned real estate is actively maintained with the Energy Star portfolio and includes multiple certifications. By 2025 we have committed to sourcing 100% of the electricity used at our owned facilities from renewable sources. In 2012, variable frequency drives were installed in both data centers and non-data air conditioning centers to reduce energy use. Solar panels have been installed in five locations for a total of 220kW of renewable power generated on site. The company now has three Leadership in Energy and Environmental Design (LEED) Certified facilities in its portfolio (Eden Prairie, MN and two in Madison, WI). Complementary programs include building envelope upgrades, green roofs, HVAC fixtures and controls, retro-commissioning projects, electrical fixture and controls updates, back up generation and behavioral modifications such as employee programs to power down equipment when it is not in use.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The impact has not been quantified financially

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
American Family Insurance plans to complete a formal climate risk assessment and scenario analysis which will identify and prioritize opportunities which may have substantial strategic or financial impacts. As part of this analysis, American Family Insurance will estimate potential financial opportunities to be utilized in short- and long-term strategic development discussions.

Comment
American Family Insurance has engaged in industry wide discussions on the topic of climate-related opportunities in insurance, specifically as it relates to adaptation finance, community resilience, and technological advancements in climate analytics. These opportunities will be considered once internal climate risk assessment and scenario analysis is complete, allowing for a more internalized understanding of opportunities by product, market and geography.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Ability to diversify business activities

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
At American Family Insurance, we recognize the impact climate change is having on our customers and their communities. We anticipate significant opportunities in developing products and services that enhance customer and community resilience. Whether it be through coverage which more proactively protects against wildfires and floods, or integrating climate risk in catastrophe modeling and pricing, we are actively exploring these opportunities and their influence on the group's financial and strategic planning. American Family recognizes that our products and services interact directly with climate risks. In response to this, we are continually researching ways to provide more sustainable products. One example of this is through research conducted at our roof farm. Here we study the resiliency of different roofing materials to best meet the effects of our changing climate. In addition, American Family is growing our products for usage-based insurance, which provides incentives for customers who drive fewer miles and less aggressively, encouraging lower carbon emissions.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The impact has not been quantified financially.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
American Family Insurance plans to complete a formal climate risk assessment and scenario analysis which will identify and prioritize opportunities which may have substantial strategic or financial impacts. As part of this analysis, American Family Insurance will estimate potential financial opportunities to be utilized in short- and long-term strategic development discussions.

Comment
American Family Insurance has engaged in industry wide discussions on the topic of climate-related opportunities in insurance, specifically as it relates to adaptation finance, community resilience, and technological advancements in climate analytics. These opportunities will be considered once internal climate risk assessment and scenario analysis is complete, allowing for a more internalized understanding of opportunities by product, market and geography.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Markets

Primary climate-related opportunity driver
Increased diversification of financial assets (e.g., green bonds and infrastructure)

Primary potential financial impact
Increased diversification of financial assets

Company-specific description
As regulator and investor demand for ESG transparency and disclosure increases, and the world transitions to a low carbon economy, American Family Insurance anticipates significant opportunity related to ESG investing and screening. Not only will such investments increase revenues, but they will also reduce ESG related risk by minimizing exposure to activities which misalign with a low carbon future. American Family Insurance's social impact investment managers take the issue of climate risk into consideration in the same manner as any other potential drivers of risk and return in the investment portfolio. The enterprise considers correlation between underwriting risk due to natural catastrophes and investment risk. Additionally, the Institute is a venture capital firm and partner of choice for exceptional entrepreneurs who are building scalable, sustainable businesses. We currently focus on three areas to increase community resilience. 1. Access to clean technologies, such as solar power and energy efficiency improvements 2. Water management (in terms of resilient cities, infrastructure management, and public health) 3. Advancing disaster and climate technology platforms for adaptation to a changing climate Portfolio Companies: • Biobot is a public health information company whose mission is to transform wastewater infrastructure into a global public health observatory and database • BlocPower uses machine learning to provide energy efficiency retrofit recommendations to owners of small to medium size buildings in metropolitan areas in the U.S. The company also provides project financing services to facilitate the installation of these recommendations. • One Concern's probabilistic models integrate AI/ML with human-centric disaster science to give businesses and governments a comprehensive, dynamic understanding of their disaster risk. • Solstice is a mission driven company with the goal of making solar energy available to every American via community solar, which makes solar energy available to all people, regardless of whether they have a rooftop (no installation is required). • StormSensor provides a cloud-based stormwater monitoring platform designed to offer real-time data and insights to track how stormwater is flowing through systems including municipal sewers, private sewers, and commercial sites.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The impact has not been quantified financially

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
American Family Insurance plans to complete a formal climate risk assessment and scenario analysis which will identify and prioritize opportunities which may have substantial strategic or financial impacts. As part of this analysis, American Family Insurance will estimate potential financial opportunities to be utilized in short- and long-term strategic development discussions.

Comment
American Family Insurance has engaged in industry wide discussions on the topic of climate-related opportunities in insurance, specifically as it relates to adaptation finance, community resilience, and technological advancements in climate analytics. These opportunities will be considered once internal climate risk assessment and scenario analysis is complete, allowing for a more internalized understanding of opportunities by product, market and geography.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	We have updated our corporate sustainability plan to a corporate responsibility plan. The plan includes a vision, mission and focus areas. The focus areas include community, environment and people and detail American Family Insurance’s commitment to protecting what matters most through positive social and environmental impact with measurable benefits for customers and their communities, employees, and our agents. In 2020, American Family Insurance released its third Corporate Responsibility Report summarizing our efforts for 2019. We plan to share this plan and our ongoing climate action work to our policyholders in the next two years.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Internal qualitative survey)	American Family Insurance recognizes the physical and transitional risks associated with climate change. While we have not formally evaluated the impact and likelihood of these risks through a formal climate risk assessment and quantitative scenario analysis, the Enterprise Climate Risk and Resilience Working Group is developing strategic frameworks and methodologies to do so in the future. In the summer of 2020, an enterprise climate risk survey was conducted to identify top climate risks/opportunities. The survey provided valuable insights that will be used in shaping our approach to climate risk assessment and scenario analysis. Outcomes included strategic direction, analytics, time horizons, business impacts/opportunities, and partners. American Family Insurance plans to utilize the Task Force on Climate-related Financial Disclosures as a framework to assess climate-related risk. TCFD will provide a framework to begin developing formal climate-related risk governance, strategy, risk management and metrics/targets. Our approach will integrate scenario analysis into strategic planning/enterprise risk management processes by assigning oversight and governance. We will assess materiality of climate-related risks, including current and anticipated organizational exposures. Scenarios will be developed with time horizons defined. Business impacts will be evaluated with potential responses identified. At this time, it is anticipated RCP 8.5 and RCP 4.5 will be utilized to develop climate, policy and economy assumptions.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Our strategy for products and services have been influenced by climate-related risks and opportunities in a few key ways. First, American Family is growing our products for usage-based insurance, which provides incentives for customers who drive fewer miles and less aggressively, encouraging lower carbon emissions. Additionally, American Family Insurance utilizes multiple catastrophe models to evaluate risk arising from natural catastrophe perils. While the models continue to become more sophisticated, there is still uncertainty around the outputs. For this reason, the company employs an approach that considers historical loss experience and total insured values at risk by location in addition to model output. Additionally, we limit uncertainty and variability in results by ensuring high data quality of model inputs. The result of catastrophe modeling is included in our capital adequacy modeling and stress testing analysis in order to provide assurance that the organization's level of capital is adequate for the catastrophe risk as well as other risks faced. The most substantial decision made in this area is the company's decision to form research team dedicated to understanding the impacts of climate change to policyholders. This team also provides recommendations to management as far as business changes to respond to the impacts of climate change. Finally, the company is also equipped with technological tools and processes designed to improve our disaster response. For instances where weather becomes more severe and/or frequent, this will translate to quicker recovery for our constituents. This strategy covers short-, medium- and long-term time horizons.
Supply chain and/or value chain	Evaluation in progress	We are in the process of developing a Code of Conduct for our suppliers which communicates our values as a group and expectations of our suppliers . This includes climate-related requirements, such as requesting our suppliers disclose to CDP. We will begin to share this code with our suppliers in 2021. Additionally, our team is in the process of leveraging EPA emission factors to begin internal accounting of our supply chain emissions. We have also begun to engage with CDP Supply Chain to identify and evaluate our suppliers already engaging with CDP. Based on our 2019 sample survey, 33 of our top 100 Tier 1 suppliers already participate in CDP supply chain. We plan to continue educating and inviting our suppliers to participate in the program and grow their engagement. The objective of this work is to use carbon impacts as an additional factor in deciding who American Family partners with strategically. This strategy will be implemented in the short-term horizon and support the long-term strategy of reaching net carbon by 2030.
Investment in R&D	Evaluation in progress	American Family recognizes that our products and services interact directly with climate risks. In response to this, we are continually researching and developing ways to provide more sustainable products. One example of this is through research conducted at our roof farm. Here we study the resiliency of different roofing materials to best meet the effects of our changing climate. American Family Insurance partnered with the Insurance Institute for Business & Home Safety (IBHS) through a first-of-its-kind national study that will support IBHS researchers over the next 25 years in identifying the effects of aging on residential roofing materials, with the ultimate goal of making residential roofs last longer and leak less ultimately helping customers mitigate risks. The study will determine how Midwest weather affects different brands of roofing material, using a dozen scientifically instrumented roof structures built on a bare patch of ground at American Family Insurance's corporate headquarters. This is a part of a larger, on-going, study driven by IBHS and other participating member companies. American Family Insurance will continue to invest in research that takes the issue of climate risk into consideration in the same manner as any other potential drivers of risk and return in our products and investment portfolio. This strategy will cover short-, medium- and long-term time horizons.
Operations	Yes	The activities of the AFI corporate responsibility plan align directly with our company's strategic plan through customer focused environmental sustainability efforts. Our strategy for our operations has been influenced by climate-related risks and opportunities because the principle objective under the environment pillar of American Family Insurance's corporate responsibility is the Sustainability and Climate Action Strategy, a plan to reduce greenhouse gas emissions. The most substantial decision made in this area is to utilize operational carbon/GHG data to inform a path toward net zero carbon. The Sustainability and Climate Action Strategy will direct our environmental action over the next five years. This strategy is informed by greenhouse gas emissions data from 2012-2019. American Family Insurance also has an energy management strategy with the goal of continuously improving efficiency across owned facilities. It includes rigorous efficiency and emission targets out to 2025 with a continuous improvement cycle for strategic planning updates annually. Owned real estate is actively maintained with the Energy Star portfolio and includes multiple certifications. By 2025 we have committed to sourcing 100% of the electricity used at our owned facilities from renewable sources. In 2012, variable frequency drives were installed in both data centers and non-data air conditioning centers to reduce energy use. The company now has three Leadership in Energy and Environmental Design (LEED) Certified facilities in its portfolio. Complementary programs include building envelope upgrades, green roofs, HVAC fixtures and controls, retro-commissioning projects, electrical fixture and controls updates, back up generation and behavioral modifications such as employee programs to power down equipment when it is not in use. A zero-waste initiative, launched in 2011. There is a myriad of programs in place to achieve a 90 percent waste diversion goal including the direct diversion of construction and demolition waste, pre-consumer and post-consumer organic waste, office paper recycling and electronic waste recycling. Beginning in 2013, 40 percent of our customer-facing correspondence is sourced from 30 percent and 10 percent post-consumer content, saving an estimated 440 metric tons of CO2 at current volumes. This strategy covers short, medium and long-term time horizons.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures	American Family's capital expenditures have been influenced by climate-related risks and opportunities because we now use an internal tool we developed in order to evaluate the impacts of our purchasing decisions. This tool is called the "Triple P Calculator," and it uses people, planet, and profit factors to drive financial planning and purchasing of capital expenditures. This tool was first developed in 2014 and has undergone multiple iterations since. Some inputs for this tool use quantifiable measures, such as integrating the price for Carbon from European markets to determine the financial costs of the project's environmental impacts. Other factors are subjective and require consideration of the impact the project will have on our surrounding community. An example of where this tool was most recently utilized was in 2019-20, while determining the business case for building a .197 MW solar array on the grounds of our East Regional Building. Leveraging the Triple P Calculator allowed additional factors beyond ROI to be considered in driving our decision to build. We use this tool for our short, medium and long-term strategies.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

No, but we plan to consider climate-related issues in our policy framework in the next two years

C-FS3.6c

(C-FS3.6c) Why are climate-related issues not considered in the policy framework of your organization?

Climate-related issues are not yet considered in the policy framework of our organization because while we have not formally evaluated the impact and likelihood of these risks through a formal climate risk assessment and scenario analysis, the Enterprise Climate Risk and Resilience Working Group is developing strategic frameworks and methodologies to complete a qualitative and quantitative climate risk assessment and scenario analysis in the next two years. Outcomes from this assessment will inform the inclusion of climate-related issues in the organizational policy framework.

In the summer of 2020, an enterprise climate risk survey was conducted to identify top climate risks/opportunities. The survey provided valuable insights that will be used in shaping our approach to climate risk assessment and scenario analysis. Outcomes included strategic direction, analytics, time horizons, business impacts/opportunities, and partners.

American Family Insurance plans to utilize the Task Force on Climate-related Financial Disclosures as a framework to assess climate-related risk. TCFD will provide a framework to begin developing formal climate-related risk governance, strategy, risk management and metrics/targets.

Our approach will integrate scenario analysis into strategic planning/enterprise risk management processes by assigning oversight and governance. We will assess materiality of climate-related risks, including current and anticipated organizational exposures. Scenarios will be developed with time horizons defined. Business impacts will be evaluated with potential responses identified. Qualitative assessment is planned to be conducted over the course of 2021 and 2022, with more quantitative analysis to be completed in 2022 and 2023.

It is our intention that planned climate risk assessment and scenario analysis will inform what risks will have a material financial and strategic impact on our business, as well as which present strategic opportunities.

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?
No, for none of our externally managed assets

C-FS3.7b

(C-FS3.7b) Why are climate-related issues not factored into your external asset manager selection process?

This is an open text question with a limit of 5,000 characters. Please note that when copying from another document into the ORS formatting is not retained.

C4. Targets and performance

C4.1

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

C4.1a

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

Target reference number
Abs 1

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based) +3 (upstream)

Base year
2019

Covered emissions in base year (metric tons CO2e)
75036

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2025

Targeted reduction from base year (%)
50

Covered emissions in target year (metric tons CO2e) [auto-calculated]
37518

Covered emissions in reporting year (metric tons CO2e)
58080

% of target achieved [auto-calculated]
45.1943067327683

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
In 2020, AmFam committed to achieving carbon neutrality by 2030 for our scope 1, scope 2 (market-based) and scope 3 upstream emissions. The upstream scope 3 emissions covered by this commitment include Purchased goods and services (from paper and cloud services only), Fuel and energy-related activities (not included in Scopes 1 or 2), Waste generated in operations, and Business Travel. To reach this goal, we are continuing to reduce greenhouse gas emissions through implementing energy efficiency projects, increasing on-site renewable energy production and renewable energy purchases, transitioning to a high-efficiency vehicle fleet, and diverting waste from the landfill. As part of this carbon neutrality commitment, we plan to reduce our emissions 50% by 2025. For unavoidable emissions, we are committed to purchasing carbon offsets where we operate. We consider this target science-based because it aligns with an over 4.2% annual linear reduction rate over the target period, which is consistent with the 1.5°C aligned target ambition.

Target reference number
Abs 2

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based) +3 (upstream)

Base year
2019

Covered emissions in base year (metric tons CO2e)
75036

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
70

Covered emissions in target year (metric tons CO2e) [auto-calculated]
22510.8

Covered emissions in reporting year (metric tons CO2e)
58080

% of target achieved [auto-calculated]
32.2816476662631

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
In 2020, AmFam committed to achieving carbon neutrality by 2030 for our scope 1, scope 2 (market-based) and scope 3 upstream emissions. The upstream scope 3 emissions covered by this commitment include Purchased goods and services (from paper and cloud services only), Fuel and energy-related activities (not included in Scopes 1 or 2), Waste generated in operations, and Business Travel. To reach this goal, we are continuing to reduce greenhouse gas emissions through implementing energy efficiency projects, increasing on-site renewable energy production and renewable energy purchases, transitioning to a high-efficiency vehicle fleet, and diverting waste from the landfill. As part of this carbon neutrality commitment, we plan to reduce our emissions 70% by 2030. For unavoidable emissions, we are committed to purchasing carbon offsets where we operate. We consider this target science-based because it aligns with an over 4.2% annual linear reduction rate over the target period, which is consistent with the 1.5°C aligned target ambition.

C4.2

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

Target(s) to increase low-carbon energy consumption or production
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2019

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Please select

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
2.5

Target year
2025

Figure or percentage in target year
100

Figure or percentage in reporting year
2.4

% of target achieved [auto-calculated]
-0.102564102564103

Target status in reporting year
Underway

Is this target part of an emissions target?
Abs1

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
In 2019, AmFam committed to purchase 100% renewable electricity by 2025. This is being done through installing onsite solar, signing power purchase agreements and long-term agreements for renewable energy certificates (RECs), and lastly purchasing unbundled RECs . This target is part of our overarching commitment to reach carbon neutrality by 2030.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2019

Target coverage
Other, please specify (AmFam's owned facilities)

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management	metric tons of waste diverted from landfill

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
88.7

Target year
2025

Figure or percentage in target year
90

Figure or percentage in reporting year
77.4

% of target achieved [auto-calculated]
-869.230769230771

Target status in reporting year
Underway

Is this target part of an emissions target?
Abs1

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
In 2019, AmFam committed to become zero waste (achieving a 90% diversion rate) for its owned portfolio by 2025. This is being done through expanding our waste metrics collection, conducting waste audits, implementing centralized waste stations and industry best practice signage throughout our buildings, engaging employees to produce less waste, and adjusting our purchasing practices. This target is part of our overarching commitment to reach carbon neutrality by 2030.

C4.3

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

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	
To be implemented*	0	0
Implementation commenced*	1	174
Implemented*	3	1722
Not to be implemented	0	

C4.3b

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

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
793

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
95071

Investment required (unit currency – as specified in C0.4)
423029

Payback period
11-15 years

Estimated lifetime of the initiative
21-30 years

Comment
Onsite solar at Owned facilities (1,118,483 kWh)

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
521

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
51000

Investment required (unit currency – as specified in C0.4)
29000

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment
NHQ Campus lighting (14,500 bulbs)

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)
408

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
46500

Investment required (unit currency – as specified in C0.4)
0

Payback period
4-10 years

Estimated lifetime of the initiative
Ongoing

Comment
Fault detection and diagnostic tool

C4.3c

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

Method	Comment
Dedicated budget for energy efficiency	
Internal price on carbon	

C4.5

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

Yes

C4.5a

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

Level of aggregation

Product

Description of product/Group of products

AmFam's usage-based insurance (UBI) allows customers to receive discounts on their premium based on distance driven and safe driving habits. This incentivizes customers to drive less, leading to decreased GHG emissions.

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

Avoided emissions

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

Other, please specify (Internal AmFam Classification)

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

% of total portfolio value

Asset classes/ product types

Insurance underwriting	Property & Casualty

Comment

Level of aggregation

Company-wide

Description of product/Group of products

AmFam continuously works on decreasing paper consumption from our insurance products by increasing our use of digital correspondence with our customers for communications such as claims, instead of mailing paper letters. This results in decreased emissions from paper production.

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

Avoided emissions

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

Other, please specify (Internal AmFam Classification)

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

% of total portfolio value

Asset classes/ product types

Insurance underwriting	Other, please specify (Paper reduction efforts apply to all of AmFam's products)

Comment

C5. Emissions methodology

C5.1

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

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
17885

Comment

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
31761

Comment

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
31761

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
12661

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

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

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

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

Reporting year

Scope 2, location-based
25373

Scope 2, market-based (if applicable)
25373

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

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

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
11681

Emissions calculation methodology
We currently calculate emissions for purchased paper and cloud services. To calculate emissions from paper purchased, we utilize the Paper Calculator, which is a publicly available web-based tool that allows users to calculate and compare the estimated environmental impacts of different paper choices using life cycle assessment (LCA) methodology. The scope of the Paper Calculator's methodology is cradle-to-grave, for each type of paper based on the user-specified recycled content, excluding the printing and use phase of papers. Since the emissions generated from this tool include some end-of-life impacts, emissions from the end of life of the paper products are calculated using waste emission factors from the EPA WARM model. These emissions are subtracted to calculate the total cradle-to-gate emissions. For cloud services, AmFam obtains emissions data directly from its vendors. AmFam plans to calculate emissions for all purchased goods and services in the future.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Capital goods

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

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

Evaluation status

Relevant, calculated

Metric tonnes CO2e

5975

Emissions calculation methodology

FERA emissions are calculated based on the amount of energy consumed per energy type (electricity, natural gas, etc.). Total consumption by each fuel type is multiplied by the appropriate emission factor. The upstream emission factor for purchased fuel is based on life-cycle analysis software. The emission factor for upstream emissions of purchased electricity is based on life cycle analysis for the United States and based on the UK DEFRA Guidelines for other countries. The transmission and distribution emission factors are location-based and taken from the EPA's eGRID database for the United States and based on UK DEFRA Guidelines for other countries. All GWPs are IPCC Fourth Assessment Report (AR4-100 year).

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

100

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7067

Emissions calculation methodology

These emissions are currently calculated for all mail shipments made through United States Postal Service (USPS) and United Parcel Services (UPS). For these shipments, customer mailing data are obtained directly from AmFam's vendors. Emissions are then calculated using EPA Emission Factors for Greenhouse Gas Inventories and Climate Leaders Mobile Source Guidance. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year). AmFam plans to calculate emissions for the transportation and distribution of our purchased goods and services in the future.

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

100

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

418

Emissions calculation methodology

Emissions in this category include those that result from landfilling, incineration, recycling, and composting of waste from our facilities. We collect data for our owned sites in Madison regarding the amount, type, and disposal method of waste from our waste vendors. We calculate emissions from waste using methodologies and emission factors from the EPA's Waste Reduction Model (WARM). This model calculates emissions based on a life cycle analysis, including emissions from the long-term decomposition of waste in a landfill or from upstream sources/sinks. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year). Waste generation is estimated for sites without actual waste data. Waste is estimated based on average weight of waste per square foot for each waste type. These average factors are then applied to the square footage of those sites for each disposal category: recycled, composted, and landfilled.

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

53

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1972

Emissions calculation methodology

Business travel emissions include air travel, rental cars, and hotel stays. Air and hotel stay activity data include miles travelled and class of service obtained from our travel agency. Rental car activity data is provided directly from rental car providers. Emissions are calculated based on the activity data and emission factors from the Guidelines to DEFRA / DECC's GHG Conversion Factor for Company Reporting, Climate Leaders Mobile Source Guidance, Climate Leaders Business Travel and Commuting Guidance, and EPA Emission Factor for Greenhouse Gas Inventories. All GWPs are IPCC Fourth Assessment Report (AR4-100 year).

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

100

Please explain

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
5977

Emissions calculation methodology
AmFam conducted an employee survey on commuting patterns in 2021. This survey asked respondents to provide information for their commuting patterns in 2020 prior to AmFam offices closing due to the COVID-19 pandemic. Emissions are calculated by multiplying the miles traveled per roundtrip by the number of round trips per year to obtain total commuting miles by transportation mode for each respondent. Additionally, annual fuel consumption is calculated for each respondent that used a vehicle by using the fuel economy and fuel type provided. Emissions are then calculated by multiplying the miles traveled by transportation mode by the emission factor for the mode of transportation (in the same manner as our fleet vehicles). The total emissions calculated from the survey results are used to obtain the average emissions (mt CO2e) per commuter. Using AmFam's total headcount, total emissions from commuting are estimated. For the data year 2020, the impacts of the COVID-19 pandemic were taken into account by using the results from the survey for the first 12 weeks of the year when AmFam offices were still open and using an adjusted weekly emissions value for the remainder of 2020. Emissions were adjusted for the time period during office shutdown using average occupancy data.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
52

Please explain

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Under the operational control approach which we use to define our inventory boundary, all emissions from all upstream leased assets are included in our Scope 1 and Scope 2 emissions.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category is not relevant because AmFam does not sell physical products that would incur emissions from transportation and distribution from a retail location. All of our transportation and distribution emissions fall under the upstream transportation and distribution category.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have no emissions in this category because we do not sell intermediate products that require processing into final products.

Use of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

End of life treatment of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
485

Emissions calculation methodology
These emissions are calculated for the paper mailed to AmFam's customers. Customer mailing data are obtained by the sourcing and procurement team who receive the information from AmFam's vendors. This figure represents emissions associated with waste disposed via landfilling, incineration, and recycling. Emissions from waste are calculated using methodologies and emission factors from the EPA's Waste Reduction Model (WARM). This model calculates emissions based on a life-cycle analysis, including emissions from the long-term decomposition of waste in a landfill or from upstream sources/sinks. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Downstream leased assets

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not have franchises; therefore, emissions from franchises are not relevant for us.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.10

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

Intensity figure
0.000003

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
38034

Metric denominator
unit total revenue

Metric denominator: Unit total
12934095000

Scope 2 figure used
Market-based

% change from previous year
28

Direction of change
Decreased

Reason for change
The primary reason for this change is due to decreased facility energy use, fleet vehicle use, and corporate jet use because of the Covid-19 pandemic, coupled with emission reductions initiatives including onsite solar at our owned facilities and efficiency projects such as installing more efficient lighting.

Intensity figure
0.010953

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
38034

Metric denominator
square foot

Metric denominator: Unit total
3472368

Scope 2 figure used
Market-based

% change from previous year
23

Direction of change
Decreased

Reason for change
The primary reason for this change is due to decreased facility energy use, fleet vehicle use, and corporate jet use because of the Covid-19 pandemic, coupled with emission reductions initiatives including onsite solar at our owned facilities and efficiency projects such as installing more efficient lighting.

C7. Emissions breakdowns

C7.9

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

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable >		
Other emissions reduction activities	1722	Decreased	3.5	AmFam implemented several emission reductions initiatives in 2020, including onsite solar at our owned facilities and efficiency projects such as installing more efficient lighting. The resulting market-based emission reduction was 1,722 t CO2e, divided by our total emissions in the previous year of 49,647 t CO2e gives a 3.5% reduction (1,722/49,647)*100 = 3.5%).
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other	9891	Decreased	19.9	AmFam's operations operated at decreased capacity in 2020 due to the Covid-19 pandemic, resulting in decreased facility energy use, fleet vehicle use, and corporate jet use. The resulting market-based emission reduction was 9,891 t CO2e, divided by our total emissions in the previous year of 49,647 t CO2e gives a 19.9% reduction (9,981/49,647)*100 = 19.9%).

C7.9b

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

Market-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	58783	58783
Consumption of purchased or acquired electricity	<Not Applicable>	0	40250	40250
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	987	<Not Applicable>	987
Total energy consumption	<Not Applicable>	987	99033	100019

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

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

No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.2

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

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Forests

Project identification
An offset was purchased for the carbon footprint associated with the production of our 2019 Corporate Responsibility report. The offset was purchased through the Arbor Day Foundation and is equivalent to carbon sequestered by 100 tree seedlings grown for 10 years (this estimate was calculated using the EPA Greenhouse Gas Equivalencies Calculator for 6.1 metric tons of CO2). The footprint calculation included the emissions associated with the production of the paper and the shipping of the paper and ink to the American Family Headquarters where the reports were assembled in-house. 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 1000 reports. The offset of 6.1 metric tons of CO2 was rounded up to account for data that was not available such as the binding glue used for the reports and other negligible aspects not included in our calculations.

Verified to which standard
ACR (American Carbon Registry)

Number of credits (metric tonnes CO2e)
6.1

Number of credits (metric tonnes CO2e): Risk adjusted volume
6.1

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

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

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

GHG Scope
Scope 1
Scope 2

Application
Our internal carbon cost is utilized in decisions regarding capital expenditures on projects to improve our operations.

Actual price(s) used (Currency /metric ton)
64

Variance of price(s) used
For our internal price of carbon, we use evolutionary pricing. This developing cost is based on the open market-based price of carbon allowances in the EU emissions trading system, provided by the Intercontinental Exchange (ICE).

Type of internal carbon price
Shadow price

Impact & implication
AmFam considers the carbon cost benefits when evaluating potential projects, and the cost of carbon has helped make the case for implementing past projects, thus influencing our capital expenditures. To evaluate potential emissions reduction efforts, we have developed an Excel tool to assess potential projects for their impact on three pillars: people, planet, and profit, called the "Triple P Calculator". This tool enables us to quantify a holistic perspective of the impacts of a potential project, to compare competing projects and inform investments. To help support these efforts, the Calculator also applies an internal social cost of carbon, which helps AmFam quantify the climate impacts on society. This tool was first developed in 2014 and has undergone multiple iterations since. Some inputs for this tool use quantifiable measures, such as integrating the price for Carbon from European markets to determine the financial costs of the project's environmental impacts. Other factors are subjective and require consideration of the impact the project will have on our surrounding community. An example of where this tool was most recently utilized was in 2019-20, while determining the business case for building a.197 MW solar array on the grounds of our East Regional Building. Leveraging the Triple P Calculator allowed additional factors beyond ROI to be considered in driving our decision to build. We use this tool for our short-, medium and long-term strategies. The internal carbon price has impacted our business by influencing investment decisions in energy efficiency projects.

C12. Engagement

C12.1

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

Yes, our customers
Yes, our investee companies
Yes, other partners in the value chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Engagement & incentivization (changing customer behavior)

Details of engagement

Run an engagement campaign to educate customers about climate change

% of customers by number

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

Portfolio coverage (total or outstanding)

Unknown

Please explain the rationale for selecting this group of customers and scope of engagement

American Family Insurance encourages policyholders to prevent or mitigate losses caused by covered perils, whether or not the losses can be attributed to climate change. This includes providing customers with informational newsletters and brochures related to loss reduction. For example, we provide brochures that outline how to reduce wildfire risk. We also offer discounts in many states for customers that have impact-resistant roof materials and a discount for customers who utilize connected home. Loss control services are available for commercial and farm/ranch accounts. Flood coverage is available through our agents via the National Flood Insurance Program. In 2015, American Family Insurance partnered with Nest Labs to offer Nest products to insured homeowners in an effort to reduce losses related to fire, water damage and exposure to carbon monoxide poisoning.

Impact of engagement, including measures of success

C-FS12.1c

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

Type of engagement
Information collection (Understanding investee behavior)

Details of engagement
Included climate change in investee selection / management mechanism

% of investees by number
26

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

Portfolio coverage
Minority of the portfolio

Rationale for the coverage of your engagement
This engagement covers 26% of the American Family Institute (the Institute) for Corporate and Social Impact portfolio companies. During the diligence process, the Institute evaluates on five metrics: revenue, scalability, innovation, team and social impact. For the Resilient Communities thesis, which accounts for 26% of the total portfolio, AFI chooses companies that are building a product/service that will drastically impact climate change and work to reduce its effects in the themes of cleantech, water technology, and disaster tech. The technology is evaluated with the help of internal and external experts, and AFI is deliberate about choosing innovative, disruptive companies.

Impact of engagement, including measures of success
After successful diligence of these companies, the Institute makes sizeable investments that help them grow and scale, but they don't have a direct impact on the progress they make toward climate-related goals. They will, however, be measuring impact for climate/cleantech portfolio companies in the coming year.

Type of engagement
Engagement & incentivization (changing investee behavior)

Details of engagement
Encourage better climate-related disclosure practices among investees

% of investees by number
26

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

Portfolio coverage
Minority of the portfolio

Rationale for the coverage of your engagement
This engagement covers 26% of the American Family Institute for Corporate and Social Impact portfolio companies. The Institute holds active board seats or board observer seats in 4 out of 5 companies in our Resilient Communities thesis, which accounts for 26% of our investment portfolio. Through the board positions, they encourage companies to collect and disclose climate-related metrics

Impact of engagement, including measures of success
While they encourage their portfolio companies to report on their climate impact metrics, the Institute cannot directly attribute their encouragement to reporting progress and success.

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Carry out collaborative engagements with other investors or institutions

% of investees by number
100

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

Portfolio coverage
Majority of the portfolio

Rationale for the coverage of your engagement
This engagement covers 100% of the American Family Institute for Corporate and Social Impact portfolio companies. Though not all portfolio companies are climate-related by nature, The Institute encourages engagement from all portfolio companies in partnership activities. This includes inviting portfolio companies to events done in collaboration with partners and providing facilitation of networking. The Institute has partnerships with the following organizations which aid in the creation and development of startups which have a core mission to solve climate-related issues including: Powerhouse, Greentown Labs, Imagine H2O, and The Water Council Brew 2.0 Accelerator. Additionally, they promote the work of the startups and partners who are engaged in climate-related issues on their social media channels.

Impact of engagement, including measures of success
Promoting innovation and equity in the existing programming of the organizations through sponsoring those organizations, judging competitions, inviting and convening diverse people to educate the climate tech industry leaders. For example, the Institute convened a panel on Climate Justice where hundreds of people who are important stakeholders in the climate change/sustainability sector attend to hear their perspectives on how to make climate-related solutions more equitable. Measures of success include event attendance and qualitative feedback from portfolio companies.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Employees:

American Family employees are an important value chain partner we regularly engage with. An example is our employee green team, the Zero Waste Champions. This team of about 20 employees meets once a month to support the sustainability team's initiatives, knowledge share, and share their own sustainability journeys with each other. The success of the overall zero waste program is measured by our quarterly diversion rate.

At American Family Insurance, we strive to convert and manage our owned facilities landscape areas sustainably. While each site has plans to convert to a native landscape, our Sustainable Land Management (SLM) team works to educate our employees and customers of best practices. As a company we value sustainability and climate action, our employees harness this value and wish to use sustainable strategies at home. The SLM team hosts trainings and seminars annually to educate employees and members of the public on ways to reduce your impact. Topics in 2020 included but not limited to, lawn alternatives, providing habitat in your yard for wildlife, how to reduce your chloride uses in winter salting, and how to manage your lawn sustainably.

Additionally, innovation has led to understanding our sites so that we can make data driven decisions while countering climate change. With the use of best practices such as prescribed burns, invasive species control by using traditional animal grazing as well as forestry mowing, we have effectively restored our landscapes to their full potential now and in the future. With collaboration with the University of Wisconsin- Madison we hope to understand how carbon storage on each of our land use types. In addition, we have effectively mapped each of our sites to understand our asset management and plan for future changes.

Future collaborations with specialists will educate us on how we can engage children in the environment so they can be stewards of the environment, how to provide and create habitat for migratory and nesting birds, what homeowners can do about invasive species, and how you can garden for yourself, as well as, insects, animals, and the ecosystem. In 2020, we achieved the following:

• 40.7 acres of land have been converted to native. Our goal is for 25% of our landscape to be native by 2030. 44% of this goal has been completed.

• Educated 554 employees and general public members, including 58.5 hours of seminars and trainings offered.

• 8 wildlife programs ongoing, including Eastern Bluebird nesting boxes, bat boxes, monarch waystations, monitoring bird strikes to reduce collisions, providing habitat for grassland nesting animals, and more.

• Effectively managed winter salting to reduce chlorides entering surrounding water resources by requiring certification and training of Salt Wise techniques and best practices

Community partners:

Our sustainability professionals also engage with local students of all ages on career insights and discussions around climate change. We engage with University of Wisconsin Madison students via their Ethical and Responsible Business Network (ERBN) to consult and socialize business challenges related to climate change. We have also worked with and a group of UW Madison students who were creating a Blueprint for Salt Sustainability for large corporate and academic campuses. We also engage with undergraduate and graduate students at Madison's Edgewood College, by presenting our Sustainability and Climate Action Strategy and engaging in conversations with students about topics related to climate change, sustainability, zero waste, and corporate responsibility. We have made similar presentations to local middle schools around Earth Week. We value these opportunities and make an effort to take advantage of as many as possible. Success is evaluated purely in qualitative terms, like positive feedback from students and teachers and follow up e-mails.

Youth:

American Family in partnership with NationSwell is looking to bring together youth and young adults active in climate action and equity, government officials and business leaders to engage in listening and conversations that open up opportunities for action. Big business is not often where youth and young professionals go to solve problems. But that is changing. Many organizations have promoted youth climate advocacy, yet from our early research no organization has brought business to the table as a partner. We want to hear from a diverse group of young activists that represent the next generation of leaders to learn about immediate needs and how businesses like American Family Insurance can better support your work and communities most vulnerable and disproportionately impacted climate change. Strengthening the relationship between activists working in Climate Justice and American Family Insurance is at the heart of this work. We will use what we hear during this listening tour as the basis for a program designed to support the work of youth advocates and activists.

C12.3

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

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

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

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Adaptation or resilience	Support	American Family Insurance is an active contributor on the Governors Climate Task Force. This includes leading regular team meetings, representing corporate stakeholders in discussions, and supporting the development of deliverables. Over the last year, the task force worked to identify strategies to combat climate change by studying recent science and data, learning from Native Nations, farmers, nonprofit organizations, businesses, and local governments that are already taking action to address the crisis, and, most importantly, listening to the experiences of Wisconsinites—particularly those of communities that have been excluded from policymaking in the past. “The climate crisis is taking a toll on everyone in our state, but communities of color and low-income communities are more likely to face the harshest impacts of climate change, despite contributing the least to the problem,” said Lt. Gov. Barnes. “In order to address this crisis and the environmental injustices associated with it, we must take urgent action, and we must ensure those actions are equitable and inclusive—anything less will continue the long pattern of environmental racism we have witnessed in this country.” The task force brought together a diverse coalition of farmers, environmental advocates, Indigenous leaders, and business executives, representing different perspectives, communities, and industries. These members worked collaboratively over the course of the year, uniting around the shared goal of making Wisconsin a cleaner, safer, and more equitable state.	Lt. Gov. Mandela Barnes announced the release of the Governor's Task Force on Climate Change Report. The report includes 55 climate solutions across nine sectors that will lay the foundation for the state to better adapt to and mitigate the effects of climate change, while also seeking environmental justice and economic opportunities in renewable energy and conservation. “Climate change is an imminent threat to our state, our economy, and our kids' future,” said Gov. Evers. “We can't ignore the reality facing our state, our country, and our world, and we have a lot of work to do to start meaningfully addressing climate change in Wisconsin. I want to thank the folks on this task force for their good work, and I look forward to working together to take action to address this crisis.” The solutions in the report range from the creation of a state office to address environmental injustices, green job training programs for displaced and marginalized workers, funding to help farmers adopt more sustainable practices, reimplementing transportation policies that promote clean, alternative methods of transportation, and statutory changes to help the energy sector transition to cleaner energy production. The task force recommendations will start Wisconsin on the path to tackle climate change in order to protect public health, all while stimulating our economy and creating jobs. Now the hard work of getting them implemented begins, and we need people to call for action from their elected officials. We hope the unprecedented level of engagement during the task force process will continue as we work to get these recommendations enacted.
Adaptation or resilience	Support	NAIC Climate & Resiliency (EX) Task Force. The National Association of Insurance Commissioners (NAIC) is a regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. American Family Government Affairs team attended NAIC's 2020 national virtual conference, including the NAIC's Climate & Resiliency (EX) Task Force session. On July 14, 2020, the NAIC Executive Committee created a Climate & Resiliency (EX) Task Force. The task force was charged with coordinating all of the NAIC's domestic and international efforts on climate-related risk and resiliency issues, including dialogue among regulators and with industry, consumers and other stakeholders. In addition, the group will consider appropriate climate risk disclosures; evaluate financial regulatory approaches to climate risk and resiliency; consider innovative solutions to climate risk and resiliency; Identify sustainability, resilience and mitigation issues and solutions related to the insurance industry; as well as take into consideration pre-disaster mitigation and resiliency and the role of insurance regulators in resiliency, as it makes recommendations.	During the November 3, 2020, task force meeting, the American Property Casualty Insurance Association (APCIA) provided written and verbal comments emphasizing the importance of climate mitigation and private sector innovation but encouraged reviewing current voluntary activities before issuing new mandates. APCIA comments were submitted based on membership feedback received from insurers, including American Family, prior to the task force meeting. American Family plans to remain involved in the task force committee comments process going forward.

C12.3b

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

Yes

C12.3c

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

Trade association
Insurance Institute for Business & Home Safety (IBHS)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
As the U.S. confronts climate change and works to enhance the resiliency of our nation's housing and building supply, the Trade Association's Principles of Climate Change Adaptation (V3a, 05/2021) outline the steps policymakers – in collaboration with the insurance industry and other private sector stakeholders – should take to improve the resilience of American homes, businesses, and communities. The undersigned members of the property re/insurance industry recognize the interconnectedness of the natural and built environment and the vital role that residential, business, and community resilience must play for the United States to effectively adapt to a changing climate. Through its support for the Insurance Institute for Business & Home Safety (IBHS), the property casualty re/insurance industry has long invested in top-tier building science research to prevent avoidable suffering, strengthen our homes and businesses, inform the insurance industry, and support thriving communities. These Principles of Climate Change Adaptation build on that analytical foundation and provide a pathway for American policymakers – in collaboration with the re/insurance industry and other private sector stakeholders – to take affirmative steps to improve the resilience of American homes, businesses, and communities and help our nation effectively adapt to the impacts of changing climate conditions. Principle 1: Climate Change Adaptation is Necessary. The United States is already experiencing changes in both the frequency and severity of natural catastrophes Principle 2: Building Codes and Land Use Support Tomorrow's Resilience Principle 3: Prioritize Funding for Increasing Resilience of Existing Structures Principle 4: Make Resilience Available for All Communities of color and low income communities often experience the impacts of natural disasters and climate change disproportionately. Far from a luxury, residential and community resilience are basic needs – the absence of which is most keenly felt by those who lack the resources to invest in it themselves. Identifying mechanisms to financially support investments in resilience for these communities should be a public policy priority. Principle 5: Leverage Climate Data and Analytics to Support Climate Change Adaptation Principle 6: Enhance Resilience for Public Infrastructure and Facilities

How have you influenced, or are you attempting to influence their position?
AmFam's Personal Lines Regional Product AVP serves on the board of this trade association. In 2020, AmFam committed to participating in the IBHS Work Group on Climate Change Adaptation to outline the steps policymakers – in collaboration with the insurance industry and other private sector stakeholders – should take to improve the resilience of American homes, businesses, and communities.

Trade association
American Property Casualty Insurance Association (APCIA)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
On December 8, 2020, APCIA Board of Directors announced its Environmental Core Principles that will continue their work toward reducing the losses from climate-related catastrophes, while supporting innovation and competition for the benefit of individuals, families, communities, and businesses." The principles address climate risk and support competition and free market solutions. APCIA's Board of Directors adopted and endorsed the following Environmental Core Principles: • Risk mitigation must continue to be a shared priority. • Insurers have a unique role in facilitating a more environmentally resilient economy by making capital and protection available to industries as they transition to a lower carbon future. • Insurers should be proactively engaged in efforts to address long-term weather-related losses. • Insurers should consider what existing information can be disclosed as voluntary alternatives to regulation. • Environmental policies and actions should be science-based, provide benefits that outweigh costs, and contribute to job creation and economic growth. • While voluntary actions are preferred, any regulation with regard to environmental issues should be proportional and flexible (not one size-fits-all), be based on materiality and respect confidentiality. • Environmental risk-based pricing should be protected. • Regulators should fully support environmental innovation and modeling for insurance. Based on these principles, APCIA will engage at all levels of government in the effort to find constructive approaches to reducing and managing climate risk.

How have you influenced, or are you attempting to influence their position?
AmFam's Chief Operating Officer serves on the Board of this trade association. Additionally, AmFam employees serve on the following APCIA working groups: The Natural Catastrophe Working Group follows state and federal activity related to natural catastrophes and provides a forum for the identification and discussion of issues that will impact property and casualty insurers. The Flood Insurance and Resilience Working Group (Federal Affairs) will work to craft a legislative strategy to achieve a long-term reauthorization of the National Flood Insurance Program and promote increased flood insurance take-up rates to help bridge the gap in flood insurance coverage, both through the NFIP and the private market. Additionally, the working group with devise a legislative and regulatory strategy to promote federal mitigation and residency efforts related to natural disasters.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
No

C12.3e

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

American Family Insurance recognizes climate change is causing broad environmental, social and economic impacts that put our customers, communities and industry at risk.

We believe it's our corporate responsibility to take on climate change through both advocacy and direct mitigation strategies. To directly reduce and offset our impact on the planet, American Family is committed to achieving carbon neutrality by 2030. Among other things, we're committed to continuing to reduce greenhouse gas emissions, increase on-site renewable energy production and renewable energy purchased and divert waste from the landfill.

In recent months, we've seen extreme weather-related events like hurricanes and wildfires are becoming more frequent, more severe and more normal. Such severe weather has a significant effect on our customers and our industry as we respond to help our customers recover from these devastating events. We believe it's important that we – and the insurance industry as a whole – take a leadership role on an issue that has such impact.

We support the goals of the 2015 Paris Agreement, which committed 197 countries, including the U.S., to work together to keep global warming below 2 degrees Celsius by limiting greenhouse gas emissions and investing in renewable energy. Through "We are Still In," we have joined more than 3,800 mayors, county executives, governors, tribal leaders, college and university leaders, businesses, faith groups, cultural institutions, healthcare organizations, and investors to declare that we will continue to support climate action as outlined in the Paris Agreement, even if the U.S. is no longer part of it. Here is the American Family Insurance commitment page on the We Are Still In website.

The diverse entities supporting "We are Still In" represent more than 155 million Americans and $9 trillion of the U.S. economy.

Climate change is harming the communities and customers we serve, and disproportionately people of color, in addition to the impacts on our industry. We urge our peer companies to join us in this declaration and in other efforts to mitigate its effects, including by reducing their carbon footprint.

C12.3f

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

American Family Insurance convenes a climate risk and resilience working group regularly to monitor and discuss climate-related topics. This working group includes broad enterprise representation, including government affairs. The working group ensures any direct and indirect activities are consistent with the overall climate change strategy. In addition, an enterprise Public Statements Team was formed to review and approve the groups statements on public policy. This cross-functional team considers potential implications of such actions and guides response to ensure that all of our direct and indirect activities that influence policy are consistent with our overall climate change strategy.

C12.4

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

Publication
In voluntary sustainability report

Status
Underway – previous year attached

Attach the document
2019 CRR-Digital_Spread.pdf

Page/Section reference
Complete doc

Content elements
Strategy
Emissions figures
Other metrics

Comment
Our corporate responsibility strategy at American Family Insurance rests on three pillars: • Environment, reducing our environmental footprint by integrating sustainable practices throughout our company. • Community, leading collaboration in community involvement with the goal of empowering socially impactful and resilient communities. • People, creating a culture of inclusive well-being for our employees, customers and communities. You can see our achievements in each of these areas throughout 2019 in the newly released Corporate Responsibility Report. The report highlights the goals, partnerships and investments in these three areas, all involving collaboration from many across the company. The work requires diving deeply into our values to set priorities and research opportunities for inclusivity, sustainability, giving and well-being.

Publication
In other regulatory filings

Status
Complete

Attach the document
2020 Climate Risk Survey.pdf

Page/Section reference
http://www.insurance.ca.gov/0250-insurers/0300-insurers/0100-applications/ClimateSurvey/ The entire document relates to climate change and GHG as per the Insurance Commissioners requirements in the following States : California, Connecticut, Minnesota, New Mexico, New York, and Washington.

Content elements
Other, please specify (public compliance disclosure)

Comment
The California Department of Insurance in conjunction with the Connecticut Insurance Department, the Minnesota Department of Commerce, the New Mexico Office of the Superintendent of Insurance, the New York Department of Financial Services, and the Washington State Office of the Insurance Commissioner issues an annual Climate Risk Disclosure Survey. American Family Insurance complies with this regulatory filing, with submission completed annually by August 31.

Publication
In voluntary communications

Status
Underway – previous year attached

Attach the document
At the forefront, with a sound climate action strategy.pdf

Page/Section reference
https://newsroom.amfam.com/at-the-forefront-with-a-sound-climate-action-strategy/

Content elements
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
American Family is at the forefront of climate action. With our renewable energy commitment, zero waste goals, sustainable building practices and through our work in creating partnerships and dialogue with employees, suppliers and our communities, we're already making strides toward a greener future. Our industry is beginning to recognize and grapple with the substantial risk that climate change is likely to have on customers and the industry overall. Because we know climate change has negative effects on individuals, communities and local businesses, we're also at the forefront of climate justice. We recognize that those least responsible for the effects of climate change often suffer its most serious consequences. Poverty, racial inequality and class divisions stifle the voices of people who feel the severe effects of rising water, increasing storms, pollution and poor air quality. Advocating for the interests of these communities is at the core of our strategic beliefs, objectives and actions. To respond to climate change and its broad environmental, social and economic impacts, we've created a Sustainability and Climate Action Strategic Plan to serve as our road map. The strategy establishes goals and targets for our existing and new efforts. Why now? The Intergovernmental Panel on Climate Change released a report in late 2018 which notes that if the global temperature rises by 1.5°C, the world will experience unprecedented climate-related risks and weather events. The earth is currently on track for a 3-4°C temperature rise. Global greenhouse gas emissions must reach net zero by mid-century for us to have a chance of limiting warming to 1.5°C.This is a wake-up call for urgent and bold climate action. At American Family, we were inspired to understand our carbon footprint and take concrete steps that directly mitigate our impacts more deeply. The Sustainability and Climate Action Strategic Plan contains measures and goals that can move us forward, quickly. We've identified and prioritized actions that are foundational to the overall success of our five-year strategy. We will continue to prioritize work in three areas: climate action, workplace well-being and enterprise leadership.

Publication
In voluntary communications

Status
Complete

Attach the document
American Family pledges carbon neutrality by 2030.pdf

Page/Section reference
https://newsroom.amfam.com/american-family-pledges-carbon-neutrality-by-2030/

Content elements
Strategy
Emission targets
Other metrics

Comment
We support the goals of the 2015 Paris Agreement, which committed 197 countries, including the U.S., to work together to keep global warming below 2 degrees Celsius by limiting greenhouse gas emissions and investing in renewable energy. Through "We are Still In," we have joined more than 3,800 mayors, county executives, governors, tribal leaders, college and university leaders, businesses, faith groups, cultural institutions, healthcare organizations, and investors to declare that we will continue to support climate action as outlined in the Paris Agreement, even if the U.S. is no longer part of it.

C-FS12.5

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

	Industry collaboration	Comment
Reporting framework	Please select	
Industry initiative	We Are Still In	American Family Insurance recognizes climate change is causing broad environmental, social and economic impacts that put our customers, communities and industry at risk. We believe it's our corporate responsibility to take on climate change through both advocacy and direct mitigation strategies. To directly reduce and offset our impact on the planet, American Family is committed to achieving carbon neutrality by 2030. (See our Corporate Responsibility Report) Among other things, we're committed to continuing to reduce greenhouse gas emissions, increase on-site renewable energy production and renewable energy purchased and divert waste from the landfill. In recent months, we've seen extreme weather-related events like hurricanes and wildfires are becoming more frequent, more severe and more normal. Such severe weather has a significant effect on our customers and our industry as we respond to help our customers recover from these devastating events. We believe it's important that we – and the insurance industry as a whole – take a leadership role on an issue that has such impact. We support the goals of the 2015 Paris Agreement, which committed 197 countries, including the U.S., to work together to keep global warming below 2 degrees Celsius by limiting greenhouse gas emissions and investing in renewable energy. Through "We are Still In," we have joined more than 3,800 mayors, county executives, governors, tribal leaders, college and university leaders, businesses, faith groups, cultural institutions, healthcare organizations, and investors to declare that we will continue to support climate action as outlined in the Paris Agreement, even if the U.S. is no longer part of it. Here is the American Family Insurance commitment page on the We Are Still In website. The diverse entities supporting "We are Still In" represent more than 155 million Americans and $9 trillion of the U.S. economy. Climate change is harming the communities and customers we serve, and disproportionately people of color, in addition to the impacts on our industry. We urge our peer companies to join us in this declaration and in other efforts to mitigate its effects, including by reducing their carbon footprint.
Commitment	We Are Still In	American Family Insurance recognizes climate change is causing broad environmental, social and economic impacts that put our customers, communities and industry at risk. We believe it's our corporate responsibility to take on climate change through both advocacy and direct mitigation strategies. To directly reduce and offset our impact on the planet, American Family is committed to achieving carbon neutrality by 2030. (See our Corporate Responsibility Report) Among other things, we're committed to continuing to reduce greenhouse gas emissions, increase on-site renewable energy production and renewable energy purchased and divert waste from the landfill. In recent months, we've seen extreme weather-related events like hurricanes and wildfires are becoming more frequent, more severe and more normal. Such severe weather has a significant effect on our customers and our industry as we respond to help our customers recover from these devastating events. We believe it's important that we – and the insurance industry as a whole – take a leadership role on an issue that has such impact. We support the goals of the 2015 Paris Agreement, which committed 197 countries, including the U.S., to work together to keep global warming below 2 degrees Celsius by limiting greenhouse gas emissions and investing in renewable energy. Through "We are Still In," we have joined more than 3,800 mayors, county executives, governors, tribal leaders, college and university leaders, businesses, faith groups, cultural institutions, healthcare organizations, and investors to declare that we will continue to support climate action as outlined in the Paris Agreement, even if the U.S. is no longer part of it. Here is the American Family Insurance commitment page on the We Are Still In website. The diverse entities supporting "We are Still In" represent more than 155 million Americans and $9 trillion of the U.S. economy. Climate change is harming the communities and customers we serve, and disproportionately people of color, in addition to the impacts on our industry. We urge our peer companies to join us in this declaration and in other efforts to mitigate its effects, including by reducing their carbon footprint.

C14. Portfolio Impact

C-FS14.1

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

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable>	
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	<Not Applicable>	
Other products and services, please specify	Not applicable	<Not Applicable>	Other products and services are not applicable to our business

C-FS14.1c

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

American Family Insurance's investment managers take the issue of climate risk into consideration in the same manner as any other potential drivers of risk and return in the investment portfolio. American Family Insurance has not specifically dedicated funds for the purpose of managing investment exposure to climate risk; however, investments are managed to ensure the organization can respond in the event of a natural catastrophe. In addition, the group considers correlation between underwriting risk due to natural catastrophes and investment risk. In the next two years, American Family will engage our internal investment department and utilize the methodology outlined by SBTi for Financial Institutions to begin quantifying the carbon impact of our investments.

C-FS14.3

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

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No	American Family is committed to measuring our portfolio in the next two years, but we are not yet prepared to commit to aligning our portfolio to a well below 2-degree world.
Insurance underwriting (Insurance company)	No	American Family is committed to measuring our portfolio in the next two years, but we are not yet prepared to commit to aligning our portfolio to a well below 2-degree world.
Other products and services, please specify	Not applicable	Other products and services are not applicable to our business

C15. Signoff

C-FI

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

C15.1

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

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms