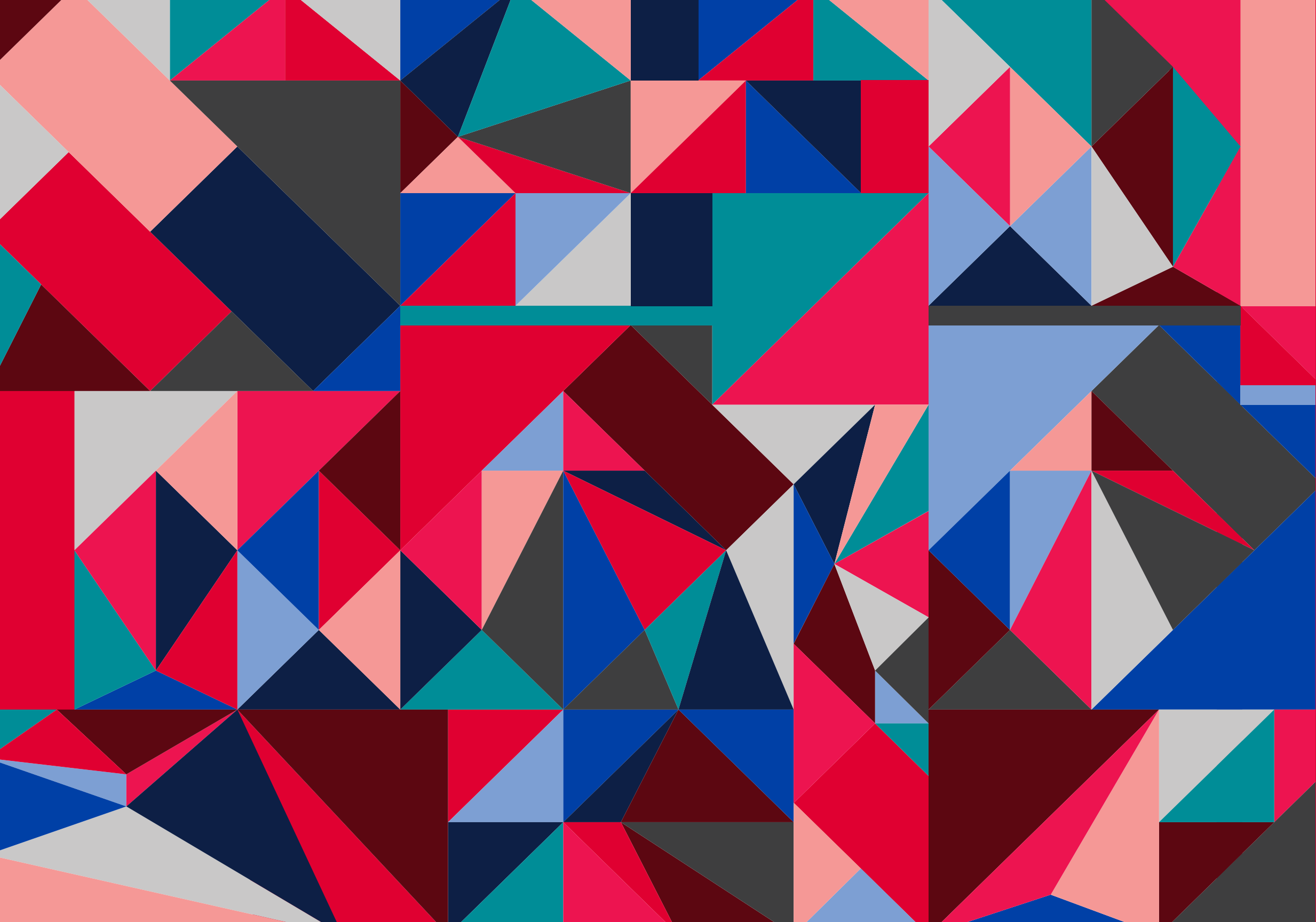




OURS TO SUSTAIN

2018 CORPORATE RESPONSIBILITY REPORT



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One Saturday to Dream Fearlessly in St. Louis, MO.

PROTECTING WHAT MATTERS MOST

SECTION 01

EXECUTIVE SUMMARY

Throughout its history, American Family Insurance has grown and adapted to meet the changing needs of our customers. While many know us through local agency owners, distinct advertising messages, or perhaps the charitable work we support, American Family has grown and adapted because our customers demanded it.

In 2018, we continued to flex who we are as an organization. Today, we’re a data company. A home-inspection software company. And, we’re an exceptional multiline, exclusive-agency owner, independent-agency owner, and digital-direct insurance company. While our focus remains on insurance, American Family keeps pace with our customers in other ways, too. We want to be a responsible company that makes an incredible impact where we live, work and serve.

Spark, American Family’s newest facility in downtown Madison, Wisconsin, is a bright, shining example of this declaration. More than a building, Spark represents our commitment to corporate responsibility. It stands as an icon of our values to catalyze positive and transformative social and environmental impact.

This is who we are

This building embodies all three aspects of our Corporate Responsibility Program – community, environment and people. Every component was intentional. From flooring to lights, coffee and community spaces, we’ve integrated sustainability and inclusivity to create a space that serves our greater community. Later in this report, you’ll learn more about Spark’s remarkable features that complement our work in the community, our dedication to the environment, and our commitment to our people. If you’re ever in the Madison area, stop in for a visit!

As American Family flexes even more in the coming years, Spark will be just part of our legacy. So will the investments we’ve made in technology to better the lives of our customers, and the communities where we live and work. We want to make a similar impact in Milwaukee, partnering locally but also thinking beyond our Midwest roots.

This is who we are becoming

Annual results are important. But I want American Family to be about more than just generating positive financial returns. We must be a good employer, and a terrific place for agency owners to build businesses. Our work should excite consumers and attract the best people. Along the way, we should help solve social, environmental and community problems where we live and work. In 2018, American Family Insurance wrote the latest chapter in our history. But our story continues.

This is who we are ... and we’re not done

Jack Salzwedel

CEO Jack Salzwedel pictured at Spark supporting Brand Ambassador Eunique Jones Gibson and her “Because of Them We Can” campaign, which featured children dressed as famous African-American figures such as Maya Angelou, Muhammed Ali and Frederick Douglas.

JACK
SALZWEDEL

Chair and Chief Executive Officer

SOCIAL IMPACT

Social inequality remains a fundamental barrier for communities and individuals striving to achieve their dreams. Systemic challenges such as economic insecurity, mass incarceration, affordable housing and education achievement gaps persist, stifling growth and progress.

American Family Insurance is committed to action that works to close equity gaps and empowers communities to dream big, dream bold and dream fearlessly. Among the gaps:

- Outstanding student-loan debt stood at \$1.46 trillion in the fourth quarter of 2018, second only to national housing debt. ⁱ
- Nearly a third of U.S. households pay more than 30% of their incomes for housing (the standard definition of cost-burdened). ⁱⁱ
- Nearly half of federal prisoners are serving a sentence for a drug-trafficking offense while the imprisonment rate for African-American males is six times that of white males. ⁱⁱⁱ

At American Family Insurance, we recognize that these challenges are complex and require transformation at all levels of business and government. We plan to serve as a catalyst for conversation and innovation in these areas, transcending traditional norms and sparking ideas with the mission of protecting dreams.

We firmly believe in the dreams of our customers, our employees and the communities we serve. We are proud to protect those dreams today and work to close equity gaps across this nation – so all are empowered to dream tomorrow.



CLIMATE ACTION

In 2018, our changing climate demanded the spotlight, with several reports highlighting impacts already being experienced today.





- According to the World Economic Forum (WEF), environmental risks dominate results of the WEF Global Risk Survey. Failure of climate change mitigation and adaptation is the second highest risk in both likelihood and impact. Additional environmental risks include extreme weather events, natural disasters, man-made environmental disasters, and biodiversity loss and ecosystem collapse. ^{iv}
- 2018 was the fourth warmest year on record dating to 1880 for combined land and ocean temperatures. ^v
- In 2018, global economic cost of natural disasters equaled \$225 billion (insured costs totaling \$90 billion). Weather-related disasters equaled \$215 billion (insured costs totaling \$89 billion). Combined, 2017 and 2018 were the costliest back-to-back years for public and private insurers on record. ^{vi}



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.

SCHOLARSHIP SUPPORT

259 STUDENTS SUPPORTED    

115 COLLEGES & UNIVERSITIES WITH SCHOLARSHIP RECIPIENTS ENROLLED  

\$647,500 STUDENT SCHOLARSHIPS AWARDED 

76% WASTE DIVERSION RATE  

953 TONS OF WASTE OUT OF A TOTAL OF  

1,258 TONS OF WASTE GENERATED  

EMPLOYEE VOLUNTEER HOURS

1,880 EMPLOYEES VOLUNTEERED **10,272** HOURS SERVED

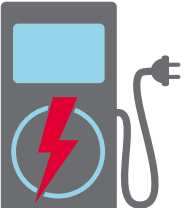
     

STEVE STRICKER AMERICAN FAMILY INSURANCE FOUNDATION

\$2,067,000 PROCEEDS RAISED in 2018

83 CHARITABLE RECIPIENTS 

\$15 MILLION ESTIMATED LOCAL ECONOMIC IMPACT 

12 ELECTRIC VEHICLE CHARGING STATIONS 







\$12.9 MILLION TOTAL COMBINED PHILANTHROPIC GIVING 

57 PERCENT ENGAGEMENT RATE EMPLOYEE HEALTH & WELLNESS PROGRAM      

\$4.3 MILLION MATCHING GIFTS        

EMPLOYEE TUITION SUPPORT:

\$887,407     

AWARDS AND RECOGNITION

American Family Insurance is often recognized for its corporate responsibility-related work. In 2018, we received a variety of honors that mark our commitment to our communities, our environment and our people.



Earned “W” recognition from 2020 Women on Boards for having at least 20% of all company board of director seats held by women. Four of the 13 American Family board members (31%) are women.



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



Ranked No. 311 on the Fortune 500 list.



Ranked fourth in the J.D. Power Property Claim Satisfaction Study.



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

OUR INSPIRATION FORWARD

American Family Insurance is committed to our mission of inspiring, protecting and restoring dreams. You hear us mention this time and time again. That's because all our decisions are intentionally aligned with this idea – and our most recent steps forward are certainly no exception.

In 2018, we constructed Spark, a nine-story building in downtown Madison that revolves around innovation, entrepreneurship, sustainability and community. We launched the American Family Institute for Corporate and Social Impact, which partners with local and regional organizations to bring about solutions and ideas to positively impact K-12 education, economic opportunity and community resilience.

Now, as part of our steadfast commitment, we're building on the momentum from both of these initiatives to make a meaningful difference for Milwaukee, our state's largest urban center.

Our vision is to develop a thriving, urban workplace and community hub in Milwaukee, supported by extensive community partnerships and philanthropic support. This initiative is just beginning and will include a new building that houses regional, as well as technology and other corporate functions, along with a sales storefront. In addition, both the DreamBank and the Institute for Corporate & Social Impact will have a presence. While the building is a few years out, several partnerships and other activities are already moving, strengthening our presence in the city and making an impact.

Being part of urban centers like Milwaukee with its rich diversity, large business networks and great universities provides extensive benefits to American Family. Integrating ourselves into diverse communities helps these neighborhoods become more equitable, healthy and sustainable. It also helps our company as we build a more diverse talent pipeline and inclusive culture.

Focusing on our mission and integrating our values will help energize our workforce, support our current and future customers and revitalize our communities.

We call this column "Our Inspiration Forward" because using the spark of inspiration is how we've come to approach these bold moves, expanding our reach and responsibilities to our people, environment and communities. These exciting developments inspire us to fulfill our dream of being a corporate business and community leader with strong partnerships and investments which can, in turn, inspire our customers and create healthy futures for us all.

Vice President of Inclusive Excellence, Justin Cruz, pictured at Spark.

JUSTIN CRUZ

Vice President of Inclusive Excellence

[illegible]

OUR STORY

SECTION 02



Spark, pictured at dusk, represents the future of American Family and our commitment to our people, our company and the communities we serve.

WHO WE ARE

Madison, Wisconsin-based American Family Insurance Group is the nation's 13th-largest property/casualty insurance group and ranked No. 311 on the Fortune 500 list in 2018. The company sells American Family-branded products, including auto, homeowners, life, business and farm/ranch insurance, primarily through its exclusive agency owners in 19 states.

American Family Insurance is the fourth-largest Wisconsin-based company with revenues of \$10.1 billion. American Family affiliates (The General and Homesite) also provide options for consumers who want to manage their insurance matters directly over the internet or by phone. Affiliate Main Street America sells insurance products through independent agents. When including Homesite, The General and Main Street America, the American Family Insurance Group has nearly 12,000 employees and roughly 2,600 agency owners.

Our purpose

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

Our mission

To inspire, protect and restore your dreams.

Our vision

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

FINANCIAL STRENGTH

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

	2018	2017
ASSETS	\$27,502,521	\$24,233,038
MEMBERS' EQUITY	\$9,006,847	\$8,051,825
REVENUES	\$10,177,770	\$9,253,428
NET INCOME (LOSS)	\$295,292	\$155,628
LIFE INSURANCE IN FORCE	\$98,930,145	\$97,225,115

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



OURS TO SUSTAIN

SECTION 03

OUR FRAMEWORK

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

Investing in our communities: Lead collaboration in community involvement, and empower our communities to be more socially impactful and resilient.

Sustaining our environment: Reduce our environmental footprint by integrating sustainability principles and practices throughout our company and our communities.

Empower our people: Foster a culture of diverse and inclusive well-being for ourselves, our customers and our communities.

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



PERFORMANCE AND PROGRESS

ENVIRONMENT								
TOPIC	INDICATOR	MEASURE	2014	2015	2016	2017	2018	% Δ2017 - 2018
GHG Emissions	Total GHG Emissions ¹	mtco2e	45,492	46,288	45,196	43,980	44,689	2%
Energy	Energy Use Intensity (EUI) ²	kBTU/SqFt/yr	100	90	87	85	81	-5%
Energy	Renewable Energy Production ³	kWh	45,544	45,792	46,647	282,169	1,459,025	417%
Waste	Waste Diversion Rate ⁴	Total recycled waste/ total waste generated	78	79	76	77	76	-2%
Water	Water Consumption ⁵	Gallons	45,535,441	43,582,770	41,529,299	41,573,223	41,533,940	1%
COMMUNITY								
TOPIC	INDICATOR	MEASURE	2014	2015	2016	2017	2018	% Δ2017 - 2018
Philanthropic Giving	Total American Family Community Investment ⁶	USD	-	-	-	11,742,242	12,874,357	10%
American Family Dreams Foundation	Total American Family Dreams Foundation Contributions ⁷	USD	-	-	-	6,328,537	6,728,762	6%
Steve Stricker American Family Insurance Foundation	Total Stricker Foundation Contributions ⁸	USD	-	-	1,089,500	1,625,000	2,067,000	27%
University of Wisconsin-Madison Partnership	Total UW-Madison Partnership Contributions ⁹	USD	-	2,954,550	3,336,050	3,788,705	4,078,595	8%
United Way	Employee Volunteer Hours ¹⁰	# of hours	-	-	-	8,713	10,272	18%
PEOPLE								
TOPIC	INDICATOR	MEASURE	2014	2015	2016	2017	2018	% Δ2017 - 2018
Well-Being Program	Total Employee Well-being Contributions ¹¹	USD	-	839,050	1,400,415	1,209,934	1,222,753	1%
Satisfaction	Employee Retention ¹²	% of employees retained	91	91	90	91	90	-1%
Talent Development	Leadership and Professional Development Training Expenditures ¹³	USD	-	-	-	4,840,666	4,433,551	-8%
Talent Development	Leadership and Professional Development Trainings Offered ¹⁴	# of distinct courses	-	-	-	333	387	16%
Talent Development	Total Employee Tuition Support Paid ¹⁵	USD	-	-	-	834,761	887,407	6%



One Saturday to Dream Fearlessly in Columbus, OH.

INVESTING IN OUR COMMUNITIES

SECTION 04



KESHA BOZEMAN

Enterprise Brand Strategy and Advertising Director

Kesha Bozeman pictured at Spark in the DreamBank exhibit space.

RIISING TO THE CHALLENGE

83% of Millennials believe businesses should be involved in societal issues. And we all want to work for and do business with ethical companies. Companies that take a stand on issues like:

- Protecting our environment.
- Defending human rights.
- Supporting the underprivileged.
- Standing against injustice.
- Fair pay, fair trade and equal access to the American Dream.

American Family Insurance is leading the way. Our American Family Insurance Dreams Foundation is bringing people together and creating positive change in all our communities. Our Spark building in Madison is a shining example of the sustainable, urban office and community environment of the future. And our newly launched Institute for Corporate and Social Impact is the kind of public/private partnership we need to find solutions to our most pressing societal problems.

At American Family Insurance, we work for people – inspiring, protecting and restoring their dreams. Yes, that statement is part of our brand. It’s also part of who we are. There’s no better way to do what we do – as a company and as employees and agency owners – than to strengthen the communities, schools, economies and public spaces in which we live and work.

We’re focused on doing what’s right. For now. For the future.

So people will say: ‘This is a better community because American Family is part of it.’





One Saturday to Dream Fearlessly in Des Moines, IA.

4,000
TOTAL VOLUNTEERS

12,000
VOLUNTEER HOURS DEDICATED

\$297,000
IN VOLUNTEER HOUR
DOLLAR EQUIVALENT

54
EVENTS ACROSS THE COUNTRY

500
AGENCY OWNER PARTICIPANTS

#DREAMFEARLESSLY

One Saturday

Since 2017, One Saturday events have showcased American Family's commitment to inspiring, protecting and restoring dreams through visible, lasting and community-changing ways.

One Saturday to Dream Fearlessly celebrations bring American Family customers, agency owners, employees, and volunteers together to strengthen their cities, deepen community bonds, and champion brighter futures for dreamers. From meal packing and supply drives to youth mentorship and community projects, they showcase the power of people coming together to support one another's dreams.

Des Moines, IA: Volunteers packed 22,000 meals that the local non-profit Meals from the Heartland helped distribute to local food pantries.

Columbus, OH: Volunteers rolled up their sleeves to landscape and clean the Ronald McDonald House Charities of Central Ohio for a fresh spring start. The group also pitched in to prep meals and make blankets for residents.

Twin Cities, MN: A large group of volunteers joined in to fight hunger, packing more than 23,000 pounds of food with Second Harvest Heartland.

St. Louis, MO: Volunteers discovered more than 90,000 kids couldn't afford basic school supplies. So they partnered with KidSmart to organize and distribute more than 1 million free school supplies to area teachers, creating a fun pop-up shop environment to showcase their work.

BECAUSE OF THEM WE CAN

In 2018, American Family Insurance partnered with the Dream Village Tour to help communities take strides toward pursuing their dreams together.

Founded by Eunique Jones-Gibson, “Because of Them We Can” founder and American Family brand ambassador, Dream Village offered a unique way for locals to have poignant conversations with inspiring change-makers: celebrities, influencers and community leaders whose significant connections and contributions have shaped their communities for the better. In addition, each tour stop used intimate porch sessions, hands-on inspirational activities, local pop-up shops, and the perspective from local American Family agency owners to create awareness and connection around what it takes to thrive as a city.

Going beyond the tour to bring the impact of these conversations to life, American Family Insurance partnered with OWN, the Oprah Winfrey Network, to spotlight local change-makers through SuperSoul Short Films – a ‘docu-series’ showcasing the power of what can happen when you dream fearlessly.

800+
ATTENDEES ACROSS
FOUR TOUR STOPS
280+
DREAM
PLEDGES SIGNED

40
SMALL BUSINESS
POP-UPS FEATURED
50
STUDENTS, AGES 8-15,
COMPLETED ‘CODING DREAMS’ WORKSHOPS



The Dream Village Tour makes a stop at Spark in Madison, WI.



**\$12.9
MILLION**
TOTAL COMBINED
PHILANTHROPIC GIVING

2018 American Family Insurance Championship winner, Scott McCarron.

DRIVEN BY PURPOSE

American Family Insurance engages in the communities where our customers, employees and agency owners live, work and raise their families. We have a deep commitment to positive quality of life in our communities, built on our foundation to inspire, protect and restore dreams. Our community investment initiatives are rooted in environmental sustainability, employee well-being, and diversity and inclusion. These make up our comprehensive corporate responsibility program.

The American Family Insurance Dreams Foundation, the Steve Stricker American Family Insurance Foundation and our partnership with the University of Wisconsin support strategic, positive investments in community organizations and non-profits. Together, we're creating far-reaching impacts on the environment, education, health and social well-being of all those who live and work in our communities.

It is our hope that through our work, individuals and families will believe that their community is better because American Family is part of it.

“Through our community investments, we support access to food and stable housing, a well-trained workforce, clean air and water, exposure to culturally enriching experiences and a strong sense of security and belonging. We empower our communities to be better, more inclusive and stronger places for all.”

- Judd Schemmel, Associate Vice President of Community Investments and Partnerships



DREAMS FOUNDATION

American Family Insurance Dreams Foundation

In 2018, the Dreams Foundation community giving evolved into community investing, aligning with the company's corporate goals and creating strategic alliances with non-profit organizations for the benefit of individuals, families, and communities across the company's operating territory.

The Foundation made grant-based investments in programs and services designed to advance and support life-long learning, as well as remove barriers to meeting select basic needs. Within its areas of priority, the Foundation maintained an overall emphasis on programs and services that support under-represented and economically disadvantaged individuals and families.

Life-long learning

The Dreams Foundation supports improving access to education and empowering individuals to take part in a diverse, sustainable and growing workforce. The Foundation supports learning opportunities for pre-kindergarten through college, STEAM programming and early childhood education.

Workforce readiness

Through the Foundation, American Family empowers individuals by creating pathways to employment that support the ability to earn a stable income and reach full personal and career potential. We collaborate with community and educational programs in vocational and job retraining, financial literacy and workforce readiness.

Basic needs

We address common barriers to families in order to provide a brighter future for all, including food security, housing, transportation and child care.

"Our work at the Dreams Foundation is designed to bring positive impact to individuals and communities. By partnering with and investing in nonprofit organizations and outreach programs, we're creating better lives for all people in our communities."

-Maggie Pascaly, Community Investment Manager



American Family Community Investment team
volunteering during Seasons of Caring.

EMPLOYEES
\$2,921,396
IN MATCHED GIFTS

1,140
NONPROFIT
ORGANIZATIONS

AGENCY OWNERS
\$1,407,366
IN MATCHED GIFTS

1,161
NONPROFIT
ORGANIZATIONS

GIFTS FOR GOOD

Matching gifts (two for one)

Through the American Family Insurance Dreams Foundation, American Family employees and agency owners have access to a matching gift program. Funds are set aside and used to match charitable donations across the country.

Donation matching gift requests made in 2018 were matched at a rate of two for one as a result of the reduced federal tax rate in January of that year. The enhanced benefit encouraged employees and agency owners to submit 6,950 matching gift requests resulting in \$4.3 million donated to nonprofit organizations.

Our program spurs positive outcomes in communities that have lasting impacts. In Lawrence, Kansas, for example, agency owner Ron King participated in our two-for-one match to contribute to the Lawrence Habitat for Humanity organization where he and his wife, Lisa, had volunteered for many years. When Lisa passed away, Habitat honored Lisa by building its 101st home in her memory.

“Ron and Lisa’s philanthropic support of Lawrence Habitat has been unwavering, and they have spent many hours to help families achieve their dream of home ownership.”

-Erika Zimmerman, Executive Director of Lawrence Habitat for Humanity.

Dreams Foundation grant awards

The Dreams Foundation also provides grants in two annual cycles to nonprofit organizations. Efforts are focused toward assisting those who are under-represented and economically disadvantaged in two main areas: life-long learning and basic needs.

In 2018, the Dreams Foundation grants totaled \$1,717,500 to 156 organizations. Since its inception in 2016, the foundation and American Family Insurance have committed \$8.9 million through more than 500 grants across our operating territory.



STRICKER FOUNDATION

Created in 2013, the Steve Stricker American Family Insurance Foundation is an extension of our partnership with brand ambassador and PGA TOUR professional Steve Stricker. The foundation supports education, initiatives, and organizations aimed at building strong families and healthy kids, with a focus on youth ages 12-18 and special consideration for underserved communities.

The American Family Insurance Championship, a PGA TOUR Champions golf tournament held in Madison, Wisconsin, primarily funds the foundation. It has made a significant social impact since its inaugural tournament, with more than \$4.7 million raised for charity since 2016. Half of all proceeds support the American Family Children's Hospital in Madison, which serves children and families from across the country.

Through the years, the golf championship event has grown and now includes the three-day tournament, two Pro-Am competitions, a charity concert and a special exhibition featuring celebrities from the sports and music industries. Roughly 65,000 spectators from 29 states attended during the three days of tournament play in 2018, and nearly 1,200 volunteers from 13 states donated their time to take part in the event. In 2018 the local economic impact of the tournament was estimated to be around \$15 million.

In 2018, American Family Insurance Championship received the prestigious President's Award from PGA TOUR Champions. The award recognizes outstanding charitable giving, sales, attendance and economic impact, capturing the criteria of all PGA TOUR Champions awards, as well as the intangibles that make the tournament stand out.



83 CHARITABLE RECIPIENTS
\$2,067,000
PROCEEDS RAISED IN 2018

\$41 MILLION
ECONOMIC IMPACT SINCE 2016

SPARK

**The ignition of Creativity,
Collaboration and Inspired Discovery.**

SUSTAINING OUR ENVIRONMENT

GO NO I JES SECTION 05

SPARKING A SUSTAINABLE FUTURE

The 2018 United Nations Special Report on Global Warming projects that, if global temperatures increase by 1.5 degrees Celsius by 2050, the world will experience potentially devastating environmental, economic and social impacts. It's undeniable that human actions have adversely impacted our environment. At American Family Insurance, we recognize this fact. We realize that climate change puts our customers and communities at risk.

While catastrophic events present a real challenge, the insurance industry has a chance to lead. American Family is at the forefront of sustainable environmental leadership.

We continue to push forward in sustainable development, building on the Leadership in Energy and Environmental Design (LEED) certification we earned in 2017 for our Eden Prairie, Minnesota office. We opened our newest facility in 2018: Spark in Madison, Wisconsin. Spark was designed with a sustainable framework, including a green roof, 500-foot geothermal wells to reduce heating/cooling costs, and a rainwater-capture system to enhance our cooling system and reduce run-off.

We're honing in on renewable energy, with a focus on solar energy production through our rooftop solar arrays on our National Headquarters building in Wisconsin and our Eden Prairie office. We use rainwater diversion systems at Spark and in landscape management operations at several of our facilities. Our accommodations for electric vehicles at our offices are expanding.

We're dedicated to a zero waste future, reducing the amount of waste we produce while increasing the waste we recycle and compost. Achieving a 90% waste-diversion rate is the centerpiece of Our Dream of a Zero Waste Future. We achieved a 76% diversion rate in 2018 and plan to continue to increase that number.

At American Family, we consider our climate impacts in all we do and we're committed to addressing these challenges directly. We'll continue to protect what matters most to our customers, employees, agency owners and to future generations.

A woman with brown hair, wearing a dark blue cardigan over a light-colored striped shirt and khaki pants, is sitting on a bright yellow modern stool. She is smiling at the camera. The setting is a modern office interior with large windows in the background, a grey sectional sofa to the left, and a large red fireplace hanging from the ceiling. The floor is made of large, light-colored tiles.

KARI GRASEE

Vice President, Business and Workplace Services

Vice President of Business Workplace Services,
Kari Grasee, pictured in Spark's work cafe.

American Family Insurance leadership and Madison Mayor Paul Soglin celebrate the opening of Spark in October 2018.



SPARK IGNITES A NEW CHAPTER

Spark, American Family's nine-story building in downtown Madison, is more than an office. It showcases our commitment to innovation, collaboration and entrepreneurship. Within this sustainable, agile, creative environment, we house an agency owner office, the American Family Institute for Corporate and Social Impact, DreamBank, a local entrepreneurial hub, StartingBlock Madison, and several business development, community investment and data technology departments. With the building's innovative design, its forward-looking people and its positive impact, Spark supports our commitment to our values and culture: "Supporting entrepreneurs. Improving the environment. Investing in communities."

"Spark, appropriately named, will be a catalyst for innovation and inspiration in our region. Spark also represents American Family's values at work, as we help our communities look ahead and make bold moves of their own."

—Jack Salzwedel, chair and CEO



COMMUNITY

The office tower was purposefully angled during design to preserve views to downtown and to lakes Mendota and Monona.



WELL-BEING

The intention of Spark is to provide access to and from community. A pocket park, roof garden and balconies move individuals in and out of the building, and into the outdoors.



RESILIENCE

Spark is registered as the first fortified GOLD certification in the world, in partnership with the Insurance Institute for Business and Home Safety.



SUSTAINABLE: SITES

Native and drought-tolerant plantings were used on green roofs and in the pocket park, along with water conservation efforts. The irrigation system was eliminated.



HIGH PERFORMANCE BUILDING ENVELOPE

Thirty geothermal wells were drilled under the site and outside the building footprint. Each well is 500 feet deep. The wells reduce energy use by using the earth's consistent temperature to cool and heat the building.



COMMUNITY

The building materials give a nod to the neighborhood, incorporating materials like terracotta/masonry, industrial/metal and organic/green.



INNOVATION

An automated sunshade system operates by the time of day and daylight. Fixed horizontal and vertical shades allow for reduced energy system requirements.



RESILIENCE

A one-megawatt generator can operate at full capacity for 48 hours, providing reliable back-up generation when needed.



SUSTAINABLE: WATER

A 10,000-gallon container captures rainwater from the rooftop and reduces the need for city water to heat and cool the building, reducing the overall water footprint.



HIGH PERFORMANCE BUILDING ENVELOPE

The project is registered for LEED v4.0 for core and shell. It is set to achieve substantial energy optimization goals.

COMMUNITY

The American Family Community Investment Team, DreamBank, the entrepreneurial hub StartingBlock Madison, and the Institute for Corporate and Social Impact all reside in Spark.



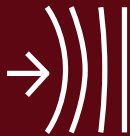
WELL-BEING

A purified air system is designed to simulate the natural ionization process, controlling allergens and eliminating airborne particles.



RESILIENCE

Personal connection to “place” provides a sense of belonging and purpose. That, in turn, fosters significance and meaning, supporting personal resilience.



SUSTAINABLE: WATER

Purified drinking water is provided throughout the building. Low-flow faucets and toilets are specified for reduced water use.



HIGH PERFORMANCE WORKPLACE ENVIRONMENT

Terrazzo flooring and porcelain wall tile were chosen for main corridors for their beauty and long-lasting quality.



INNOVATION

The building is being used to pilot technologies from room scheduling to individual comfort control and will continue to serve as pilot location.



WELL-BEING

All-gender restrooms, indoor bike storage, personal shower and locker rooms, and mothers’ rooms are provided for individual needs.



RESILIENCE

Flexible, moveable walls along with a raised flooring system for access to power distribution allows the building to stay agile for its current and future needs.



SUSTAINABLE: DESIGN

All building fit and finishes were evaluated for their locally sourced, sustainable and healthy content. Sustainable products are used in many of our buildings and are an important part of our design process.



HIGH PERFORMANCE WORKPLACE ENVIRONMENT

The sun shades raise and lower automatically, detecting the level of sunlight and heat. They provide a functional balance between comfort and energy savings.



Adaptive design at the Institute in Spark creates functional and agile spaces for the community and employees.

DESIGN MATTERS

Workplace design matters at American Family. We intentionally design our offices and work spaces to enhance the well-being of our employees and to reflect our sustainability values. In 2018, we applied for LEED v4.0 certification for our newest building in Madison, Spark, and we advanced our LEED v3.0 progress on our remodeled East Regional Building, also in Madison. Both of these initiatives have demonstrated our commitment to growing our portfolio of LEED-registered and certified projects.

In moving forward with these and similar projects, we're continuously incorporating advanced and sustainable building techniques while also examining our sourcing for finishes and furnishings. In all construction and remodel projects, American Family looks to reduce pollutants, recycle and repurpose older furnishings and incorporate energy-saving design.

We have a dual goal of enhancing employee well-being. We've created work spaces with moveable walls, varied lighting, adjustable-height desks and treadmill workstations. We bring in natural light, plants, and accessible outdoor spaces.

These environmentally sustainable business operations positively affect our customers, communities, employees, agency owners and natural environment. What's more, they make our work spaces more welcoming in ways that go beyond paint color and chair choices. We welcome people to healthy, engaging environments, allowing them to bring their best to work for our customers and communities.

OUR DREAM OF A ZERO WASTE FUTURE

American Family is committed to minimizing our impact on the environment by reducing the amount of waste we produce, while increasing the amount of waste recycled and composted. Achieving a 90% waste-diversion rate is the centerpiece of Our Dream of a Zero Waste Future.

Corporate commitment

We focus on reducing, reusing and recycling various products to minimize our landfill waste. In 2018, American Family:

- Achieved a 76% diversion rate for our National Headquarters and Madison-area facilities.
- Reduced our use of high-grade white paper by 71,033 pounds.
- Recycled 953 tons of total waste.

American Family Insurance Championship

With roughly 65,000 attendees at this PGA Senior Tour event, the American Family Insurance Championship creates an annual opportunity to show our sustainability commitment to thousands of golf fans, both on the course and through media events.

We work to ensure the American Family Insurance Championship is a zero waste event. We are proud to say that the 2018 American Family Insurance Championship diverted 93% of waste from the landfill.

- Food waste is composted, and pre-consumer waste is sorted and donated.
- Commingled recycling of cardboard, plastics and aluminum is sorted and recycled.
- Construction wood and metal is recycled, and carpet waste is repurposed.
- Waste-to-energy is our method for any waste that can't be reused, donated or recycled. This material is sent to an incineration facility where it is burned and converted into energy.

To make this a green event, we hosted more than 80 volunteers from the community who opened nearly every bag of waste generated at the tournament and sorted contents into the various waste streams. It is because of the hard work and support of our volunteers that this event was such a success.

SUSTAINING OUR ENVIRONMENT

At American Family, we recognize our connection to the environment. Our goal is stewardship of our energy and land resources to benefit a sustainable future for our employees, communities and customers. From creating new native prairies and controlling invasive species to management of water use and erosion issues, we're having a positive impact on the communities across the country.

Land management

Set in a beautiful area of Madison, our National Headquarters is home to a small parkway prairie, a butterfly garden and an oak savanna, with 22 acres of restored and preserved habitat. Six years ago, a drought in the state thwarted plans to create an additional 15 acres of native Wisconsin prairie, spurring a multi-year project to bring the area back to health. In 2018, we proceeded with our final year of sustainable agricultural practices on the soon-to-be prairie land, including no-till planting of soybeans to add nitrogen and reduce seeds in the soil. This will prepare us for the seeding of the restored native prairie.

Erosion control

On our St. Joseph, Missouri, campus, we modified vegetation density over four acres in 2018 while planting and pruning desired native species and ground cover to stabilize soil and reduce erosion. The result has revived these areas while increasing visibility and safety, for drivers and pedestrians. Stabilizing water run-off, stream beds and stormwater pathways is a key component to creating healthy landscapes at all American Family facilities. On our St. Joseph campus, erosion control became a top priority in 2018 to stabilize a stream bank that could have undermined a nearby road. The work to create overflow flood plains and construct a protective retaining wall has reduced risk to the land and the transportation route through campus, benefiting employees, customers and visitors.

Invasive species control

Our sustainable land management strategy at American Family is focused on a healthy outdoor environment, both for our office campuses and for nearby communities. Part of that effort is controlling invasive species that affect our beneficial native plant species while threatening to spread into adjacent areas. We made significant progress in controlling the emerald ash borer in 2018 at both our national headquarter campus in Madison and our Denver campus, using two approaches: removing highly infected trees and proactively treating others to protect against the insect spread. In Eden Prairie, the target of our invasive species eradication efforts was buckthorn, which spreads easily and can overwhelm other plant growth. Our efforts to control the plant have helped diversify our landscaped environment while also protecting adjacent areas from this invasive species.



American Family Insurance employees participate in the annual Passport to Diversity event.

EMPOWERING OUR PEOPLE

SECTION 06

DIVERSITY AND INCLUSION

At American Family Insurance, we're weaving inclusive excellence into our DNA. It's who we are, what we do and how we'll continue to deliver excellent results. Our leaders and employees are champions of diversity and inclusion. In 2018, we created Inclusive Excellence, a division with a formidable team that is leading the charge, laying the foundation for true, sustainable change. Our vision is to be the leader in inclusive excellence and the employer of choice for diverse talent. It's a big, bold vision, but one we're capable of achieving. We're already making great progress.

We believe a strong culture of inclusion helps us all do our best work and deliver superior products and services to our customers. Our efforts are intentionally focused on growth and retention in diversity among our employees, agency owners and leaders. We're committed to making considerable impact across six strategic focus areas: leadership, talent ecosystem, inclusive culture, business resource groups, strategic partnerships and enterprise collaboration. We have five strong and growing business resource groups (BRGs) providing opportunities for employees to network, get involved with our communities and impact our business as champions of diversity and inclusion. These BRGs focus on different communities of impact for our company: LGBTQA, women, veterans, different cultures and varying abilities.

We're committed to ensuring we have broad diversity, in all forms, across our enterprise through partnerships with organizations such as National Black MBA, Prospanica, Delta Sigma Theta, Hispanic Professionals of Greater Milwaukee, MKE Fellows and many others. We also partner with several colleges and universities, including Arizona State University, Georgia State University, University of Wisconsin-Madison and Marquette University.

We're establishing a larger presence in Milwaukee – a diverse, urban city in our home state of Wisconsin. This presence will allow us to affect positive change in the city while establishing deep talent pipelines.

All this work stems from the fact that at American Family, we believe diversity and inclusion is not only the right thing to do, but the necessary thing to do for our customers, communities, employees and our company.

Tyler Whipple engaging the crowd at Leader Rally 2018.

TYLER WHIPPLE

Diversity and Inclusion Director



Local Arizona entrepreneurs are celebrated during Hispanic Heritage Month.
(Left) Aleena Valdez, founder of Girls for Progress and Aleena's Lemon "Aid" Stand
(Middle) Ezequias Fuentes, owner of Ohana
(Right) Kaitlyn Martinez, founder of Backpacks 4 Kids AZ



123

AMFAM REGISTRANTS

44

HOMESITE REGISTRANTS

180

NON AMFAM/HOMESITE REGISTRANTS

ARIZONA BRG EVENT

American Family hosted a one-day event at the Phoenix Art Museum highlighting personal accounts from youth and adults who dream fearlessly and are working to ensure the next generation of leaders can do the same. Local entrepreneurs, entertainers and achievers in the Hispanic and Latino communities shared their stories about pursuing dreams and facing challenges.

OUR PLEDGE TO DIVERSITY AND INCLUSION

CEO Jack Salzwedel says, "I am so proud to join more than 450 other CEOs and company presidents who support more inclusive workplaces. Across our country, persistent inequities still exist. So does what seems like a growing lack of inclusive behavior. I see it every day.

We're already starting this work at American Family. We created the Diversity and Inclusion team – led by Tyler Whipple. And we're making progress."

We are:

- Leveraging our executive diversity council to build a diverse workforce and drive a culture of inclusion through our corporate values.
- Providing diversity and inclusion learning opportunities for leaders and employees, including unconscious bias training and inclusive leadership workshops with industry experts.
- Developing an online manager toolkit with resources and suggestions to incorporate topics in team activities.
- Conducting empathy interviews to inform our work in building mentoring programs.
- Building a social media platform with educational resources and conversation starters around these topics.
- Strengthening connections to our business resource groups to enhance their impact on cultural competency.
- Using leadership events to build awareness around the business case to further diversity and inclusion.



TUITION REIMBURSEMENT

Supporting career growth

American Family Insurance Chief People Officer Todd Fancher tells a story about having 10 roles in his 33-year career with the company. Through the years, he's not only experienced changes in industry practices and technology but also noted positive personal changes as he's learned new topics, expanded his capabilities and honed his leadership abilities. Todd is in line with current trends, which indicate many people will change jobs 12 times over the course of their careers. At American Family Insurance, we recognize the importance of continuous learning and skill development, and we support our employees in their educational efforts with tuition and loan assistance, and an employee scholarship program.

Student loan assistance program

For employees who have graduated with an associate's degree or above and have student loan debt, American Family provides a monthly contribution of \$100 for student loan repayment with a lifetime maximum of \$10,000. And our Advisor Program helps to lower loan payments, assists with refinancing and offers guidance on other financing options for a college education.

Employee scholarship program

Our employee scholarships are open to American Family Insurance employees in undergraduate, graduate or post-graduate programs, and offer a \$2,500 annual scholarship, renewable for an additional three years. Tuition, fees, books and supplies can be covered with scholarship funds.

“The tuition reimbursement benefit was one reason I joined American Family. I’ve completed my associate, bachelor’s and master’s degrees since I started with the company. I appreciate the company’s support and encouragement in achieving my educational goals.”

-Emily Boyd, Human Resources Shared Services Manager

Tuition reimbursement program

Tuition reimbursement is available to employees who have been with the company for one year. Employees are reimbursed for tuition, books and other education expenses, up to \$5,250 annually for full-time employees and \$2,625 for part-time employees who qualify. In addition, several colleges offer American Family employees a tuition discount.

HEALTH AND WELL-BEING

American Family believes an individual's well-being goes beyond just physical health, extended to financial well-being, community engagement, meaningful relationships, stress management and heightened mindfulness. Experiencing a high level of well-being positively affects not only employees, but also our customers. Our culture helps us stay motivated to bring our best, every day.

Employees can earn up to \$360 per year through a combination of annual/daily events, biometric screenings and health assessments, daily step and healthy habit tracking, etc. Our well-being Champions (370 member strong) meet on a quarterly basis and receive information about the program, new offerings and stats. The Champs then work within their departments/locations to share this information with employees, engage employees in the program and support the well-being program in general. In 2018, we added two major programs to the platform we created with our partner, Virgin Pulse.

Health coaching

Health coaches (registered dietitians/fitness professionals) work directly with employees to help them reduce stress, manage weight, decrease disease risk, sleep better, improve eating habits, etc. Working with a health coach helps employees understand their health risks, set goals, and achieve a higher level of well-being.

Mindfulness

With our partner, Whil's Mindfulness, our mission is to help people live healthier, happier and more engaged lives. Employees can access 1,250+ digital sessions about topics that interest them including mental well-being, performance, relationships, sleep, yoga, and flexibility. Whil is helping our employees develop repeatable skills to calm and focus the mind, relax the central nervous system, develop emotional intelligence and get the most out of life.

Employee benefits

American Family offers a comprehensive benefits package, including medical, dental, vision and flexible spending plans, as well as a competitive 401(k) and a pension plan. Employees enjoy flexible work schedules, generous time off and leave programs that promote a healthy work-life balance. Employees can use volunteer time to support their favorite nonprofit organizations. The company invests in employee education through student loan assistance, and other continuing education programs.



EMPLOYEE WELL-BEING PROGRAM

Partnering with Virgin Pulse, the program cultivates positive lifestyle habits for employees. Teamwork, competition, rewards and fun motivate employees to embrace healthy behaviors and maintain these habits over time. We offer employees opportunities to participate in many ways and encourage them to adopt sustainable, healthy behaviors.



INSTITUTE

SECTION 07

THE AMERICAN FAMILY INSTITUTE FOR CORPORATE AND SOCIAL IMPACT

Our business model at American Family Insurance has remained fairly consistent for more than 90 years: We put customers first.

We do that in different ways. Individual families, communities – even whole industries – could not effectively function without the protection and peace of mind our agency owners and enterprise provide.

But as a company, we also realize the enormity of the issues facing our country today and the role organizations like ours can and should take in resolving them.

That is why we launched the American Family Institute for Corporate and Social Impact in 2018. Housed in our Spark building in Madison, the Institute aims to tackle some of these issues important to our country and our customers.

At its core, the Institute is unapologetically aspirational.

It invests in visionary entrepreneurs with products or services that create either economic opportunity for all, resilient communities, healthy youth development or learning and academic achievement. The Institute is working with those individuals on their sustainable and scalable businesses to help close equity gaps in America now and in the future.

For example, an education partnership with the Madison public schools is exploring innovative solutions to challenges facing the district. Plus, we've been working on community resilience in Seattle with city emergency management officials and One Concern, a Palo Alto, California-based benevolent artificial intelligence company with a mission to save lives before, during, and after natural disasters.

The Institute is the next step in doing what's right for our communities. We want to create a sustainable organization that positively contributes to society. We believe the Institute will provide the creativity, innovation and energy we need to strengthen our position as a corporate and community leader.

More investments and partnerships across the country are coming in 2019.

DIRECTOR TEAM

Dr. Joy Ippolito, Nyra Jordan, Shayna Hetzel and John McIntyre, Social Impact Investment Directors for the Institute



AGENCY OWNERS

SECTION 08

David Webster Scher Agency, Inc. – a third generation family agency, now located at Spark and owned by David (right), has been protecting dreams for over 85 years. David's grandfather (left) founded the home office agency 'Wittwer, Kalbskopf and Webster' in 1933. David's dad, Chuck Webster (middle), was an agency owner from 1954 to 1998.



American Family agency owner David Scher enjoys his new storefront at Spark. American Family agency owners may lead with different business practices, yet all share a passion for giving back by championing causes they care about.

COMMUNITY



RICKY GILLEY

Atlanta, GA
Cycling for a cause

Ricky founded Cycling for a Cause in 2017, an event to raise money for prostate cancer awareness. The event took off in 2018, adding a 5K walk/run. Multiple sponsors and volunteer organizations, including Black Men of Atlanta – one of the city’s strongest African-American volunteer organizations –participate. Biometric screening vendors are available on site with all proceeds going to Community Health and Men’s Promotion Summit – CHAMPS.



TIM DAVIS

Manchester, MO
Collecting for his community

A big part of Tim’s contribution to his community is to hold collection drives for local organizations in need. In the past few years alone he has hosted drives for school supplies, Toys for Tots, and clothing and personal items for a local women’s shelter. He hosts gatherings to raise money for causes like the Franklin County Humane Society and for Casa, an advocate organization for children in foster care.



BOBBY BEAN

Carson City, NV
Everyone loves a parade

For the past 11 years, Bobby has served on the parade committee of the Nevada Day Parade, a Carson City hometown tradition which draws thousands along its route. In 2018, the parade was packed with spectators and participants with floats honoring Nevada’s businesses, government agencies, elected officials and local celebrities.

ENVIRONMENT



CHRIS LUETH

Pewaukee, WI

Renewable energy trendsetter

Inspired by the solar project at American Family's National Headquarters, Chris added 38 solar panels to his office roof, hoping to start a trend with local schools and businesses. Chris partnered with a local firm to handle all aspects of his solar installation, and he's now talking with several small businesses about doing something similar.



DANIELLE COOLEY

Pocatello, ID

Community clean-up

Organizing a neighborhood cleanup is a great opportunity to get to know your neighbors while beautifying the community. Danielle did just that, catching the attention of her customers and friends on social media channels.



COLLEEN FRENTZEL

Janesville, WI

Staunch recycling advocate

Colleen and #TeamColleen — her agency's nickname — organize or support at least two community fundraisers a month. Her team works with local restaurants to fund raise for charities and they support local artists with an agency gallery. They've hosted matching gift events for small non-profits like a local raptor rehabilitation center, and are staunch advocates of recycling in their office and at events.

PEOPLE



KRISTI FRANK

Tucson, AZ

Passionate about people

Community involvement is very important to Kristi and a significant part of her life. She believes in all rights for every human being, and shows up as a mentor as often as she can for those in need. Kristi speaks at leadership conferences each year, working with women one-on-one. And she volunteers beyond business, assisting at Wingspan, an organization that houses young people forced to leave their homes for being gay.



JARED GIBS AND TY SCHRAUFNAGEL

San Tan Valley, AZ

A dynamic duo

Jared and Ty brought two agencies together to lead a One Saturday event, packaging meals for Feed my Starving Children. The two brought together their staff, as well as customers, friends, family and volunteers to pack 60,696 meals for starving children in Honduras. The meals will feed 166 children for a year.



NICOLE FELTZ

Overland Park, KS

Paying it forward

For 13 years, Nicole and her husband, with the support of family and friends, have hosted Midwinter Blues, a fundraiser for foster children in Kansas City. Money raised goes to KVC Health Systems, a nonprofit that provides a variety of services for children and families, including foster care placement and support. Nicole's childhood experiences motivate her to help those in the foster system today.



APPENDIX

SECTION 09

ENVIRONMENT								
Topic	Indicator	Measure	2014	2015	2016	2017	2018	% Δ 2017 - 2018
GHG Emissions	Total GHG Emissions ¹	mtco2e	45,492	46,288	45,196	43,980	44,689	2%
	Scope 1 (Fleet Emissions)	mtco2e	10,935	10,298	9,040	8,891	10,340	16%
	Scope 2 (Facility Energy Use)	mtco2e	34,557	32,582	32,157	31,446	30,267	-4%
	Scope 3 (Corporate Travel)	mtco2e	-	3,408	3,999	3,643	4,082	12%
Energy	Energy Use Intensity (EUI) ²	kBTU/SqFt/yr	99.96	90.12	87.47	84.69	80.64	-5%
	Renewable Energy Production ³	kWh	45,544	45,792	46,647	282,169	1,459,025*	417%
	% LEED Facilities	LEED facility s.f./ portfolio s.f.	0	0	0	6.91	6.91**	0%
	Facility Utility Cost	USD	5,011,627	4,594,275	4,456,991	4,430,270	4,333,530	-2%
	Facility GHG Emissions	mtco2e	34,557	32,582	32,157	31,446	30,267***	-4%
Waste	Total Waste Generated	US tons	1,078.92	1,171.81	1,166.38	1,203.93	1258.43	5%
	Waste Diversion Rate ⁴	total recycled waste/ total waste generated	77.64	79.35	76.31	77.40	75.74	-2%
	Total Waste to Landfill	US tons	241.20	242.00	276.30	272.10	305.30	12%
	Total Waste Recycled	US tons	837.72	929.80	890.08	931.83	953.13	2%
	Total Paper Reduction	pounds	-	-	72,758	71,117		0%
Corporate Fleet	Fleet Inventory	# of vehicles	1101	970	960	953	943	-1%
	Miles Driven	miles	23,709,523	22,854,797	20,173,911	17,581,182	21,078,026	20%
	Fuel Spend	USD	4,100,000	3,100,000	2,400,000	2,700,000	2,841,860	5%
	Fleet GHG Emissions	mtco2e	10,935	10,298	9,040	8,891	10,340	16%
Corporate Travel	Air Travel Segments	# of segments	-	29,692	34,298	30,674	31,111	1%
	Air Miles	# of miles	-	18,806,923	21,968,638	20,054,292	20,451,859	2%
	Air Travel GHG Emissions	mtco2e	-	3,408	3,999	3,643	4,082	12%
Water	Water Consumption	gallons	45,535,441	43,582,770	41,529,299	41,573,223	41,533,940****	1%
Land Management	Total Native Land Restored	acres	-	-	-	12.50	12.50	0%
	National headquarters	acres				5	5	0%
	Parkway Prairie	acres				7	7	0%
	National headquarters	acres						
	Oak Savanna	acres				0.50	0.50	0%
	National headquarters							
	Butterfly Gardens							

Notes:
*First full year of solar production at National headquarters facility.
**Addition of Spark and CityView facilities did not impact % LEED Facilities as they were owned in 2017, but not occupied or operational in 2018.
***Calculation methodology for converting kWh to mtco2e was updated and two facilities, Spark and CityView, became operational in 2018. Updated calculation methodology was retroactively applied to previous year's data.
****Calculation methodology for converting CCM to Gallons was updated and two facilities, Spark & City View, became operational in 2018. Updated Methodology was retroactively applied to previous year's data.
1. Greenhouse Gas (GHG) Emissions: Measured as total annual metric tons of carbon dioxide equivalents (mtco2e) from Scope 1 (fleet emissions), Scope 2 (facility energy usage) and Scope 3 (corporate air travel emissions). Facility energy usage includes all owned facilities. Corporate air travel includes all air miles traveled with the exception of the corporate owned jet.
2. Energy Use Intensity (EUI): Measured as Total Facility Energy/Facility Square Footage/Year. Calculated as baseline reductions in energy consumption with 2007 as baseline year. Adjusted for real estate purchased and sold. Year 2021 Target = 35% reduction.
3. Energy Production: Measured as total annual on-site renewable energy produced in kilowatt hours (kWh). Currently all renewable energy provided by solar production.
4. Waste Diversion Rate: Measured as total annual waste recycled (recycling and composting) / total annual waste generated at National headquarters and Madison area facilities, including National Headquarters, East Regional Building, Cottage Court, Mayfair, Applied Learning Center, Records Retention and Commercial Print. In 2018 two facilities were also added, including Spark and CityView.
5. Water Consumption: Measured as total annual water consumed (gallons) from all owned facilities.

COMMUNITY								
Topic	Indicator	Measure	2014	2015	2016	2017	2018	% Δ 2017 - 2018
Philanthropic Giving	Total American Family Community Investment ¹	USD	-	-	-	11,742,242	12,874,357	10%
American Family Dreams Foundation	Total American Family Dreams Foundation Contributions ²	USD	-	-	-	6,328,537	6,728,762	6%
	Grant Contributions	USD	-	-	-	3,884,448	1,717,500	-56%
	Matching Gift Contributions	USD	-	-	-	1,879,089	4,328,762	130%
	Scholarship Contributions	USD	-	-	-	415,000	647,500	56%
	Disaster Recovery	USD	-	-	-	150,000	35,000	-77%
	Grants Awarded	# of grants	-	-	-	178	156	-12%
	Scholarships Awarded	# of students supported	-	-	-	166	259	56%
	Scholarship University Attendance	# of universities with scholarship recipient attendees	-	-	-	52	115	121%
Steve Stricker American Family Insurance Foundation	Total Stricker Foundation Contributions ³	USD	-	-	1,089,500	1,625,000	2,067,000	27%
	Stricker Foundation Economic Impact	USD	-	-	12,000,000	14,000,000	15,000,000	7%
	Stricker Foundation Volunteering	# of volunteers	-	-	1,200	930	1,200	29%
	Charitable Recipients	# of recipients			34	68	83	22%
	Number of Event Attendees	# of attendees			56,000	65,000	65,000	0%
	Sponsorship	# of sponsors			135	185	180	-3%
University of Wisconsin-Madison Partnership	Total UW-Madison Partnership Contributions ⁴	USD	-	2,954,550	3,336,050	3,788,705	4,078,595	8%
American Family One Saturday	One Saturday Events	# of events	-	-	-	25	54	116%
	One Saturday Volunteering	# of volunteers	-	-	-	1,000	4,000	300%
United Way	Employee Volunteer Hours ⁵	# of hours	-	-	-	8,713	10,272	18%
	Employee Volunteers	# of volunteers	-	-	-	1,417	1,880	33%

Notes:
1. Philanthropic Giving: Measured as total annual community contributions, including gifts made by the American Family Insurance Dreams Foundation, UW Partnership, and Steve Stricker American Family Insurance Foundation. Gifts from the American Family Insurance Dreams Foundation include grants, scholarships, employee/agency owner matching gifts and disaster relief.
2. American Family Insurance Dreams Foundation: Measured as total annual community contributions, including gifts made through grants, scholarships, employee/agency owner matching gifts and disaster relief. Please note, all Colorado, Idaho and Utah organizations were paid by AFMIC.
3. Steve Stricker American Family Dreams Foundation: Measured as total annual community contributions, including gifts made to various charities on a year by year basis.
4. UW Partnership: Measured as total annual contributions to UW-Madison. Annual giving for each giving area fluctuate year by year, but the total is what American Family Insurance is committed to spend annually.
5. Volunteerism: Measured as total annual employee volunteer hours. This measure is self-reported and includes American Family Insurance employees only.

PEOPLE								
Topic	Indicator	Measure	2014	2015	2016	2017	2018	% Δ 2017 - 2018
Employees	Number of Employees	# of employees	7,569	7,828	8,234	8,890	8,489	-5%
Well-being Program	Total Employee Well-Being Contributions ¹	USD	-	839,050	1,400,415	1,209,934	1,222,753	1%
	Average Employee Incentive Earned	USD	-	-	-	195	221	13%
	% Employees Engaged with Program	% of employees	-	-	65	53	57	8%
	% Employees Attaining Incentive Level 2 out of 4	% of employees	-	-	46	41	41	0%
	Population Health Risk Score	Health Risk Assessment Score	-	-	67.23	67.24	417.00*	N/A
			-	-				
Satisfaction	Employee Retention ²	% of employees retained	91.30	91.30	90.00	91.20	90.00	-1%
	Satisfaction and Engagement Survey	Survey score	4.18	4.24	4.23	-		N/A
	Pulse Survey	Engagement Index (% out of 100)	-	-	-	-	81.50**	N/A
Talent Development	Leadership and Professional Development Training Expenditures ³	USD	-	-	-	4,840,666	4,433,551	-8%
	Leadership and Professional Development Trainings Offered ⁴	# of distinct courses	-	-	-	333	387	16%
	Total Employee Tuition Support Paid ⁵	USD	-	-	-	834,761	887,407	6%
	Tuition Reimbursement Paid	USD	-	-	-	834,761	698,403	-16%
	Employee Scholarships	USD	-	-	-	-	111,904	N/A
	Employee Student Loan Repayments	USD	-	-	-	-	77,100	N/A
	Employees Participating in Tuition Reimbursement Program	# of employees	-	-	-	177	366	107%

Notes:
*Health Risk Assessment adjusted in 2018 to include Lifestyle Scoring and Heart Age Scoring – comparing activity, nutrition, mind, smoking, and overall cardiovascular health (age, weight, cholesterol, blood pressure, smoking, diabetes, and family history).
**Employee Pulse Survey first implemented in August 2018. The Pulse Survey consists of three outcome questions to assess organizational commitment, discretionary effort and organizational advocacy – key indicators of engagement, as well as, additional questions that measure various drivers of engagement, such as ethical environment and diversity and inclusion.
1. Well-being Commitment: Measured as total annual well-being program expenditures, including corporate well-being incentives and administrative costs.
2. Employee Satisfaction: Measured as annual percent employee retention rate.
3. Talent Development: Measured as total annual talent development expenditures to support professional and leadership development training for employees. Expenditures reflective of talent development salaries, travel, course materials, catering for courses and tuition reimbursement.
4. Trainings Offered: Measured as number of distinct leadership and professional development courses offered to empower employees in 2018. Courses coded as mandatory are not reflected in this measure.
5. Tuition Support Paid: Measured as a total annual dollars invested in employees for educational purposes. In 2018, this measure included employee student loan repayments, employee scholarships and employee tuition reimbursement.

- ENDNOTES
- Greenhouse Gas (GHG) Emissions: Measured as total annual metric tons of carbon dioxide equivalents (mtco2e) from Scope 1 (fleet emissions), Scope 2 (facility energy usage) and Scope 3 (corporate air travel emissions). Facility energy usage includes all owned facilities. Corporate air travel includes all air miles traveled with the exception of the corporate owned jet.
 - Energy Use Intensity (EUI): Measured as Total Facility Energy/Facility Square Footage/Year. Calculated as baseline reductions in energy consumption with 2007 as baseline year. Adjusted for real estate purchased and sold. Year 2021 Target = 35% reduction.
 - Energy Production: Measured as total annual on-site renewable energy produced in kilowatt hours (kWh). Currently all renewable energy provided by solar production.
 - Waste Diversion Rate: Measured as total annual waste recycled (recycling and composting) / total annual waste generated at National headquarters and Madison area facilities, including National Headquarters, East Regional Building, Cottage Court, Mayfair, Applied Learning Center, Records Retention and Commercial Print. In 2018 two facilities were also added, including Spark and CityView.
 - Water Consumption: Measured as total annual water consumed (gallons) from all owned facilities.
 - Philanthropic Giving: Measured as total annual community contributions, including gifts made by the American Family Insurance Dreams Foundation, UW Partnership, and Steve Stricker American Family Insurance Foundation. Gifts from the American Family Insurance Dreams Foundation include grants, scholarships, employee/agency owner matching gifts and disaster relief.
 - American Family Insurance Dreams Foundation: Measured as total annual community contributions, including gifts made through grants, scholarships, employee/agency owner matching gifts and disaster relief. Please note, all Colorado, Idaho and Utah organizations were paid by AFMIC.
 - Steve Stricker American Family Dreams Foundation: Measured as total annual community contributions, including gifts made to various charities on a year by year basis.
 - UW Partnership: Measured as total annual contributions to UW-Madison. Annual giving for each giving area fluctuate year by year, but the total is what American Family Insurance is committed to spend annually.
 - Volunteerism: Measured as total annual employee volunteer hours. This measure is self-reported and includes American Family Insurance employees only.
 - Well-being Commitment: Measured as total annual well-being program expenditures, including corporate well-being incentives and administrative costs.
 - Employee Satisfaction: Measured as annual percent employee retention rate.
 - Talent Development: Measured as total annual talent development expenditures to support professional and leadership development training for employees. Expenditures reflective of talent development salaries, travel, course materials, catering for courses and tuition reimbursement.
 - Trainings Offered: Measured as number of distinct leadership and professional development courses offered to empower employees in 2018. Courses coded as mandatory are not reflected in this measure.
 - Tuition Support Paid: Measured as a total annual dollars invested in employees for educational purposes. In 2018, this measure included employee student loan repayments, employee scholarships and employee tuition reimbursement.

ABOUT THIS REPORT

Ours to Sustain, The American Family 2018 Corporate Responsibility Report, was prepared in 2019. Data utilized in this report represents information collected between the dates of Jan. 1, 2018 and Dec. 31, 2018. This is the second comprehensive Corporate Responsibility Report for American Family Insurance and continues to serve as a means by which annual performance and progress can be evaluated. While this report referenced the Global Reporting Initiative (GRI) Standards for Sustainability Reporting, it is not intended to meet all requirements necessary to be in accordance with GRI Standards.

CITATIONS

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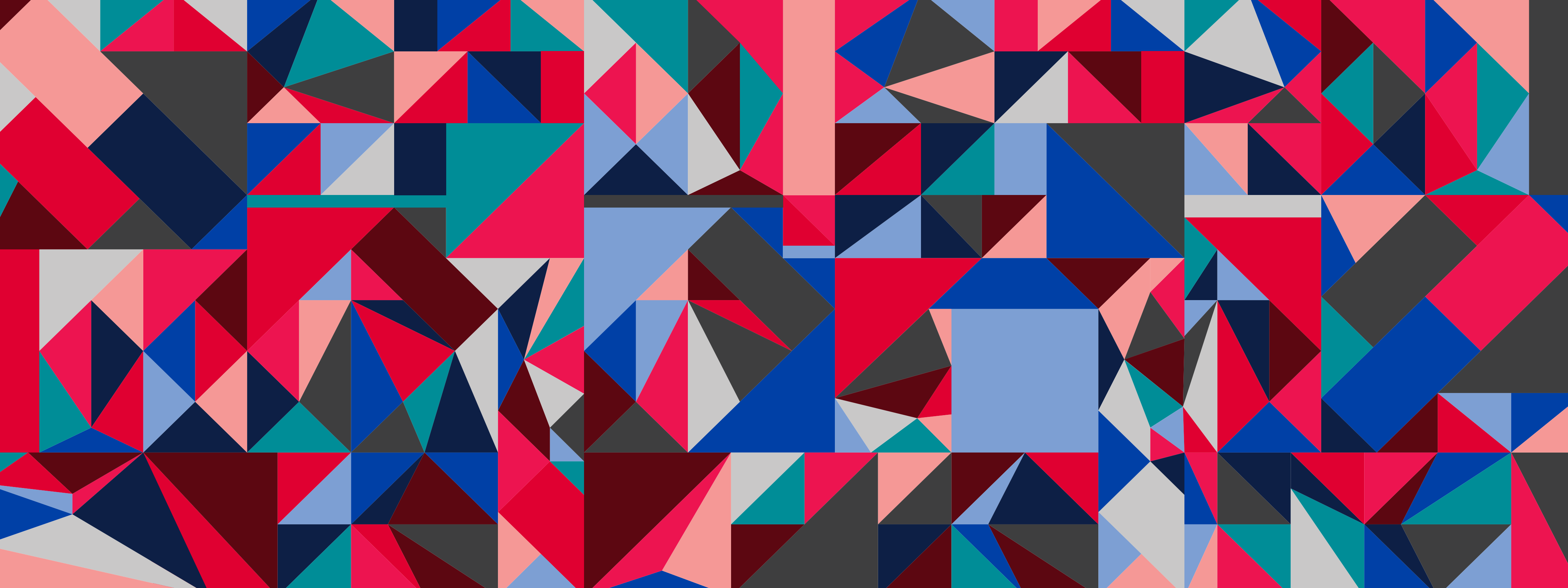
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