



# SUSTAINABILITY & CLIMATE ACTION STRATEGIC PLAN



**AMERICAN FAMILY**  
**INSURANCE**®  
Insure carefully, dream fearlessly.





**SUSTAINABILITY AND CLIMATE  
ACTION STRATEGIC PLAN**

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# KARI GRASEE

Vice President, Business and Workplace Services

## LEADERSHIP MESSAGE

### At American Family Insurance,

our mission is to inspire, protect, and restore dreams – because we believe a dream is the most valuable thing you will ever own. As a mutual company, our policyholders are our owners. We focus on doing what is right for them, as well as what’s right for our employees, communities and the environment. That commitment is foundational to everything we do.

It is clear that the climate is changing. With these changes, the world is beginning to experience broad environmental, social, and economic impacts which put our customers and communities at risk. While we all experience the effects of climate change, it is the most vulnerable populations that are most impacted. To respond to this complex issue, we have created a Sustainability and Climate Action Strategic Plan to serve as our road map moving forward. Our plan includes our publicly-stated goal of achieving carbon neutrality by 2030.

American Family Insurance is more than just a strong business — we are a force committed to inspiring, protecting and restoring dreams of all kinds, and of all people. We will continue to protect what matters most to our customers, employees, agency owners and future generations. This strategy positions American Family to support bold and necessary goals and stand as a national leader in environmental sustainability and climate action.

*Kari Grasee*



# SUSTAINABILITY FOUNDATIONS

American Family Insurance finalized its first Sustainability Strategy in 2008. At that time, climate change was very much a concern, with companies focusing on ways to enhance operational efficiencies while also being seen as “green” – driving both brand reputation and business value. Since that time, our sustainability efforts have evolved into our Sustainability and Climate Action Strategic Plan.

The Intergovernmental Panel on Climate Change (IPCC) 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 acted as a wake-up call for urgent and bold climate action. At American Family, we were inspired to more deeply understand our carbon footprint and take concrete steps that directly mitigate our impacts. We revisited our then 10-year-old Sustainability Strategy and created this new Sustainability and Climate Action Strategic Plan, which contains measures and goals that can move us forward, quickly.

American Family’s Sustainability work is reflected in our larger Corporate Responsibility Framework. The focus areas of this framework are Environment, Community, and People along with Performance and Governance.

We believe corporate responsibility means leading in a way that creates positive economic, social and environmental impact, together with measurable benefits for our employees, customers, agency owners and the world around us. Our customers want to think of us as partners in progress. They are looking for purpose-driven brands that are authentic, transparent and intentional. Through our corporate responsibility program, we have the opportunity to strengthen our relationship with our customers and our communities. This, in turn, strengthens our company.

# CORPORATE RESPONSIBILITY FRAMEWORK





# OVERVIEW

Our changing climate and weather has demanded the spotlight, with several reports highlighting impacts of climate change already experienced today.

Faced with great challenges ahead, global leaders at all levels of government, corporate executives, non-profit board members, academics, and youth-led movements around the world are planning bold, transformative action that will fundamentally reshape corporate operations, government policy, and global economies.

As the call for action grows louder, American Family Insurance is ready to lead.

We recognize the risks climate change presents to our customers, our company, and the communities we serve. We are prepared to take action and proactively mitigate the impacts experienced by climate change.

Where mitigation is inadequate, we will invest in adaptation and resiliency – ensuring that the future of our business, our customers, and the communities in which they live remain strong.

That is our promise – to protect what matters most. We want our shared future to be one in which our customers realize their dreams, our company remains financially strong, and our communities thrive.

## Strategy and Goals

The Sustainability and Climate Action Strategy (2020 – 2030) is American Family's commitment to strategic goals, measurable objectives and actions that support global emission reductions and climate adaptation. While long term in vision, this strategy focuses on achievable actions over the next 10 years. The strategy is split into two sections: carbon neutrality and environmental stewardship.

1. **Carbon Neutrality** – American Family Insurance will achieve carbon neutrality across Scope 1, 2, and 3 emissions by reducing our calculated carbon footprint to zero through a combination of internal efficiency measures and pursuing external emission reduction projects.
2. **Environmental Stewardship** – American Family will integrate environmentally conscious tactics and educational influence across the organization. We aim to responsibly use our resources and protect the environmental health of the communities in which we operate.

## Data Collection

This strategy is informed by data collected from Scope 1, 2, and 3 emissions and other environmental impact areas. Carbon data is summarized annually in our Greenhouse Gas (GHG) Inventory. Other environmental data, including water usage and land management, is collected quarterly and measured on an ongoing basis.





# SUSTAINABILITY AND CLIMATE ACTION STRATEGY

2020-2030 Sustainability and Climate Action Strategy at a Glance

VISION				
American Family will be recognized as an industry leader, inspiring our customers and other organizations through our actions in Environmental Sustainability.				
MISSION				
American Family will inspire and lead by setting aggressive climate reduction targets, driving innovative sustainability initiatives throughout our business, and modeling our success to educate others.				
CARBON NEUTRALITY		ENVIRONMENTAL STEWARDSHIP		
LEADERSHIP AND MEASUREMENT				
Measurement and Data	Reporting	Employee Engagement	Storytelling	Partnerships





## GOAL ONE: CARBON NEUTRALITY

**BY 2030, AMERICAN FAMILY INSURANCE WILL ACHIEVE CARBON NEUTRALITY ACROSS ALL SCOPE 1, 2, AND 3 EMISSIONS.**

By conducting annual greenhouse gas emission (GHG) inventories, we have established a roadmap to achieve carbon neutrality by 2030. We will reduce our calculated carbon footprint to zero through a combination of internal efficiency measures and pursuing external emission reduction projects. Progress will be tracked on a 2019 base year. Initiatives that fall under this section of the strategy aim to directly mitigate our carbon emissions.

# CARBON NEUTRALITY



We are committed to measuring the carbon impact of our investments portfolio and researching low carbon investment options.



We are committed to measuring the carbon impact of our supply chain and work actively to reduce the climate risks embedded in our supply chain. We will partner with companies that share our values and abide by our supplier code of conduct.



We are committed to powering our owned facilities on 100% renewable electricity and finding green energy opportunities to power our future.



We are committed to diverting 90% of the waste generated at our owned facilities away from landfill or incineration by 2025 to become zero-waste certified.



We are committed to reducing our transportation GHG footprint associated with our corporate jet, fleet of vehicles, employee commuting, and employee business travel.





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## GOAL TWO: ENVIRONMENTAL STEWARDSHIP

**BY 2025, AMERICAN FAMILY INSURANCE WILL INTEGRATE ENVIRONMENTALLY CONSCIOUS TACTICS AND EDUCATIONAL INFLUENCE ACROSS THE ORGANIZATION.**

We believe it is our corporate responsibility to support the responsible usage of our resources and protect the environmental health of the communities in which we operate. Initiatives that fall under this section of the strategy aim to integrate sustainability standards across our internal land management, water management, design and construction, and leasing strategies.

# ENVIRONMENTAL STEWARDSHIP



We believe it is crucial to do our part in rehabilitating our land and its resources, removing invasive species, and educating our employees to be land stewards.



We are committed to responsible resource consumption including the proper management of our water catchment and reducing water consumption where available.



We believe that a healthy built environment supports the health of our employees. Therefore, we are committed to using sustainable design and construction materials in our offices.



We are committed to occupying buildings that are environmentally responsible and resource efficient while considering sustainable real estate practices where available.



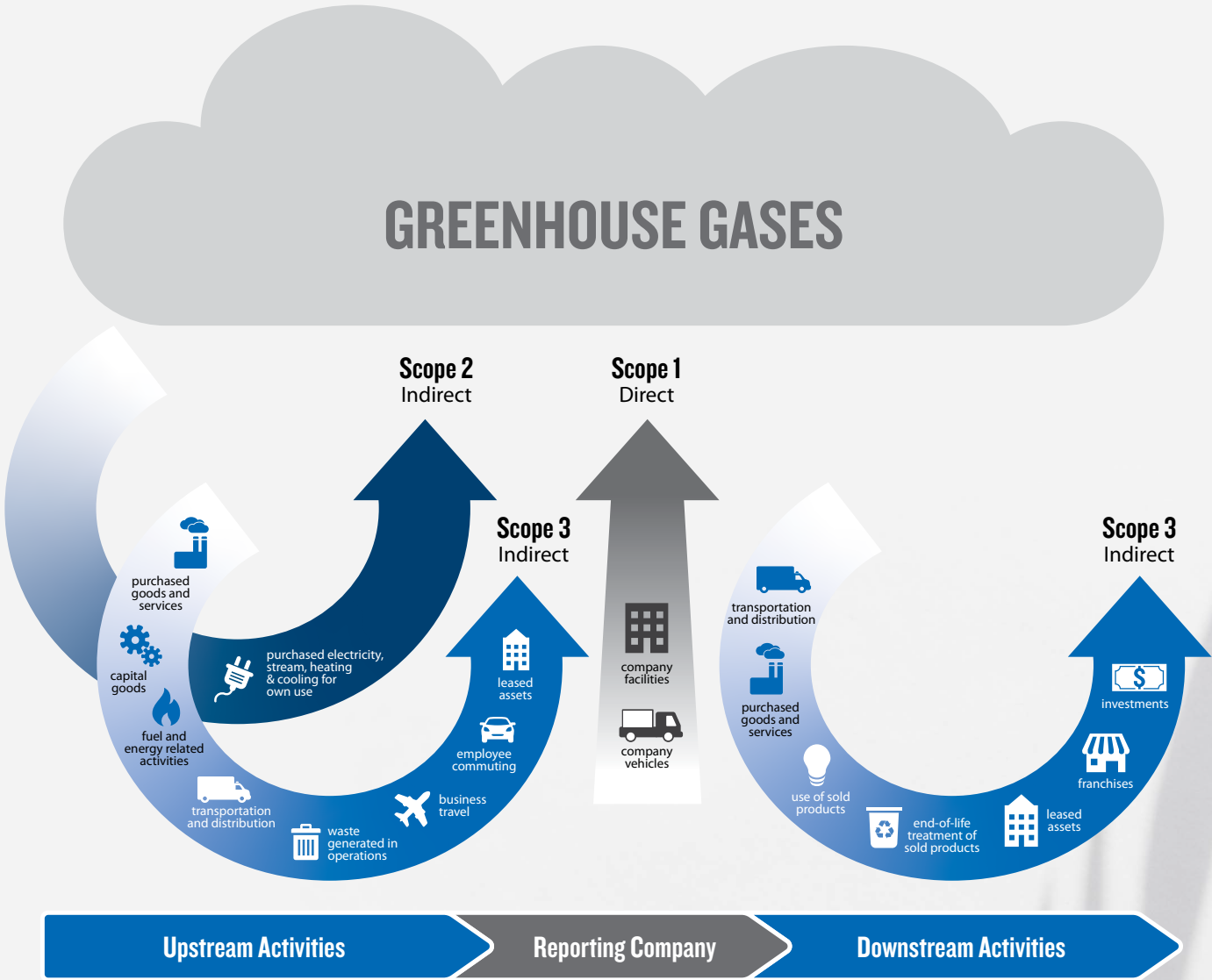
# 2020 GREENHOUSE GAS EMISSIONS INVENTORY

A greenhouse gas emissions (GHG) inventory was completed quantifying CY 2020 emissions associated with AmFam brand’s Scope 1 and 2 emissions and the following Scope 3 emissions categories: Purchased Goods and Services (Paper and Cloud Services), Fuel- and Energy-Related Activities, Upstream Transportation & Distribution, Waste Generated in Operations, Business Travel, Employee Commuting, End-of-Life Treatment of Sold Products. Two more Scope 3 categories need to be mapped: supply chain and investments.

	EMISSIONS SOURCE	EMISSIONS (metric tons CO2e)
Scope 1 Emissions	Stationary Combustion	6,059
	Fleet Vehicles	5,265
	Corporate Jet	907
	Refrigerants	429
	Subtotal	12,661
Location-based Scope 2 Emissions	Electricity	25,373
	Subtotal	25,373
Market-based Scope 2 Emissions	Electricity	25,373
	Subtotal	25,373
TOTAL	Total Scope 1 and Location-Based Scope 2 Emissions	38,034
TOTAL	Total Scope 1 and Market-Based Scope 2 Emissions	38,034
Scope 3 Emissions	Purchased Goods & Services (Paper & Cloud Services)	11,681
	Fuel and Energy-Related Activities	5,975
	Upstream Transportation & Distribution	7,067
	Waste Generated in Operations	418
	Business Travel	1,972
	Employee Commuting	5,977
	End-of-Life Treatment of Sold Products	485
TOTAL	Total measured emissions as of 2020. Does not yet include supply chain or investments.	71,609

\*Table display is based on recommendations set by the EPA

# GREENHOUSE GAS EMISSIONS





# GLOSSARY OF TERMS

## BAU Emissions

Business-as-usual emissions refer to the level of emissions that would be created if future development trends follow those of the past and no changes in policies take place.

## Carbon Footprint

A carbon footprint is the total amount of greenhouse gases that are generated by our actions.

## Carbon Neutrality

Refers to carbon dioxide emissions and is a state of balance between the carbon dioxide emitted into the atmosphere and the carbon dioxide removed from the atmosphere.

## Carbon Offsets

A reduction in GHG emissions or an increase in carbon storage through things like land restoration or the planting of trees, that is used to compensate for emissions that occur elsewhere.

## Climate Adaptation

The action of adapting to the already-changing climate.

## Climate Mitigation

The action of reducing emissions of and stabilizing the levels of green-house gases in the atmosphere.

## Climate Resiliency

The capacity of a community, business or natural environment to prevent, withstand, respond to and recover from a disruption. A capability to anticipate, prepare for, respond to and recover from significant

multi-hazard threats with minimum damage to social well-being, the economy and the environment.

## Environmental Stewardship

The responsible use and protection of the natural environment through conservation and sustainable practices to enhance ecosystem resilience and human well-being.

## Greenhouse Gases (GHGs)

Greenhouse gases cause the greenhouse effect, which leads to global warming. The primary greenhouse gases in Earth’s atmosphere are water vapor, carbon dioxide, methane, nitrous oxide and ozone.

## Intergovernmental Panel on Climate Change (IPCC)

United Nations body for assessing the science related to climate change.

## Net Zero

The balance between the amount of greenhouse gas produced and the amount removed from the atmosphere.

## Physical Risk

Involve risks from climate change including risk to facilities and infrastructure, impact on operations, water and raw material availability, and supply chain disruption.

## Renewable Energy

Energy produced by resources that are naturally replenishing such as sunlight, wind, rain, waves, tides and geothermal heat.

## Scope 1

Direct GHG emissions occur from sources that are owned or controlled by the company.

## Scope 2

Indirect emissions from sources that are owned or controlled by the company. This includes emissions that result from the generation of electricity, and heat or steam purchased from a utility provider. Scope 2 emissions can be measured as location- or market-based. The location-based method measures what the company is physically emitting, and the market-based method shows emissions the company is responsible for through its purchasing decisions.

## Scope 3

The result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.

## Sustainability

Meeting the needs of the present without compromising the ability of future generations to meet their needs.

## Sustainable Design

Design that seeks to reduce negative impacts on the environment, and the health and comfort of building occupants.



# OURS TO SUSTAIN

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**CORPORATE RESPONSIBILITY**  
Community • Environment • People



For more information visit:

[amfam.com/about/corporate-responsibility/environment](https://amfam.com/about/corporate-responsibility/environment)

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